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Investing in rural people

President's report on a proposed grant under
the regional/private-sector grant window to
the MicroInsurance Centre for Managing Risks
for Rural Development: Promoting
Microinsurance Innovations

Note to Executive Board representatives

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For: Approval

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant as contained in paragraph 16.

President's report on a proposed grant under the regional/private-sector grant window to the Microinsurance Centre for Managing Risks for Rural Development: Promoting Microinsurance Innovations

I. Background and compliance with IFAD Policy for Grant Financing

1. Most risk management or coping mechanisms deal with the consequences of crises – providing emergency relief, debt forgiveness or financial bailouts. While these are critical for saving lives, they do not help rural people and smallholders manage their risks upfront. These risks include illness, death, property damage and widespread climate-related production failure. Without tools to address risks, rural and agricultural development are impeded. Low-income people improve their incomes through financial services, but fall back into poverty if they do not have sufficient risk management strategies in place. Insurance can help to mitigate risks and improve sustainable access to finance and markets by allowing poor rural households to better manage income flows and repayment, maintain good health and food security, become more productive, bounce back faster from adversity, and ultimately move out of poverty. Insurance also means that financial service providers view poor rural people and micro, small and medium-sized enterprises as less risky clients. Access to good value insurance is an integral part of achieving the Sustainable Development Goals and rural financial inclusion.
2. The programme will take a holistic approach to microinsurance whereby risk is first properly assessed. Where there is a role for microinsurance, it will complement and be embedded in other risk management or development approaches. When designed well, microinsurance not only protects livelihoods but also contributes to improving them. The unique offering of microinsurance is that it transfers unpredictable risks away from individuals, households, financial service providers, micro, small and medium-sized enterprises and governments.
3. Insurance for low-income populations has grown exponentially in recent years, showing clear demand and the presence and willingness of the private sector in developing countries to overcome past constraints. In Africa, over 60 million people are covered by microinsurance and the market grew by 30 per cent between 2011 and 2014. In the Asia-Pacific region, over 170 million individuals are covered, with that market growing more than 30 per cent annually. Central and Eastern Europe, and Central Asia are also attracting increasing levels of private investment in insurance. Globally, the Paris Agreement adopted at the Paris Climate Change Conference (COP21), the G20 Global Partnership for Financial Inclusion, and the G7 – which IFAD has shown commitment to – all include insurance as part of their strategies. As microinsurance is an emerging sector, there are opportunities for new or improved interventions, which this grant funding will support.
4. The programme will build upon the experiences of IFAD, the MicroInsurance Centre and other partners working with public and private actors to develop sustainable microinsurance offerings. To make insurance markets work, there is a need to address constraints and opportunities at the: (i) product level (for example, if there is no life insurance but assessments show that it is a priority,

- or if there is agricultural insurance, but claims handling is slow or data is poor); (ii) scheme level (for example, bundling products with complementary services and efficient delivery channels such as microfinance institutions or other value chain actors); and (iii) macro level (governments have a major role in creating enabling environments through regulation, complementary policies, and "smart subsidy" support including financial education and data access).
5. Responding to demand from regional divisions and national governments, the programme will focus on three countries in different regions: Ethiopia in East and Southern Africa; Georgia in the Near East, North Africa and Europe; and China in Asia and the Pacific. The types of insurance products available, delivery channels, government policies and market penetration of microinsurance product types in each region and country are diverse. The grant will provide an opportunity to learn and share lessons among IFAD's portfolio. This is especially important since the 2015 Annual Report on Results and Impact of IFAD Operations identified external shocks as among the biggest threats to the sustainability of IFAD programmes.
 6. The proposed programme is in line with the goal and objectives of IFAD's 2015 Policy for Grant Financing. The programme will promote innovations in microinsurance products, scheme design and processes. It will seek to raise awareness, facilitate advocacy and promote policy dialogue, supported by an assessment of microinsurance markets and the development of road maps for discussion (in partnership with the Access to Insurance Initiative). The capacity of partner institutions and other partners with a role in development and delivery of microinsurance will be strengthened through component 2. Knowledge management is the focus of component 3, and the programme will generate and share lessons learned with participating countries, IFAD and other donors.

II. The proposed programme

7. The overall goal of the programme is to increase resilience, strengthen capacity to manage risks and improve the livelihoods of poor rural households who depend on off-farm and on-farm income. The objectives are to: (i) increase use of simple, understood, accessible, valuable, and efficient (SUAVE) insurance by poor rural people either directly or indirectly by insuring the activities of microfinance institutions and other value chain players; and (ii) improve poor rural people's access to a suite of valuable financial tools and rural development opportunities.
8. This programme ultimately targets poor rural women, men, youth, smallholder families and rural entrepreneurs who are exposed to risks, including those related to health or climate, and who can benefit from new or improved SUAVE insurance. The target populations are expected to benefit regardless of whether they purchase the products individually or through an organization as part of its risk management strategy. To improve access and use of suitable insurance schemes, the programme will work through direct target groups already linked with IFAD-supported programmes. These groups will include: (i) aggregating organizations and delivery channels such as farmers' organizations, microfinance institutions, savings and credit cooperatives, post offices, mobile network operators and value chain actors; (ii) insurers and reinsurers; (iii) policymakers and regulators; and (iv) IFAD and other donors and decision makers.
9. The programme will be implemented over 48 months and will have the following components:
 - (a) Component 1: Country mapping and diagnostics. This component will include an assessment of supply, demand, regulatory environments, distribution channels and IFAD programming to understand the opportunities and constraints at the demand, supply and macro levels. It will result in country-level road maps to support policy dialogue and innovation strategies for component 2.

- (b) Component 2: Innovations to increase access to insurance. Together with private and public players, support will be given to design, pilot and revise products and schemes. Activities will include capacity-building, ongoing monitoring, product roll out and scaling up.
- (c) Component 3: Knowledge management and capacity-building. There will be a strong emphasis on generating, analysing and sharing lessons within and between regions on successes and challenges encountered. This component will also yield practical information and advice on understanding the market and the design and implementation of IFAD-financed programmes. Knowledge will be targeted to IFAD and other donors, policymakers and insurance-sector stakeholders.

III. Expected outcomes/outputs

10. The programme is expected to have the following outcomes/outputs:
 - (a) Outcome 1: Access to SUAVE demand-based risk management tools in rural areas is enhanced.
 - Output 1.1. Market assessments conducted.
 - Output 1.2. New/improved microinsurance products piloted.
 - Output 1.3. Business plans developed for roll out and scaling up of new/improved SUAVE products.
 - Output 1.4. Other innovative approaches (services offered, design, marketing, education, and processes) developed to address the challenges commonly encountered in insurance markets such as low uptake, renewal rate issues and low client value.
 - (b) Outcome 2: The policy and/or investment environment for microinsurance is more conducive.
 - Output 2.1. Country road maps developed that include policy recommendations.
 - Output 2.2. Multi-stakeholder policy dialogue workshops conducted.
 - Output 2.3. Workshops conducted with a variety of stakeholders including value chain actors and service providers.
 - Output 2.4. Local, sustainable implementation partnerships (public and private) brokered and supported.
 - (c) Outcome 3: Knowledge on microinsurance is increased.
 - Output 3.1. Toolkits and corresponding curriculum created for microinsurance innovations for country programme managers, programme coordination units and design teams to replicate and incorporate microinsurance into other programmes.
 - Output 3.2. Practical, action-oriented knowledge products/tools (e.g. infographics).
 - Output 3.3. Series of client videos from the field produced and shared.
 - Output 3.4. Sharing events such as expert forums, discussion groups and virtual exchange visits.
 - Output 3.5. Knowledge-sharing and capacity-building events held for IFAD country staff located outside the focus countries.
 - Output 3.6. Technical support to other countries in which IFAD operates to replicate experience and lessons.

IV. Implementation arrangements

11. The grant recipient, the MicroInsurance Centre, will coordinate and lead the overall strategy and implementation. Programme partners and service providers will share additional expertise in critical areas and/or promote the programme's public-good dimension. The MicroInsurance Centre was selected through a competitive process (see appendix III). In addition to submitting a high-quality proposal, the MicroInsurance Centre had more experience with microinsurance in developing countries than other applicants. The MicroInsurance Centre has: demonstrated experience with different types of microinsurance products (e.g. health, agriculture and life); worked with public and private partners in all three targeted regions; and experience in managing a variety of microinsurance programmes and projects for large donors including the German Agency for International Cooperation, the Japan International Cooperation Agency, the International Labour Organization (ILO), the Bill & Melinda Gates Foundation, the United Nations Capital Development Fund, KfW Development Bank, the Organisation for Economic Co-operation and Development and the World Bank.
12. Private and public local implementation partners (insurers, distribution channels, policymakers, regulators and researchers) will be identified in component 1 and relationships with them will be established in components 1 and 2. The programme will work hand-in-hand with these local implementation partners and build their capacity to ensure sustainability.
13. Non-profit organizations have already been engaged as partners to leverage their public-good mandates and complementary expertise. They include the: Access to Insurance Initiative, working globally on regulation and supervision; Women's World Banking, with expertise in health insurance for women linked to microfinance institutions; the ILO Impact Insurance Facility, with a knowledge management mandate related to inclusive insurance; the United Nations World Food Programme, which provides agricultural insurance knowledge and linkages; and the International Food Policy Research Institute, which has monitoring and evaluation expertise. Other partners include Cambodia-based 17 Triggers, which conducts "lean trials" for rapid pilot testing in collaboration with insurers and delivery channels, and EA Consultants (for assessment and research).
14. Details on financial governance including procurement, disbursements, financial reporting and audits are provided in appendix II.

V. Indicative programme costs and financing

15. The total programme cost is US\$2,255,000, of which US\$1,800,000 will be financed by a grant from IFAD. The MicroInsurance Centre will provide US\$455,000 (25 per cent) cofinancing of the grant amount, equivalent to 20 per cent of the overall programme amount (US\$ 72,200 in cash and US\$382,800 in-kind). Efforts will be made to mobilize additional cofinancing from organizations with complementary programmes or matching strategic objectives. Several donors that have been approached regarding innovative programmes for rural households have shown significant interest. Once programme implementation begins, agreements can be reached with other donors.

Table 1
Costs by component and financier
 (Thousands of United States dollars)

<i>Components</i>	<i>IFAD</i>	<i>Cofinancing</i>	<i>Total</i>
Component 1: Mapping and diagnostics	523	-	523
Component 2: Microinsurance innovations	997	42	1 039
Component 3: Knowledge management and capacity-building	147	379	526
Overhead	133	34	167
Total	1 800	455	2 255

Table 2
Costs by expenditure category and financier
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD</i>	<i>Cofinancing</i>	<i>Total</i>
1. Salaries and allowances	227	90	317
2. Consultancies	554	123	677
3. Travel and allowances	250	31	281
4. Goods, services and inputs	113	-	113
5. Workshops	227	47	274
6. Training	296	130	426
7. Overhead	133	34	167
Total	1 800	455	2 255

VI. Recommendation

16. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, Managing Risks for Rural Development: Promoting Microinsurance Innovations, shall provide a grant in the amount of one million eight hundred thousand United States dollars (US\$1,800,000) to the MicroInsurance Centre for a 48-month period and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
 President

Results-based logical framework

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Goal	Increase resilience, capacity to manage risks and improve livelihoods of poor rural households depending on off-farm and/or on-farm income generating activities in selected countries	<i>Note: the indicators in this column are to be refined and targets developed as part of component 1, the diagnostic phase</i>	Impact study (out of scope)	
Objectives	<p>A. Increase use of SUAVE risk management options by poor rural people (either direct, or indirect by insuring activities of MFIs, or value chain players)</p> <p>B. Improve access of poor rural people to a suite of valuable financial tools and rural development opportunities such as organized value chains</p>	<ul style="list-style-type: none"> At least 500,000 rural women, men, youth, smallholder families and rural entrepreneurs covered by one or more insurance products Increase in the % of target HHs indicating they understand and know how to access risk management tools 	<ul style="list-style-type: none"> M&E system Participatory “farmer diaries” Case studies Records / data from participating institutions 	<ul style="list-style-type: none"> If SUAVE products are offered, target clients will purchase them

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Outcomes & Indicative Outputs	<p>Outcome A: Access to (SUAVE) demand-based risk management tools in rural areas is enhanced.</p> <p>Outputs: A1. 3 market assessments conducted A2. At least 3-5 new / improved microinsurance products piloted A3. At least 3-5 Business plans developed for roll-out and scaling up of new / improved SUAVE products A4. At least 3 other innovative approaches (services offered, design, marketing) developed to address the challenges commonly encountered in microinsurance markets</p>	<p>Outcome indicator: At least 3-5 new or improved SUAVE products rolled out across the 3 implementation countries</p> <p>Output indicators:</p> <ul style="list-style-type: none"> • 1 assessment report in each of 3 regions provided to IFAD CPM (3 total) • 3-5 new or improved product pilot reports approved • At least 1-2 business plans from partners in each of 3 implementation countries 	<ul style="list-style-type: none"> • Programme reports • Client Math study / PACE analyses / SUAVE checklists (to assess "SUAVE-ness") • FGDs / follow-up interviews with implementation partners • Records / data from participating institutions 	<ul style="list-style-type: none"> • Favorable regulatory environment exists or can be created
	<p>Outcome B: The policy and/or investment environment for micro-insurance is more conducive</p> <p>Outputs: B1. 3 country Road Maps developed that include policy recommendations B2. Multi-stakeholder policy dialogue workshops conducted B3. Trainings conducted with a variety of stakeholders including value chain actors and service providers B4. Local, sustainable implementation partnerships (public and private) brokered and supported</p>	<p>Outcome indicator: 3 service providers / value chain actors explicitly incorporating risk management innovations into their operations in each of 3 implementation countries</p> <p>Output indicators:</p> <ul style="list-style-type: none"> • One Country Road Maps in each of the 3 regions adopted by IFAD CPM (3 total) • 75 staff of 20 service / value chain institutions trained in risk management • 3 Country-level multi-stakeholder working groups 	<ul style="list-style-type: none"> • Programme reports • Case studies 	<ul style="list-style-type: none"> • Committed, capable implementation partners (insurers, intermediaries, value chain players) can be identified

Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
	<p>established across the three regions</p> <ul style="list-style-type: none"> • 12 MOUs signed with private sector partners (at least 1 insurer, 2 distribution channels, and 1 supporting institutions in each of the 3 implementation countries) 		
<p>Outcome C: <i>Knowledge on microinsurance is increased</i></p> <p>Outputs:</p> <p>C1. Four toolkits and corresponding curriculum created for microinsurance innovations</p> <p>C2. Variety of practical, action-oriented knowledge products / tools produced (e.g. blogs, infographics)</p> <p>C3. 5 client “videos from the field” produced and shared</p> <p>C4. Sharing events such as expert forums, discussion groups, virtual exchange visits, and presentations / events</p> <p>C5. Knowledge sharing and capacity building events held for IFAD country staff that are not one of the 3 selected countries</p> <p>C6. Technical support to other IFAD countries to replicate experience and lessons</p>	<p>Outcome indicator: 3 non-programme IFAD countries incorporating microinsurance activities into their programming</p> <p>Output indicators:</p> <ul style="list-style-type: none"> • 50 stakeholders putting knowledge to use • 80% positive feedback / response from stakeholders viewing / attending knowledge events and products • 1200 stakeholders exposed to / viewing knowledge outputs • 125 stakeholders attending knowledge events • Assistance provided to 3 additional countries 	<ul style="list-style-type: none"> • Programme reports • Web / media tracking • Follow up surveys • IFAD reports 	

	Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Indicative Key Activities	<ul style="list-style-type: none"> • Conduct 3 market assessments (demand, supply, regulatory) • Conduct 3 Multi-stakeholder collaborative workshops • Develop 3 Country MI Road Maps, including policy points and innovative implementation plans • Establish local implementation partnerships (public and private) • Conduct training for IFAD, private, and public stakeholders • Design new / improved microinsurance products • Pilot testing of multiple versions of products (lean trials) • Develop business plans and roll out 3-5 products • Conduct continuous monitoring and assessment to generate lessons • Develop of knowledge materials, including toolkits, videos, training curriculum and forums • Disseminate knowledge materials 		<ul style="list-style-type: none"> • Programme reports 	<ul style="list-style-type: none"> • Political stability • Private and public sector actors participate

Financial Governance

Given the selection of a for-profit private sector entity, the MicroInsurance Centre LLC, as the recipient, the strictest financial management and governance frameworks are being set in place. These will ensure that IFAD resources are being used most efficiently to achieve the objectives of the programme. This appendix covers some details on: a) Procurement procedures for good, services and human resources; b) Financial management systems, including accounting specifications; and c) Audit arrangements.

a. Procurement procedures for goods, services and human resources

All procurement by the MicroInsurance Centre, LLC will be undertaken on the basis of the IFAD Procurement Guidelines. While specific thresholds for procurement financed under the programme by IFAD will be stipulated in subsequent documents and related procurement plans, the general recommendation is the following:

The total amount of goods and services estimated for the programme is USD 113,000, i.e. below the USD 200,000 threshold.

Purchases of goods and services which cost between USD5,000 and USD25,000 will require written estimates. Price estimates will be sought from at least three vendors, and if no such estimates are available, a statement explaining the procurement will be prepared and filed. All research, cost comparison and pricing information is stored in MIC servers, off-site backups, and physical folders.

Bidding will be employed when detailed specifications for services to be procured can be prepared and the primary basis for award is cost. When the cost of a contract, lease or other agreement for materials, supplies, equipment or contractual services exceeds USD25,000, an Invitation for Bids notice will generally be prepared. MIC may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice.

The results achieved through partner activities will subject to clear performance standards. Payment schedules will be based on deliverables and performance indicators. This will be reflected in the final contract.

Direct or single source contracting, if any, shall be treated as an exception and in accordance with IFAD Procurement Guidelines, and shall always receive previous IFAD non-objection.

b. Financial management systems, including accounting specifications

The programme financial management arrangements and internal control systems will comply with IFAD's minimum requirements to provide accurate and timely information on the progress of programme implementation and guarantee the separation of functions through several levels of independent controls to implement appropriate risk mitigation measures to ensure accountability of funds.

Accounting standards followed by the MicroInsurance Centre are those outlined by U. S. Generally Accepted Accounting Principles (GAAP). Accounts are reviewed thoroughly on a monthly basis by the President and semi-annually by an external vendor Certified Public Accountant. Financial documentation has been provided as well as the completed questionnaire to illustrate financial management systems and accounting specifications of the MicroInsurance Centre, LLC.

The MicroInsurance Centre shall open a separate designated bank account in USD at BMO Harris Bank N.A., exclusively to receive the IFAD grant funds and to operate the programme.

c. Reporting and disbursements

As from the Effective Date, and after receipt by the Fund in satisfactory form of a copy of the Agreement countersigned by a duly authorized representative of the Recipient and a completed Bank Account Certification Form, the Recipient may request withdrawals from the Grant in advance during the Programme Implementation Period by using the Withdrawal Application. The amount so requested shall not exceed 50% of the expenditures included in the relevant AWPB. For the second and following Withdrawal Applications, the Recipient shall submit to the Fund a Statement of Expenditure with respect to the use of at least 75% of the immediately preceding instalment (and 100% of previous instalments if any).

Financial reporting for this programme shall include:

- 6-month unaudited programme financial statements (statements of expenditures);
- Programme financial statements consolidating all programme expenditures from the MIC and its implementing partners;
- Programme financial including compilations on the co-financing.

d. Audit arrangements

The MicroInsurance Centre, will appoint, with the prior approval of IFAD, independent auditors to audit the financial statements of the programme. The MicroInsurance Centre, will have the financial statements related to the programme audited each calendar year by the approved auditor in accordance with International Standards on Auditing and in line with IFADs Guidelines for Project Audits.

The MicroInsurance Centre shall provide by 30 June of each programme year:

- MIC institutional audited financial statements including a reference to the IFAD grant;
- Programme annual audit report consolidating all programme expenditures from the MIC and its implementing partners.

The programme audit report shall provide: (i) auditors' opinion on: statements of expenditure submitted to IFAD; the operation of the Programme Designated Account, and the adequacy of the accounting and internal control systems of the programme, including compliance with IFAD's Procurement Guidelines and such matters as IFAD may notify the MicroInsurance Centre to include in the audit, and (ii) a separate management letter addressing the adequacy of the accounting system and internal control systems.

Overview of selection process and rationale for selection of private sector recipient

Overview of selection process and rationale

1. As per the implementing procedures under the new Policy for Grant Financing, the Policy and Technical Advisory Division (PTA) launched an invitation to bid to select the most qualified recipient to implement the grant-funded programme "Managing risks for rural development: promoting microinsurance innovations", approved under the 'Rural Financial Inclusion' priority area.
2. This was a closed competitive process, open to a total of eight invited institutions. The first step in the competitive process was a thorough market assessment to identify organizations with strong expertise and track record on microinsurance development. Seventeen potential organizations were scouted, which were assessed against the following 5 criteria:
 - Strong focus and expertise on microinsurance development
 - Experience with agricultural insurance AND other microinsurance products
 - Experience with supporting design and delivery of products and schemes AND capacity building
 - Experience in at least two of the regions of focus of the grant (APR/ESA/NEN)
 - Experience with similar programmes
3. A total of eight organizations were shortlisted who met the criteria and invited to submit a proposal.
4. As per the invitation to bid guidelines, organizations were invited on 29th April 2016 and were given until 9th May 2016 to confirm their intention to submit a proposal. Organizations who confirmed their intent to submit were then given 4 weeks to develop a proposal, with a deadline of 7 June, 2016. A two-week question period was opened during the first two weeks and questions and answers were made visible to all applicants.
5. Following the guidelines, a competitive screening evaluation team was set up, which included technical experts, regional division representatives, and financial management (FMD) and legal (LEG) as observers.
6. Out of the eight organizations who were invited to bid, two sent an email to decline the invitation, one did not respond, and the remaining five confirmed their intention to submit a proposal. A total of four proposals were received, two of which were from an invitee who partnered with another invitee. The following bidders submitted a proposal by the deadline (in alphabetical order):
 - International Labour Organization - Impact Insurance Facility (ILO) (as lead recipient in partnership with another invitee CENFRI)
 - Microinsurance Academy (MIA)
 - MicroInsurance Centre (MIC)
 - Microsave (as lead recipient in partnership with PlaNet Guarantee)

All four proposals were reviewed by the Competitive Screening Evaluation Team.

7. The bids were evaluated independently by the members of the evaluation team prior to a competitive screening evaluation team meeting which was held on 20th June 2016. The CSET were tasked to evaluate i. the Selection Process and ii. each individual proposal.
8. The CSET ensured complimented the transparency and clarity of the selection process and made sure it was based on the below key principles:
 - Inclusiveness: it was clear why the selected recipients were invited (and not others).
 - Impartiality: recipients were rated with same criteria. Sufficient was time provided
 - Transparency: relevant documents were disclosed equally to all recipients. Evaluation criteria were specified in the solicitation document.
 - Rigour: good balance of skills in the reviewer committee. Appropriate records and data were maintained. Criteria ranking was clearly articulated. At least 3 organizations submitted proposals.
9. The set criteria for evaluating each proposal was shared with all applicants in the invitation to bid, and with all evaluators in a scoring matrix. The criteria were i. Technical content; ii. Value for money; iii. Implementation capacity; and iv. Scaling up/sustainability. A set of sub-criteria for consideration accompanied each criterion. Each criterion was ranked 1 (very poor) to 6 (excellent) and weighted.
10. The MicroInsurance Centre was scored in first place. The MicroInsurance Centre scored the highest in terms of both weighted percentage and score: total weighted percentage of 74%, and total score of 17.6 out of 24. Broken down across the different categories, the MicroInsurance Centre scored 4.8 on technical content, 4 on value for money, 4.5 on implementation capacity, and 4.3 on scaling up/sustainability.
11. The proposal submitted by the MicroInsurance Centre was the proposal considered to be most tailored to add value to IFAD's operations and knowledge, reinforced by its good illustration of consistency with IFAD's policies, relevance for IFAD's target group, and the impressive effort to conduct a good amount of research on IFAD's portfolio of operations upfront. The proposal gave good attention and brought interesting ideas in terms of innovations, knowledge management, and capacity building to transfer skills to local market players. The wealth of experience of the MicroInsurance Centre and the understanding of the technicalities of microinsurance was evident. Value for money was also considered high.
12. The MicroInsurance Centre as an institution was also commended, as it had the longest experience in working in microinsurance in developing countries compared to others, it has demonstrated experience with different types of microinsurance products (e.g. health, agriculture, life), has worked with public and private partners in all three regions of focus of the programme, and has experience in managing a variety of microinsurance programmes and projects for large donors including GIZ, JICA, ILO, BMGF, UNCDF, KfW, OECD, and the World Bank.

Brief overview of private sector recipient and grant partners

Private sector recipient

13. The MicroInsurance Centre (MIC) will coordinate and lead overall strategy and implementation working closely with grant partners and service providers that will provide additional expertise in key programme areas and/or promote the public good dimension of the programme.
14. Private and public local implementation partners (e.g. insurers, distribution channels, policymakers and regulators, researchers) will be identified in component 1 and relationships established in components 1 and 2. The programme will work hand-in-hand with these local implementation partners and build their capacity to ensure sustainability.
15. Non-profit organizations have already been engaged as partners to leverage their public good mandates and differing expertise: Access to insurance initiative (the implementation arm of the International Association of Insurance Supervisors-IAIS); Women's World Banking (expertise in health insurance for women linked to MFIs); the ILO's Impact Insurance Facility (knowledge management mandate around inclusive insurance); WFP (agricultural insurance), and IFPRI (monitoring and evaluation expertise). Other private partners are 17 Triggers, based in Cambodia (main responsibility 'lean trials' for rapid pilot testing in collaboration with insurers and delivery channels), EA Consultants (assessment and research).
16. The MicroInsurance Centre is a Limited Liability Company (LLC) of Wisconsin, United States, as an S-Corporation (Sole Proprietorship). It is a private company with a social mission of increasing access of low-income people across the globe to SUAVE (Simple, Understood, Accessible, Valuable, Efficient) microinsurance products. It was established in Year 2000 and as such is one of the most experienced microinsurance organizations around.
17. The MicroInsurance Centre has managed grants and contracts up to USD 1.98 million, including programmes financed by international financial institutions (IFIs), United Nations agencies and /or donors that are members of the Organisation for Economic Cooperation and Development (OECD): Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Japan International Cooperation Agency (JICA), ILO, Asian Development Bank (ADB), Inter-American Development Bank (IADB), Bill and Melinda Gates Foundation (BMGF), United National Capital Development Fund (UNCDF), KfW (German development bank), and the World Bank.
18. It has been active for over 15 years in the implementation of microinsurance projects and programmes funded by both international agencies, governments, and private sector actors. The MIC has directly implemented microinsurance programs in over 80 developing countries globally, including in, but not limited to, IFAD's three priority regions for this programme. It is also a leader in the global microinsurance sector, regularly disseminating lessons at global level,

including being an active member of the Microinsurance Network which united public and private sector microinsurance actors from around the world.

19. The MicroInsurance Centre's core competencies in country assessment and policy dialogue, product and scheme development, capacity building of insurers and delivery channels line up with the three planned components of the programme: market diagnostics, microinsurance innovations, and knowledge management / capacity building. It also has extensive experience working directly with a range of stakeholders needed for the programme, including low-income clients, insurers, government ministries, regulators, insurance associations, donors, and distribution channels, all of which are target groups for the programme.
20. It operates with a small full-time staff of 4 people and a core team of 15 consultants with different expertise (e.g. actuaries, agricultural insurance, health insurance etc.) based globally. For programmes involving in-country implementation, MIC's philosophy is to work hand-in-hand with local public or private sector, and build capacity along the way. It has successful examples in numerous countries.
21. The core team for this proposed programme comprises nine people: some time from all 4 MIC staff (at 12% total of IFAD grant amount), 3 partner consultants, and 2 representatives from one the of partners – 17 Triggers. Details have been provided in the full design document and in accompanying CVs. Reviewers commended the experience of the core team.
22. Apart from its indisputable technical competencies working with microinsurance, the MIC brings advantages in that most of the funding is going to finance programme activities in focus countries. No operational costs are foreseen, and staff costs are well below the threshold at 12%.

Grant partners

23. 17 Triggers is the core implementation partner for this programme. It is based in Cambodia. 17 Triggers is an award winning "Social Innovation Lab" focusing on real behavioural change. Dedicated to improving the lives of underserved populations through human-centered research, design, and marketing, 17 Triggers works with organizations to research, prototype, and scale up solutions that help them meet the needs of underserved market segments. It is globally respected for innovation in approaches for low income people and has worked on over 100 projects over the past 5 years, including significant experience in the areas of financial inclusion, and innovative marketing. It will bring its expertise to the programme on: demand research; "lean trials" for new products or services working with insurers/distribution channels; innovative marketing materials for rolled out products; M&E assistance; contribute to capacity building and knowledge materials.
24. ILO's Impact Insurance Facility (IIF). It is housed at the International Labour Organization, strives to enable the insurance industry, governments, and their partners to realize the potential of impact insurance. The IIF achieves this by stimulating innovation, transforming knowledge into practice, and accelerating the development of inclusive insurance markets in selected countries. The

organization's strategy includes the following three activity areas: market development, capacity building, and research and innovation. It will bring expertise and channels for knowledge management; linkages with institutions (insurers and distribution channels) that are current and former grantees in programme countries; assist with a framework for assessing effectiveness of KM; and assist with dissemination in order to expand reach of the programme lessons.

25. Women's World Banking (WWB). WWB is a global nonprofit devoted to giving more low-income women access to the financial tools and resources they require to build security and prosperity. The WWB network is comprised of 39 financial institutions in Africa, Asia, Latin America and the Caribbean, and Middle East, North Africa and Europe. The organization equips these partner institutions with in-depth market research, with sustainable financial products and consumer education to meet women's needs. WWB will review documents and plans to advise on mainstreaming gender issues into the assessment, development, and roll out of products. They will provide some inputs to capacity building in terms of gender knowledge and experience with micro health insurance, and possibly provide links with MFI partners and distribution channels if appropriate for IFAD target group.
26. Access to Insurance Initiative (A2ii). A2ii is an implementing partner of the International Association of Insurance Supervisors (IAIS), created in response to demand for learning, lessons and guidance on access to insurance from insurance policymakers, regulators and supervisors. The organization supports supervisors in all regions of the world to promote inclusive and responsible insurance, reducing vulnerability. A2ii achieves this in two ways: 1) by generating the knowledge that policymakers and supervisors need; and 2) by enabling the effective use of knowledge. Convening and engaging with policymakers is one of their core functions; in 2017 are starting a new 'innovation lab' approach that facilitates cross-governmental sharing and idea generation, which could be linked and applied to this programme as well. A2ii will: review and provide guidance on regulatory assessments and recommendations (Road Maps); provide linkages with relevant government agencies where possible; assist with policymaker dialogue events; and contribute to dissemination in order to leverage lessons beyond the IFAD network.
27. World Food Programme (WFP). As a partner with IFAD in the Weather Risk Management Facility (WRMF), the WFP has already built synergies with IFAD projects and programmes and built up experience and knowledge in microinsurance. The Weather Risk Management Facility has been a leader in examining the applicability of insurance to address the risks faced by smallholder farmers, especially innovative index insurance tools. WFP will contribute existing food insecurity and climate mapping information during the assessment phase; provide linkages to existing insurance-related programming or distribution channels where feasible and relevant for IFAD target group; assist with providing contextual knowledge and identifying local implementation partners (e.g. distribution channels, rural support programs, government agencies).
28. EA Consultants (EAC). EA Consultants is an international development consulting firm dedicated to supporting initiatives that facilitate access to finance, markets

and social protection for low income segments of the world's population. They combine research and practice to ensure that our work is informed by an analysis and understanding of markets, client lives, and client needs, and have been a long-time partner of the MIC in research-focused projects. They will assist with setting up M&E plan and analyzing results; review research tools in assessment phase; contribute to dissemination efforts.

29. International Food Policy Research Institute (IFPRI). IFPRI provides research-based policy solutions to sustainably reduce poverty and end hunger and malnutrition in developing countries. The organization currently works in more than 50 countries in the following six strategic areas including building resilience (including developing more effective risk-coping mechanisms), and strengthening institutions and governments. Research on gender cuts across all of IFPRI's strategic areas. Beyond research, IFPRI's work includes partnerships, communications, and capacity strengthening. The Institute collaborates with development implementers, public institutions, the private sector, farmers' organizations, and other partners around the world. IFPRI's will assist with providing practical, quantitative assessments of programs to measure results and identify key lessons; assist with establishing an efficient yet robust M&E system; and provide linkages with collaborative institutions where appropriate.