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Investir dans les populations rurales

Rapport du président concernant une proposition de don au titre du guichet régional/secteur privé au Centre de microassurance pour la gestion des risques en matière de développement rural: promouvoir les innovations dans le domaine de la microassurance

Note pour les représentants au Conseil d'administration

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Pour: Approbation

## Recommandation pour approbation

Le Conseil d'administration est invité à approuver la recommandation relative à la proposition de don, telle qu'elle est formulée au paragraphe 16.

# Rapport du président concernant une proposition de don au titre du guichet régional/secteur privé au Centre de microassurance pour la gestion des risques en matière de développement rural: promouvoir les innovations dans le domaine de la microassurance

## I. Contexte et conformité à la politique du FIDA en matière de dons

1. La plupart des approches destinées à gérer ou à atténuer les risques s'attaquent aux conséquences des crises, par le biais du secours d'urgence, de la remise de la dette ou du sauvetage financier. Si ces mesures sont essentielles pour sauver des vies, elles n'aident ni les populations rurales ni les petits agriculteurs à anticiper les risques auxquels ils sont exposés – maladies, mort, dégâts subis sur les biens et baisse de la production du fait du changement climatique. Le manque d'outils de gestion de ces risques fait obstacle au développement rural et agricole. Pour croître économiquement, les communautés à faible revenu ont besoin de services financiers; l'absence de stratégies appropriées de gestion des risques peut donc les faire retomber dans la pauvreté. L'assurance peut contribuer à atténuer les risques et à améliorer un accès durable au financement et aux marchés en permettant aux ménages de ruraux pauvres de mieux gérer les flux de revenus et les remboursements, de maintenir la sécurité sanitaire et alimentaire, de renforcer leur productivité, de vaincre l'adversité et de sortir finalement de la pauvreté. De plus, avec l'assurance, les prestataires de services financiers considéreront les populations rurales pauvres et les micros, petites et moyennes entreprises comme des clients qui sont moins à risque. L'accès à une assurance de haute valeur est indispensable pour la réalisation des objectifs de développement durable et l'inclusion financière en milieu rural.
2. Le programme adoptera une approche holistique de la microassurance permettant en premier lieu une évaluation correcte des risques. La microassurance, si elle est utilisée, viendra compléter les autres approches de gestion des risques ou de développement et y sera intégrée. Si elle est bien conçue, elle peut non seulement protéger les moyens d'existence, mais également contribuer à leur amélioration. La microassurance est unique en ce qu'elle permet le transfert des risques imprévisibles auxquels sont exposés les individus, les ménages, les prestataires de services financiers, les micros, petites et moyennes entreprises et les gouvernements.
3. Ces dernières années, les assurances destinées aux populations à faible revenu ont connu une croissance exponentielle, signe d'une demande forte et de la volonté du secteur privé, dans les pays en développement, de surmonter les obstacles du passé. En Afrique, plus de 60 millions d'individus sont couverts par une microassurance; entre 2011 et 2014, ce marché a progressé de 30%. Dans la région Asie et Pacifique, plus de 170 millions d'individus sont assurés, la croissance annuelle du marché étant supérieure à 30%. Les marchés d'Europe centrale et orientale et d'Asie centrale attirent également de plus en plus d'investissements privés dans le domaine de l'assurance. Au niveau international, l'Accord adopté lors de la Conférence de Paris sur le climat (COP21), le Partenariat mondial pour l'inclusion financière du G20 et le G7, auxquels le FIDA a largement participé, ont

intégré l'assurance dans leurs stratégies. Le secteur émergent de la microassurance ouvre la voie à l'innovation et à l'amélioration des interventions existantes, que le présent don appuiera.

4. Le programme mettra à profit les expériences du FIDA, du Centre de microassurance ainsi que d'autres partenaires collaborant avec des acteurs publics et privés afin de développer des offres de microassurance viables. Pour que les marchés de l'assurance fonctionnent, il convient de lever les contraintes et de développer les débouchés aux niveaux suivants: i) niveau produit (par exemple, si les évaluations montrent que la création d'un produit d'assurance-vie est une priorité, ou si la gestion des sinistres est faible ou les données de l'assurance agricole insuffisantes); ii) niveau plan (par exemple, groupements de produits avec des services complémentaires et canaux de distribution efficaces, tels que des institutions de microfinancement ou des intervenants dans la filière); et iii) niveau macroéconomique (les gouvernements ont un rôle clé à jouer dans la création d'environnements porteurs par le biais de la réglementation, de l'élaboration de politiques complémentaires et d'un appui à des "subventions intelligentes", y compris l'éducation financière et l'accès aux données).
5. En réponse à la demande exprimée par les divisions régionales et les gouvernements nationaux, le programme se concentrera sur trois pays de différentes régions: l'Éthiopie pour la région Afrique orientale et australe; la Géorgie pour la région Proche-Orient, Afrique du Nord et Europe; et la Chine pour la région Asie et Pacifique. Les types de produits d'assurance proposés, les canaux de distribution, les politiques gouvernementales et la pénétration du marché des produits de microassurance varieront selon la région et le pays. Le don sera l'occasion de tirer les enseignements et de partager les savoirs au sein du portefeuille du FIDA. En effet, il ressort du Rapport annuel sur les résultats et l'impact des opérations du FIDA (RARI) pour 2015 que les chocs externes figurent parmi les plus grandes menaces pour la durabilité des programmes du FIDA.
6. Le programme proposé est conforme au but stratégique et aux objectifs de la Politique du FIDA en matière de dons de 2015. Grâce à des activités innovantes, le programme contribuera à l'amélioration des produits, des concepts et des processus de microassurance. L'objectif du programme, par le biais de sa composante 1, est d'accroître la sensibilisation, de faciliter les activités de plaidoyer et de promouvoir la concertation sur les politiques, sur la base d'une évaluation des marchés de la microassurance et de l'élaboration de feuilles de route à discuter (en partenariat avec l'Initiative Accès aux systèmes d'assurance). Dans le cadre de la composante 2, les capacités des institutions partenaires et d'autres partenaires prenant part à la mise au point et à la fourniture de microassurances seront renforcées. La composante 3 concernera exclusivement la gestion des savoirs. Le programme dégagera et partagera les enseignements tirés avec les pays participants, le FIDA et d'autres donateurs.

## II. Le programme proposé

7. L'objectif global du programme est d'accroître la résilience, de renforcer la capacité de gestion des risques et d'améliorer les moyens d'existence des ménages ruraux pauvres qui sont tributaires de revenus agricoles et extra-agricoles. Ses objectifs spécifiques sont les suivants: i) promouvoir l'utilisation d'une assurance simple, compréhensible, accessible, utile et efficace (SUAVE: simple, understood, accessible, valuable, and efficient) par les populations rurales pauvres, directement ou indirectement, en assurant les activités des institutions de microfinancement et d'autres acteurs de la filière; et ii) améliorer l'accès des populations rurales pauvres à un ensemble d'outils financiers utiles et à des possibilités de développement rural.
8. Ce programme a pour cible les ruraux pauvres (femmes, hommes, jeunes), les familles de petits agriculteurs et les agroentreprises qui sont exposés à des risques, notamment des risques sanitaires ou climatiques, et qui peuvent bénéficier d'une assurance SUAVE, nouvelle ou améliorée. Les populations cibles devraient

bénéficiaire de ce programme, que l'achat des produits soit effectué de façon individuelle ou par le biais d'une organisation dans le cadre de sa stratégie de gestion des risques. Pour améliorer l'accès et le recours à des produits d'assurance adaptés, le programme collaborera avec des groupes cibles directs déjà associés à des programmes soutenus par le FIDA, à savoir: i) des organisations paysannes et autres groupements, des institutions de microfinancement, des coopératives de crédit, des bureaux de poste, des opérateurs de réseaux mobiles et des acteurs de la filière; ii) des assureurs et réassureurs; iii) des décideurs et régulateurs; et iv) le FIDA et d'autres donateurs et décideurs.

9. Le programme sera mis en oeuvre sur 48 mois et s'articulera autour des trois composantes ci-après:
  - a) Composante 1: Inventaire et diagnostic du pays. Cette composante comprendra une évaluation de l'offre, de la demande, des environnements réglementaires, des canaux de distribution et des programmes du FIDA pour identifier les opportunités et les contraintes au niveau de la demande et de l'offre ainsi qu'au niveau macroéconomique. Elle débouchera sur l'élaboration de feuilles de route au niveau national en appui à la concertation sur les politiques et aux stratégies d'innovation au titre de la composante 2.
  - b) Composante 2: Innovations pour accroître l'accès à l'assurance. En collaboration avec des acteurs privés et publics, un appui sera apporté à la conception, à la mise à l'essai et à la révision des produits et des plans. Les activités comprendront le renforcement des capacités, le suivi permanent, la diffusion et la reproduction à plus grande échelle des produits.
  - c) Composante 3: Gestion des savoirs et renforcement des capacités. Une large place sera accordée à la génération, à l'analyse et au partage des enseignements intrarégionaux et interrégionaux sur les succès et les problèmes rencontrés. Cette composante fournira également des informations concrètes et des conseils sur la compréhension du marché ainsi que sur la conception et l'exécution des programmes financés par le FIDA. Les savoirs concerneront le FIDA et les autres donateurs, les décideurs et les parties prenantes du secteur de l'assurance.

### III. Effets/produits attendus

10. On attend de ce programme les effets/produits suivants:
  - a) Effet 1. Renforcement de l'accès à des outils de gestion des risques SUAVE en réponse à la demande dans les zones rurales.
    - Produit 1.1. Réalisation d'évaluations du marché.
    - Produit 1.2. Expérimentation de produits de microassurance, nouveaux ou améliorés.
    - Produit 1.3. Élaboration de plans d'activité pour la diffusion et la reproduction à plus grande échelle de produits SUAVE nouveaux ou améliorés.
    - Produit 1.4. Autres approches innovantes (services proposés, conception, commercialisation, éducation, processus) élaborées pour résoudre les problèmes courants sur les marchés de l'assurance, comme la faible demande, les problèmes de taux de renouvellement et la faible valeur des clients.
  - b) Effet 2. Environnement politique et/ou de l'investissement plus propice à la micro-assurance.
    - Produit 2.1. Élaboration de feuilles de route au niveau national incluant des recommandations pratiques.

- Produit 2.2. Organisation d'ateliers multipartites de concertation sur les politiques.
  - Produit 2.3. Organisation d'ateliers multipartites, notamment avec des acteurs de la filière et des prestataires de services.
  - Produit 2.4. Établissement et soutien de partenariats (publics et privés) d'exécution au niveau local.
- c) Effet 3. Amélioration des connaissances en matière de microassurance.
- Produit 3.1. Création de boîtes à outils et de programmes connexes pour les innovations dans le domaine de la microassurance à destination des chargés de programme de pays, des unités de coordination des programmes et des équipes chargées de la conception pour reproduire et incorporer la microassurance dans d'autres programmes.
  - Produit 3.2. Produits/outils pratiques relatifs aux savoirs pragmatiques (par exemple, infographie).
  - Produit 3.3. Production et diffusion d'une série de vidéos de clients sur le terrain.
  - Produit 3.4. Partage d'événements, tels que des forums d'experts, des groupes de discussion et des visites d'échange virtuelles.
  - Produit 3.5. Événements de partage des savoirs et de renforcement des capacités destinés au personnel des bureaux de pays du FIDA ne faisant pas partie des pays ciblés.
  - Produit 3.6. Appui technique aux autres pays où le FIDA intervient pour reproduire l'expérience et les enseignements.

#### IV. Modalités d'exécution

11. Le Centre de microassurance, bénéficiaire de ce don, sera chargé de la coordination et de l'encadrement de la stratégie et de la mise en œuvre. Les partenaires du programme et les prestataires de services apporteront leurs compétences spécifiques dans des domaines critiques et/ou assureront la promotion de la dimension de bien public du programme. Le Centre de microassurance a été sélectionné sur la base d'un processus concurrentiel (voir appendice III). Outre sa proposition de haute qualité, il possède une expérience plus solide de la microassurance dans les pays en développement que les autres postulants et présente les caractéristiques suivantes: expérience avérée des différents types de produits de microassurance (par exemple, dans les domaines de la santé, de l'agriculture et de l'assurance-vie); collaboration avec des partenaires publics et privés dans les trois régions cibles; et expérience dans la gestion de divers programmes de microassurance pour le compte de grands donateurs, notamment l'Agence allemande de coopération internationale (GIZ), l'Agence japonaise de coopération internationale (JICA), l'Organisation internationale du travail (OIT), la Fondation Bill et Melinda Gates, le Fonds d'équipement des Nations Unies (FENU), la Banque de développement KfW, l'Organisation de développement et de coopération économiques (OCDE) et la Banque mondiale.
12. Des partenaires d'exécution publics et privés (assureurs, canaux de distribution, décideurs, régulateurs et chercheurs) seront identifiés dans le cadre de la composante 1 et des relations avec ces partenaires seront établies dans le cadre des composantes 1 et 2. Le programme collaborera étroitement avec ces partenaires d'exécution locaux et renforcera leurs capacités en termes de durabilité.
13. Des organisations à but non lucratif ont déjà été retenues pour mettre à profit leurs missions pour le bien public et leurs compétences complémentaires. Il s'agit des organisations suivantes: Initiative Accès aux systèmes d'assurance (organe de l'Association internationale des contrôleurs d'assurance chargé de la mise en

œuvre); Women's World Banking spécialisée dans les produits d'assurance-maladie à l'intention des femmes, en lien avec des institutions de microfinancement; l'Impact Insurance Facility de l'OIT, ayant une mission de gestion des savoirs en matière d'assurance inclusive; le Programme alimentaire mondial (PAM), qui offre une assurance agricole; et l'Institut international de recherche sur les politiques alimentaires (IFPRI), pour ses compétences en matière de suivi-évaluation. Parmi les autres partenaires, on peut citer 17 déclencheurs basés au Cambodge, qui procèdent à des essais pilotes rapides à petite échelle en collaboration avec des assureurs et des canaux de distribution, et des consultants EA (pour l'évaluation et la recherche).

14. On trouvera à l'appendice II des détails sur la gouvernance financière, notamment en matière de passation des marchés, de décaissements, de rapports financiers et d'audits.

## V. Coût et financement indicatifs du programme

15. Le coût total du programme s'élève à 2 255 000 USD, dont 1 800 000 USD seront financés par un don du FIDA. Le Centre de microassurance apportera un cofinancement à hauteur de 455 000 USD (25%), soit 20% du montant total du programme (72 200 USD en espèces et 382 800 USD en nature). Des efforts seront consentis pour mobiliser un cofinancement additionnel de la part d'organisations ayant des programmes complémentaires ou des objectifs stratégiques analogues. Plusieurs donateurs contactés pour des programmes innovants destinés aux ménages ruraux ont exprimé leur vif intérêt. Dès le démarrage du programme, des accords pourront être signés avec d'autres donateurs.

Tableau 1

### Coût par composante et par source de financement (en milliers d'USD)

| <i>Composantes</i>  | <i>FIDA</i>  | <i>Cofinancement</i> | <i>Total</i> |
|---|--------------|----------------------|--------------|
| Composante 1: Inventaire et diagnostic                          | 523          | -                    | 523          |
| Composante 2: Innovations en microassurance                     | 997          | 42                   | 1 039        |
| Composante 3: Gestion des savoirs et renforcement des capacités | 147          | 379                  | 526          |
| Frais généraux  | 133          | 34                   | 167          |
| <b>Total</b>  | <b>1 800</b> | <b>455</b>           | <b>2 255</b> |

Tableau 2

### Coût par catégorie de dépenses et par source de financement (en milliers d'USD)

| <i>Catégorie de dépenses</i>     | <i>FIDA</i>  | <i>Cofinancement</i> | <i>Total</i> |
|----------------------------------|--------------|----------------------|--------------|
| 1. Traitements et indemnités     | 227          | 90                   | 317          |
| 2. Services de consultant        | 554          | 123                  | 677          |
| 3. Frais de voyage et indemnités | 250          | 31                   | 281          |
| 4. Biens, services et intrants   | 113          | -                    | 113          |
| 5. Ateliers                      | 227          | 47                   | 274          |
| 6. Formation                     | 296          | 130                  | 426          |
| 7. Frais généraux                | 133          | 34                   | 167          |
| <b>Total</b>                     | <b>1 800</b> | <b>455</b>           | <b>2 255</b> |

## VI. Recommandation

16. Je recommande que le Conseil d'administration approuve la proposition de don en adoptant la résolution suivante:

DÉCIDE: que le Fonds, dans le but de financer en partie l'initiative de gestion des risques en matière de développement rural: promouvoir les innovations dans le domaine de la microassurance, accordera un don d'un montant de un million huit cent mille dollars des États-Unis (1 800 000 USD) au Centre de microassurance pour une période de 48 mois. Ce don sera régi par des modalités et conditions conformes en substance à celles indiquées au Conseil d'administration dans le présent rapport.

Le Président  
Kanayo F. Nwanze

## Results-based logical framework

|                   | Objectives-hierarchy   | Objectively verifiable indicators   | Means of verification  | Assumptions  |
|-------------------|--|---|--|--|
| <b>Goal</b>       | 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)  |  |
| <b>Objectives</b> | <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"> <li>At least 500,000 rural women, men, youth, smallholder families and rural entrepreneurs covered by one or more insurance products</li> <li>Increase in the % of target HHs indicating they understand and know how to access risk management tools</li> </ul> | <ul style="list-style-type: none"> <li>M&amp;E system</li> <li>Participatory “farmer diaries”</li> <li>Case studies</li> <li>Records / data from participating institutions</li> </ul> | <ul style="list-style-type: none"> <li>If SUAVE products are offered, target clients will purchase them</li> </ul> |



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

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

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

## 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 20<sup>th</sup> 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.