

Signatura: EB 2016/119/R.30
Tema: 15 b)
Fecha: 16 de noviembre de 2016
Distribución: Pública
Original: Inglés



Invertir en la población rural

Informe del Presidente sobre una propuesta de donación con arreglo a la modalidad de donaciones a nivel regional y al sector privado al Centro de Microseguros para gestionar los riesgos para el desarrollo rural: promoción de innovaciones de microseguros

Nota para los representantes en la Junta Ejecutiva

Funcionarios de contacto:

Preguntas técnicas:

Francesco Rispoli
Especialista Técnico Superior
División de Asesoramiento Técnico y Políticas
Tel.: (+39) 06 5459 2725
Correo electrónico: f.rispoli@ifad.org

Envío de documentación:

William Skinner
Jefe
Oficina de los Órganos Rectores
Tel.: (+39) 06 5459 2974
Correo electrónico:
gb_office@ifad.org

Junta Ejecutiva — 119º período de sesiones
Roma, 14 y 15 de diciembre de 2016

Para aprobación

Recomendación de aprobación

Se invita a la Junta Ejecutiva a que apruebe la recomendación sobre la propuesta de donación que figura en el párrafo 16.

Informe del Presidente sobre una propuesta de donación con arreglo a la modalidad de donación a nivel regional y al sector privado al Centro de Microseguros para gestionar los riesgos para el desarrollo rural: promoción de innovaciones de microseguros

I. Antecedentes y cumplimiento de la Política del FIDA relativa a la financiación mediante donaciones

1. La mayoría de los mecanismos de gestión o mitigación de riesgos responden a las consecuencias de las crisis proporcionando alivio a través del socorro de emergencia, la condonación de la deuda o el rescate financiero. Si bien esas medidas son fundamentales para salvar vidas, no ayudan a las poblaciones rurales y a los pequeños agricultores a gestionar con anticipación los riesgos a los que están expuestos (enfermedades, muerte, daños a la propiedad y pérdidas de producción generalizadas relacionadas con el clima). La falta de instrumentos para abordar los riesgos obstaculiza el desarrollo agrícola y rural. Las comunidades de bajos ingresos mejoran sus ingresos gracias a los servicios financieros. Sin embargo, si no cuentan con estrategias suficientes de gestión de riesgos, pueden volver a caer en la pobreza. Los seguros pueden ayudar a mitigar los riesgos y mejorar el acceso sostenible a la financiación y a los mercados, permitiendo a los hogares rurales pobres gestionar mejor los flujos de ingresos y los pagos, mantener buenos niveles de salud y seguridad alimentaria, llegar a ser más productivos, recuperarse de las adversidades más deprisa y, en definitiva, salir de la pobreza. Los seguros también contribuyen a que los proveedores de servicios financieros perciban a las poblaciones rurales pobres y a las microempresas y las pequeñas y medianas empresas como clientes de menor riesgo. El acceso a los seguros de alto valor es una parte integral de la consecución de los Objetivos de Desarrollo Sostenible y la inclusión financiera rural.
2. El programa adoptará un enfoque holístico de los microseguros, con arreglo al cual primero se evalúen los riesgos adecuadamente. Los microseguros, en aquellos casos en que tengan una función, complementarán y se incorporarán a otros enfoques de la gestión de riesgos o del desarrollo. Si se diseñan correctamente, los microseguros no solo protegen los medios de vida, sino que también contribuyen a mejorarlos. La particularidad de los microseguros es que permiten alejar los riesgos impredecibles de las personas, los hogares, los proveedores de servicios financieros, las pequeñas y medianas empresas y los gobiernos.
3. En los últimos años, los seguros destinados a las poblaciones de bajos ingresos han aumentado exponencialmente, lo que significa que existe una fuerte demanda y que el sector privado está presente en los países en desarrollo y está dispuesto a superar los obstáculos del pasado. En África, más de 60 millones de personas tienen cobertura de microseguros y, entre 2011 y 2014, el mercado creció en un 30 %. En la región de Asia y el Pacífico, más de 170 millones de personas están aseguradas, y el crecimiento de ese mercado supera el 30 % anual. Los mercados de Europa Central y Oriental y de Asia Central también están atrayendo una mayor inversión del sector privado en el ámbito de los seguros. A nivel internacional, el Acuerdo de París adoptado en la Conferencia de París sobre el Cambio Climático (COP21), la Alianza Mundial para la Inclusión Financiera del Grupo de los 20 y el G-7, con los que el FIDA ha demostrado su compromiso, han integrado los seguros

en sus estrategias. Al tratarse de un sector emergente, los microseguros ofrecen oportunidades para la innovación y la mejora de las intervenciones existentes, lo cual se pretende financiar con esta donación.

4. El programa se basará en las experiencias del FIDA, del Centro de Microseguros y otros asociados que colaboran con agentes de los sectores público y privado con objeto de elaborar propuestas de microseguros sostenibles. Para lograr que los mercados de seguros funcionen, es necesario abordar las restricciones y las oportunidades: i) a nivel del producto (por ejemplo, cuando no existe un seguro de vida pero las evaluaciones muestran que es una prioridad, o cuando existe un seguro agrícola pero la tramitación de las reclamaciones es lenta o los datos son insuficientes); ii) a nivel del plan (por ejemplo, añadiendo a los productos servicios complementarios y canales de distribución eficientes como por ejemplo las entidades de microfinanciación u otros actores de las cadenas de valor), y iii) a nivel general (a los gobiernos les corresponde desempeñar un papel clave en la creación de entornos propicias a través de la regulación, las políticas complementarias y el apoyo a los subsidios "selectivos", incluida la educación financiera y el acceso a los datos).
5. En respuesta a la petición de las divisiones regionales y los gobiernos nacionales, el programa se centrará en tres países de diferentes regiones: Etiopía, en la región de África Oriental y Meridional; Georgia, en la región del Cercano Oriente, África del Norte y Europa, y China, en la región de Asia y el Pacífico. Los tipos de seguros disponibles, los canales de distribución, las políticas gubernamentales y la penetración de los tipos de microseguros en los mercados de cada región y cada país son diferentes. La donación propuesta brindará la oportunidad de aprender e intercambiar las enseñanzas extraídas de la cartera del FIDA. Eso resulta especialmente importante dado que en el Informe anual sobre los resultados y el impacto de las actividades del FIDA de 2015 se señalaba que las perturbaciones externas representan una de las mayores amenazas para la sostenibilidad de los programas del FIDA.
6. El programa propuesto está en consonancia con la meta y los objetivos de la Política del FIDA relativa a la financiación mediante donaciones de 2015. El programa promoverá actividades innovadoras en la esfera de los productos, los diseños y los procesos de los microseguros. El programa procurará aumentar la sensibilización, facilitar la promoción y promover el diálogo sobre políticas, con el apoyo de una evaluación de los mercados de microseguros y la elaboración de hojas de ruta para el debate (en colaboración con la Iniciativa de Acceso al Seguro). A través del componente 2 se reforzará la capacidad de las instituciones asociadas y otros socios que participan en el desarrollo y la provisión de microseguros. La gestión del conocimiento constituye el eje central del componente 3, y el programa generará y compartirá las enseñanzas extraídas con los países participantes, el FIDA y otros donantes.

II. El programa propuesto

7. El objetivo general del programa es aumentar la resiliencia, fortalecer la capacidad de gestionar riesgos y mejorar los medios de vida de los hogares rurales pobres que dependen de los ingresos agrícolas y no agrícolas. Los objetivos son los siguientes: i) incrementar la utilización de un seguro sencillo, comprensible, accesible, útil y eficaz por parte de las poblaciones rurales pobres, ya sea directa o indirectamente, asegurando las actividades de las instituciones de microfinanciación y otros agentes de la cadena de valor, y ii) mejorar el acceso de la población rural pobre a instrumentos financieros y oportunidades de desarrollo rural valiosos.
8. El presente programa está dirigido a las mujeres, los hombres y los jóvenes pobres de las zonas rurales, las familias de pequeños agricultores y los empresarios agrícolas que están expuestos a riesgos, incluidos los relacionados con la salud o el clima, y que pueden beneficiarse de un seguro que sea sencillo, comprensible, accesible, útil y eficaz, nuevo o mejorado. Se prevé que las poblaciones

destinatarias se beneficien independientemente de que adquirieran los productos individualmente o por conducto de una organización como parte de su estrategia de gestión de riesgos. Para mejorar el acceso y el uso de planes de seguros adecuados, el programa se ejecutará por medio grupos de destinatarios directos que ya participan en los programas apoyados por el FIDA. Esos grupos incluirán: i) organizaciones colectivas y canales de distribución, como por ejemplo, las entidades de microfinanciación, las cooperativas de crédito, las oficinas de correos, los operadores de redes móviles y los agentes de las cadenas de valor; ii) los aseguradores y reaseguradores; iii) los encargados de formular políticas y los órganos reguladores, y iv) el FIDA y otros donantes y encargados de adoptar decisiones.

9. El programa tendrá una duración de 48 meses y comprenderá los componentes siguientes:
 - a) Componente 1: examen y diagnóstico del país. Este componente incluirá una evaluación de la oferta, la demanda, los entornos normativos, los canales de distribución y la programación del FIDA para entender las oportunidades y las limitaciones a nivel de la oferta y la demanda y a nivel macroeconómico. Dará como resultado la elaboración de hojas de ruta nacionales para apoyar el diálogo sobre políticas y las estrategias de innovación para el componente 2.
 - b) Componente 2: innovaciones para aumentar el acceso a los seguros. En colaboración con los actores públicos y privados, se proporcionará apoyo para el diseño, la aplicación experimental y la revisión de productos y planes. Las actividades incluirán la creación de capacidad, la supervisión continua, la implantación progresiva de productos y la ampliación de escala.
 - c) Componente 3: gestión de los conocimientos y creación de capacidad. Se hará mucho hincapié en la generación, el análisis y el intercambio de enseñanzas a nivel intrarregional e interregional sobre los logros y los problemas encontrados. Este componente también proporcionará información práctica y asesoramiento para la comprensión del mercado y para el diseño y la ejecución de los programas financiados por el FIDA. Esos conocimientos tendrán por destinatarios al FIDA y a otros donantes, así como a los responsables de formular políticas y a las partes interesadas en el sector de los seguros.

III. Efectos directos/productos previstos

10. Se prevé que el programa tenga los efectos directos/productos siguientes:
 - a) Efecto directo 1. Mayor acceso a los instrumentos de gestión de riesgos basados en la demanda de un seguro sencillo, comprensible, accesible, útil y eficaz en las zonas rurales.
 - Producto 1.1 Realización de evaluaciones del mercado
 - Producto 1.2 Puesta a prueba de productos de microseguros nuevos o mejorados.
 - Producto 1.3 Elaboración de planes de negocio creados para la implantación progresiva y ampliación de escala de productos de seguro sencillo, comprensible, accesible, útil y eficaz nuevos o mejorados.
 - Producto 1.4. Fomento de otros enfoques innovadores (servicios ofrecidos, diseño, comercialización, educación y procesos) concebidos para resolver problemas que suele haber en los mercados de seguros, tales como la escasa contratación de seguros, las cuestiones relativas a la tasa de renovación y la poca rentabilidad de los seguros para los clientes.

- b) Efecto directo 2. Políticas de microseguros y entornos de inversión más propicios.
- Producto 2.1 Elaboración de hojas de ruta nacionales que incluyan recomendaciones en materia de políticas.
 - Producto 2.2 Celebración de talleres de diálogo sobre políticas para las múltiples partes interesadas.
 - Producto 2.3 Celebración de talleres con diversas partes interesadas, incluidos los agentes de la cadena de valor y los proveedores de servicios.
 - Producto 2.4 Facilitación de asociaciones de ejecución locales sostenibles y apoyo a estas asociaciones.
- c) Efecto directo 3. Mayor conocimiento de los microseguros
- Producto 3.1. Creación de conjuntos de instrumentos y sus programas de estudio correspondientes sobre innovaciones en la esfera de los microseguros destinados a los gerentes de los programas en los países, las dependencias de coordinación del programa y los equipos de diseño para poder reproducir e incorporar los microseguros en otros programas.
 - Producto 3.2. Productos/instrumentos de conocimiento prácticos orientados a la adopción de medidas (por ejemplo, infografías).
 - Producto 3.3. Producción y distribución de videos de clientes sobre el terreno.
 - Producto 3.4. Compartir actividades tales como foros de expertos, grupos de discusión y visitas de intercambio virtuales.
 - Producto 3.5. Celebración de eventos de intercambio de conocimientos y creación de capacidades para el personal de las oficinas del FIDA en países que no forman parte de los países seleccionados.
 - Producto 3.6. Prestación de asistencia técnica a otros países en los que el FIDA desarrolla actividades con miras a reproducir las experiencias y las enseñanzas extraídas.

IV. Disposiciones para la ejecución

11. El Centro de Microseguros, beneficiario de la presente donación, estará a cargo de la coordinación y dirección de la estrategia general y de la ejecución del programa. Los socios del programa y los proveedores de servicios compartirán sus conocimientos especializados adicionales en esferas críticas o promoverán la dimensión de bien público del programa. El Centro de Microseguros ha sido seleccionado con arreglo a un proceso competitivo (véase el Apéndice III). Además de haber presentado una propuesta de gran calidad, el Centro contaba con más experiencia en microseguros en los países en desarrollo en comparación con otros solicitantes, y tenía probada experiencia en distintos tipos de productos de microseguros (por ejemplo, seguros de la salud, agrícolas y de vida), había colaborado con socios de los sectores público y privado en las tres regiones seleccionadas, y poseía experiencia en la gestión de diversos programas de microseguros de grandes donantes como, por ejemplo, la Agencia Alemana de Cooperación Internacional (GIZ), la Agencia de Cooperación Internacional del Japón (JICA), la Organización Internacional del Trabajo (OIT), la Fundación Bill y Melinda Gates, el Fondo de las Naciones Unidas para el Desarrollo de la Capitalización (FNUDC), el Banco de Desarrollo KfW, la Organización de Cooperación y Desarrollo Económicos (OCDE) y el Banco Mundial.
12. En el marco del componente 1 se determinarán los socios en la ejecución públicos y privados (aseguradores, canales de distribución, encargados de la formulación de políticas, reguladores e investigadores), y en los componentes 1 y 2 se

establecerán las relaciones con ellos. El programa tiene previsto establecer una estrecha colaboración con estos asociados en la ejecución locales y fortalecer su capacidad para garantizar la sostenibilidad.

13. Varias organizaciones sin fines de lucro ya se han comprometido a colaborar como asociados para aprovechar sus mandatos de bien público y sus conocimientos especializados complementarios. Entre ellas figuran: la Iniciativa de Acceso al Seguro (instrumento de ejecución de la Asociación Internacional de Supervisores de Seguros); la Banca Mundial de la Mujer, que se especializa en seguros de salud para las mujeres en colaboración con entidades microfinancieras; el Programa de Seguros con Impacto de la OIT, que tiene un mandato de gestión de los conocimientos relacionado con el seguro inclusivo; el Programa Mundial de Alimentos (PMA), que proporciona conocimientos y vínculos en la esfera de los seguros agrícolas, y el Instituto Internacional de Investigación sobre Políticas Alimentarias (IFPRI), que cuenta con experiencia en materia de seguimiento y evaluación. Otros asociados son el laboratorio de innovación social 17 Triggers radicado en Camboya, que realiza estudios experimentales rápidos a pequeña escala en colaboración con los aseguradores y los canales de distribución, y EA Consultores (para la evaluación y la investigación).
14. En el Apéndice II se proporciona información en materia de gobernanza financiera, incluidas las adquisiciones y contrataciones, los desembolsos, los informes financieros y las auditorías.

V. Costos y financiación indicativos del programa

15. El costo total del programa asciende a USD 2 255 000, de los que USD 1 800 000 se financiarán mediante una donación del FIDA. El Centro de Microseguros contribuirá con USD 455 000 (25 %) a modo de cofinanciación del monto de la donación, lo que equivale al 20 % del monto total del programa (USD 72 200 en efectivo y USD 382 800 en especie). Se harán esfuerzos por movilizar financiación conjunta adicional de organizaciones con programas complementarios u objetivos estratégicos similares. Varios de los donantes a los que se ha consultado con respecto a los programas innovadores orientados a los hogares rurales han mostrado gran interés. Una vez que comience la ejecución del programa, es posible que se establezcan acuerdos con otros donantes.

Cuadro 1

Costos por componente y entidad financiadora (en miles de USD)

<i>Componente</i>	<i>FIDA</i>	<i>Cofinanciación</i>	<i>Total</i>
Componente 1: examen y diagnóstico	523	-	523
Componente 2: innovaciones en materia de microseguros	997	42	1 039
Componente 3: gestión de los conocimientos y creación de capacidad	147	379	526
Gastos generales	133	34	167
Total	1 800	455	2 255

Cuadro 2
Costos por categoría de gastos y entidad financiadora
(en miles de USD)

<i>Categoría de gasto</i>	<i>FIDA</i>	<i>Cofinanciación</i>	<i>Total</i>
1. Sueldos y prestaciones	227	90	317
2. Consultorías	554	123	677
3. Viajes y dietas	250	31	281
4. Bienes, servicios e insumos	113	-	113
5. Talleres	227	47	274
6. Capacitación	296	130	426
7. Gastos generales	133	34	167
Total	1 800	455	2 255

VI. Recomendación

16. Recomiendo a la Junta Ejecutiva que apruebe la propuesta de donación con arreglo a lo dispuesto en la resolución siguiente:

RESUELVE: que el Fondo, con objeto de financiar parcialmente el programa relativo a la gestión de riesgos para el desarrollo rural: promoción de innovaciones de microseguros, conceda una donación de un millón ochocientos mil dólares estadounidenses (USD 1 800 000) al Centro de Microseguros para un programa de 48 meses de duración, conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados a la Junta Ejecutiva en este informe.

Kanayo F. Nwanze
Presidente

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.