

PACIFIC INSURANCE AND CLIMATE ADAPTATION PROGRAM **ANNUAL PROGRAMME NARRATIVE REPORT** **REPORTING PERIOD: FROM JANUARY 2024 TO DECEMBER 2024**

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¹ The MPTF/JP Contribution is the amount transferred to the Participating UN Organizations – see [MPTF Office GATEWAY](#)

ABBREVIATIONS

AA	Anticipatory Action
ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
AFI PIRI	Alliance for Financial Inclusion Pacific Islands Regional Initiative
CCSLA	Cane Farmers' Co-operative Saving and Loans Association
CGAP	Consultative Group to Assist the Poor
CDRFI	Climate and Disaster Risk Financing and Insurance
DRF	Disaster Risk Financing
DRFTWG	Disaster Risk Financing Technical Working Group
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
FinTech	Financial Technology
HUB	Inclusive Insurance Solutions Hub
InsurTech	Insurance Technology
ISF	InsuResilience Solutions Fund
KIC	Kiribati Insurance Corporation
PICAP	Pacific Insurance and Climate Adaptation Programme
PNG	Papua New Guinea
PWD	Persons with Disability
RBF	Reserve Bank of Fiji
RFP	Request for Proposal
SINPF	Solomon Islands National Provident Fund
SUN	Sun Insurance Company Limited
TOWER	Tower Insurance (Fiji) Limited

EXECUTIVE SUMMARY

The Pacific Insurance and Climate Adaptation Programme (PICAP) jointly implemented by the UN Capital Development Fund (UNCDF), the United Nations Development Programme (UNDP) and the UN Institute for Environment and Human Security (UNU-EHS) has successfully completed four years of implementation across multiple countries in the Pacific, setting several benchmarks and achieving milestones while progressing towards its objective of “building the financial resilience and preparedness of low-income Pacific islanders towards impact of climate change and extreme weather events”. At the end of 2024, Fiji, Samoa, Papua New Guinea, Tonga, and Vanuatu had seen the introduction of market based parametric micro and meso insurance products, digitally delivered at the last mile. Solomon Islands and Kiribati will follow soon with products developed and waiting regulatory to be launched in Q1 2025.

Under the **Policy and Regulations Workstream**, the programme has continued its country and regional engagement through the Disaster Risk Financing (DRF) technical working group (TWG) under the Pacific Resilience Partnership, providing support to the Pacific Islands Forum (PIFS) in developing and implementing national DRF strategies. At the same time, the programme has also been engaged with the respective Central Banks to create an enabling regulatory environment for the introduction of climate risk insurance products through the local insurers.

Given the geographical challenges in the Pacific, reaching far flung communities and the last mile cost effectively needs digital interfaces and the programme through its **Digital Ecosystems Workstream** and working with Pacific based FinTech/InsurTech partners developed and deployed innovative and first of its kind digital client onboarding platforms. Extensively used by local insurers and insurance aggregators (cooperatives, associations, development banks), the digital onboarding platform has become mainstay of client management and with payment integration with mobile wallet providers, end to end digital transactions are now fully enabled.

In all the programme countries, with PICAP support, parametric insurance solutions have been introduced for the first time ever with local stakeholders actively participating in the co-creation process. In 2024 alone, the **Inclusive Innovation workstream** saw the development and deployment of 11 climate risk insurance and digital products and services, some of them enhanced from their first generation based on market feedback, showing the responsiveness of the programme interventions. Parametric insurance linked to anticipatory action specific products for social welfare recipients and persons with disabilities (PWD) have been the hallmark of the inclusive approach of the programme in its quest for “leaving no one behind”.

To build the financial and insurance literacy of implementing partners and through them the end consumers, the programme has invested in developing a range of awareness, educational material under the **Empowered Consumers (skills) workstream** and these have been delivered through workshops, physical and online. Programme staff and consultants have directly delivered 31 workshops reaching 1,375 beneficiaries, predominantly programme partner staff. In turn, through these partners, community outreach has resulted in 384 awareness campaigns and workshops being conducted and 9,749 end beneficiaries reached. Feedback from these beneficiaries point to enhanced understanding of personal risk management, knowledge on insurance as an adaptation tool besides significant improvement in personal financial management. In total, PICAP delivered a total of 415 capacity development interventions (interventions delivered by both PICAP staff and consultants and interventions delivered by PICAP partners) in 2024, of which 11,124 individuals (60% females) benefitted from.

The programme visibility remained very high during the year due to robust communications outreach, covered by print, online and social media as well as targeted publications. The MEAL team was active and supportive throughout the year by regular onsite and offsite monitoring of programme interventions, results measurement and creating learning opportunities, both internal and external. Since inception in 2021, and throughout the four years, the programme has developed several regional and global partnerships, significantly enhancing

the network and being part of a growing community focused on building resilience of climate vulnerable populations. The programme team has participated in several regional and global conferences and events, presenting contemporary climate risk insurance related topics and programme achievements, contributing to the South-South learning agenda.

In 2024, UNCDF underwent a restructuring process that led to the establishment of a new organizational structure, designed to better fulfill its original investment mandate and drive both public and private capital toward achieving the SDGs in LDCs and underserved markets. The restructuring also meant changes in some of the engagement modalities and processes resulting in financial delivery of 80% (inclusive of commitments) while the overall programme average indicator achievement rate was unaffected at 82%. In its final meeting for 2024, the programme steering committee has endorsed a proposal to extend the current programme phase until 2026 to utilize the remaining funds, consequently the end term evaluation is also shifted to Q1 2026. The programme, through an independent consultant, completed project and partner assessments and these reports have been shared with donors. Key recommendations from this assessment are being included for programmatic intervention in 2025 and 2026. The programme document is now being revised to cover the extended period.

The programme management wishes to place on record its gratitude and appreciation to the supporting donors and the investment committee members for their guidance and direction, the senior management of the implementing agencies - UNDP, UNCDF and UNU-EHS, all the programme partners as well as the staff for their commitment, dedication and hard work.

I. Purpose

PICAP's overall program objective is to improve the financial preparedness and resilience of Pacific governments and communities to deal effectively with climate induced disasters. The main goal of the Programme is to address the significant financing and protection gap that exists at micro, meso and macro levels, equipping key stakeholders especially communities with tailored CDRF strategies and solutions that will help them overcome the growing impacts of climate change.

The programme is aligned to overarching UN strategies and frameworks including the

United Nations Pacific Strategy (UNPS)

- Outcome 1: By 2027, people, communities and institutions are more empowered and resilient to face diverse shocks and disasters, especially related to climate change, and ecosystems and biodiversity are better protected, managed, and restored.
- Outcome 3: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socio-economic systems with decent work and equal livelihoods, opportunities, reducing inequalities and ensuring shared prosperity.

UNDP Multi-Country Program Document 2023-2027

- Outcome 2: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socio-economic systems with decent work and equal livelihoods opportunities, reducing inequalities and ensuring shared prosperity.
- Output 2.1: Policies and programmes in place to support the complimentary strategies for improving livelihoods opportunities and social protection for those at risk of being left behind.

UNCDF Strategic Framework 2022-2025

- Outcome 2: Increase flows of public and private finance
- Outcome 3: Strengthened market-systems and enhanced public and private financing mechanisms.

II. Assessment of Programme Results

Key Results in 2024

- Total number of CDRFI registered clients: 26,850
- Total number of CDRFI active clients: 26,392
- Total number of new or improved CDRFI products & services piloted: 9
- Total number of digital products & services piloted: 2
- Total number of CDRFI supported policies and strategies adopted: 2
- Total number of key decision makers (government, regulators and private sector partners) reached with CDRFI capacity development interventions: 1,375
- Number of financial development competency activities facilitated by PICAPs partners at the community level: 384
- Total number of people reached through partner financial development competency activities: 9,749

Stakeholder Outcomes

1.1 Policies, regulations and standards introduced or improved that support the expansion of inclusive insurance products and services.

In 2024, PICAP strengthened financial resilience in the Pacific by equipping policymakers and regulators with the knowledge needed to implement effective Climate Disaster Risk Financing and Insurance (CDRFI) solutions. Through funding and support of multiple regional and national Disaster Risk Financing (DRF) workshops, the Programme advanced risk awareness and understanding critical for adopting tools such as parametric (index-based) insurance. These efforts directly contributed to the development of tailored CDRFI strategies, enabling governments to better manage climate-related financial risks and protect vulnerable communities.

Vanuatu DRF Strategy

PICAP contributed to the Vanuatu National Disaster Risk Financing Workshop on 4 June 2024, with the topic “Back to the Future – Learning from the past to Inform Strengthened Financial Protection”. The event had 28 participants from key stakeholder organizations in attendance. Participants were introduced to the concept of parametric insurance and the action of PICAP in the region. These discussions also fed the contributions of PICAP to the subsequent Planning Workshop for the National DRF Steering Group on 5-6 June 2024. The Programme assisted the Reserve Bank of Vanuatu with building its technical capacity towards CDRFI instruments and awareness. On the 17th of October 2024, the Government of Vanuatu through its Council of Ministers endorsed the National Disaster Risk Financing Policy of which PICAP contributed technical and financial support to. The endorsement of Vanuatu's Disaster Risk Financing Policy signifies strong support for a proactive approach to managing the financial impacts of natural disasters, acknowledging the country's high vulnerability to cyclones, earthquakes, and other hazards, and prioritizing the allocation of funds to build resilience and facilitate rapid recovery efforts when disasters strike.

Solomon Islands DRF Strategy

The Solomon Islands achieved a significant milestone with the official cabinet approval of its National Disaster Risk Financing Strategy (NDRFS) on August 23, 2024. This accomplishment followed a workshop co-hosted by UNCDF in Honiara on February 13–14, 2024, which brought together 40 professionals to finalize the strategy. Supported by key organizations such as the World Bank and the Pacific Catastrophe Risk Insurance Company (PCRIC), the workshop successfully identified strategic priorities, proposed disaster risk financing instruments, and strengthened governance arrangements for disaster risk finance and management. This collaborative effort underscores the country's commitment to enhancing its resilience against disasters.

Fiji National DRF Workshop

The World Bank in collaboration with the Ministry of Finance, Strategic Planning, National Development and Statistics, Ministry of Rural and Maritime Development and Disaster Management and the Ministry of Environment and Climate Change organized a 2-day workshop on the 29th and 30th of October 2024. The workshop was held at the Grand Pacific Hotel in Suva, Fiji of which the main intent was to initiate the development of Fiji's first ever National Disaster Risk Financing Policy. This crucial policy aims to strengthen Fiji's financial resilience against disasters by guiding the use of financial instruments and building institutional capacity. The workshop brought together representatives from government, private sector, civil society, and local communities to raise awareness on disaster risk financing (DRF) and begin vital consultations. This initiative is part of ongoing efforts to bolster climate and disaster resilience in Fiji. On the first day of the event, a session on CDRFI was led by the PICAP team which was attended by 35 professionals from key stakeholder groups in Fiji, with women making up 58% of the participants.

Aggregate Results

In the reporting year, PICAP supported the development and endorsement of two strategies that support the expansion of inclusive insurance products and services. These include:

- The Vanuatu National Disaster Risk Financing Strategy and;
- The Solomon Islands Disaster Risk Financing Strategies

In addition, PICAP, along with its sister programme, the Pacific Digital Economy Programme, continued its support to the implementation of National Financial Inclusion Strategies in Fiji and Tonga.

PICAP also provided capacity development support to key governments, regulators, and key private sector partners to increase enhance their understanding and buy-in of market based, customer centric, climate disaster risk financing and insurance instruments. The total number of key decision makers that benefitted from these capacity development interventions were 1,375 of which 60% of these were females.

Online surveys were distributed to participants of PICAP supported capacity development interventions of which there were 88 respondents across both private and public sector from 7 countries. 48 people responded to the responded to the question "to what extent did PICAPs capacity development intervention enhance their knowledge and skills on climate and disaster risk financing and insurance (parametric insurance)"? 47 responded that their knowledge and skills were enhanced, of which 64% reported a significant and extremely significant increase' and 25% reported a 'moderate' increase.

1.2 New or improved CDRFI business models scaled by PICAP-supported partner

Measuring only the **pilot** of PICAP supported products and services offers limited insight into the long-term viability, impact, and sustainability of the solutions. To truly understand the effectiveness and transformative potential of PICAPs impact is to also assess the **scale of the business models** of PICAP partners - how far and how effectively partner business models grow and deliver digitally enabled climate resilience products and services at scale. Measuring business model growth helps assess whether PICAP is influencing the broader financial and insurance as well as digital ecosystem across the Pacific and whether partners can sustain and expand service delivery beyond donor support, which pilots alone cannot demonstrate. In the reporting year, 3 partners scaled their business model that supports the digitally enabled CDRFI products and services in the market.

Tower Limited Tech Integration for Regional IT Platform

Tower Insurance partnered with an Insurtech firm, CelsiusPro, and launched a cutting-edge IT platform during the year. The platform is accessible in Fiji, Tonga and Samoa integrating real-time data from the Joint Typhoon Warning Centre (JTWC). According to Tower, the user-centric features include self-registration with multi-factor authentication, an online premium calculator, and automated policy generation. Clients can also monitor real-time weather data and settlement processes through the platform. This functionality is particularly beneficial for rural communities, where traditional insurance claim procedures can be cumbersome.

Tower in Tonga diversifying customer segments through partnerships with MNO

In addition to internet banking and bank deposits with TDB, Tower has scaled its operations to reach more individuals who are not TDB loan clients, encouraging them to enroll in parametric insurance solutions. This has been made possible through a partnership with the MNO Digicel, allowing Tongans to make payments via MyCash Digicel.

Reserve Bank of Fiji scale up project

Through PICAPs support, RBF was able to mobilize and secure resources to a tune of €950,563 from the InsuResilience Solutions Fund for a two-year project. The project aims to scale parametric microinsurance solutions and introduce innovative product variants in Fiji. The scale up project was launched in November.

1.3 New or improved CDRFI business models scaled by PICAP-supported partner

An online survey was administered to all beneficiaries of PICAPs capacity development (CD) interventions (training) in 2023 and 2024. 88 participants responded. 46 participants highlighted that they were able to apply the knowledge gained from UNCDF facilitated CD initiatives.

Impact

The percentage of customers that perceive new products and practices will help them recover quicker after extreme events.

The most recent demand and supply studies were conducted in 2023; therefore, the programme presents results from that year. Surveys on both the demand and supply sides were carried out in Kiribati, Samoa, and the Solomon Islands in 2023. Feasibility studies for Tuvalu were completed in 2024. The data collected serves as a close proxy for the Results Framework indicator measuring the percentage of customers who believe that new products and practices will support their recovery following extreme events.

Kiribati: 97% interested to take up insurance as a response mechanism for natural hazards. (Strong preference to bundle climate insurance with health and life)

Samoa: 99.7% of respondents showed significant interest to take insurance up as a response mechanism for natural hazards. (Strong preference for cyclonic cover & crop insurance)

Solomon Islands: Preference is for a combination of savings, loans, and insurance to be used as their primary recovery method following a disaster. This comprehensive approach is evident across all respondents, 86% for crop farmers, 86% fishers, 93.5% livestock farmers, 87% MSMEs. **Average 88%**

Preference for insurance: On average 97% across 2 countries (Kiribati and Samoa)

Preference for a combination of savings, loans, and insurance: 88% in Solomons.

The average score for the percentage of customers that perceive new products and services will help financial recovery after extreme weather events is 92% (average of 97% and 88%).

Value of financial loss or risk averted from climate-induced disasters and natural hazards.

\$5m represents the dollar value of total insurance protection provided to end beneficiaries across the 5 countries where parametric products have been deployed that enables them to risk avert from climate induced disasters and natural hazards.

Sector Outcomes

A key sector outcome indicator for PICAP is the number of PICs that achieve crowd in which is the extent the market actors crowd-in and respond to inclusive insurance and digital business model innovation with new or improved practices, products, services, and policies. In 2024, the Programme exceeded its target by achieving 120% in results. Crowd-in was observed in Fiji where there was market entry of non-competing partners including Insurtech firm, CelsisuPro and Solutions Studio. Additionally, there was also crowd-in achieved in Tonga where Digicel Tonga had partnered with Tower for premium collection.

Client Outcomes

PICAP achieved 26,850 registered clients in 2024 against a target of 40,000. Of the total clients onboarded onto the parametric insurance solutions, 13,495 are females (50%) and 557 were PWD. Fiji recorded the highest number of registered clients with 16,031, followed by PNG with 10,000 clients and Samoa with 543. A total of 4,148 individuals were onboarded to the micro-level parametric solutions while 22,702 were covered under the meso-level products. The meso-level solution rolled out in Fiji is the anticipatory actions product (AA) offered through Sun Insurance. The product was first launched in September 2023 with the active participation of four community-based organizations. This solution uses early warning triggers and payouts based on weather forecasts before the impact of the actual event on lives and livelihoods, therefore improving disaster preparedness of Pacific Islanders. In 2024, an additional 2 partners were brought onboard to support the roll-out of the AA solution in Fiji. A total of 12 communities were covered under this meso-level solution. Additionally, the meso-level multi-peril product that was launched in PNG in 2023 was also continuously offered in 2024 by Pacific MMI in collaboration with Women's Microbank Limited (WMBL) enabling the registration of 10,000 clients.

Outputs:

Number of people reached through partner financial development (FinDev) competency activities

The impact of PICAP partners delivering insurance literacy is significant, as it directly contributes to building climate resilience, financial inclusion, and demand for climate risk insurance solutions across vulnerable Pacific communities. To enhance the financial and insurance literacy of implementing partners and, by extension, end consumers, the program has focused on developing a variety of awareness and educational materials. These materials have been delivered through both in-person and online workshops. Programme staff and consultants directly facilitated 31 workshops, reaching 1,375 participants, primarily partner staff. Through these partners, community outreach efforts resulted in 384 additional awareness campaigns and workshops, reaching 9,749 end beneficiaries (59% female). Feedback from these participants indicates a greater understanding of personal risk management, increased knowledge of insurance as an adaptation tool, and notable improvements in personal financial management. In total, PICAP through programme staff, consultants and through its partners, conducted 415 capacity development activities in 2024, benefiting 11,124 individuals, with 60% of these being female.

Number of partners showing increased commitment in improving their business models.

To ensure PICAP's innovations translate into lasting, real-world impact, we must measure how far and how effectively partner business models grow and deliver climate resilience solutions at scale. In 2024, a total of 12 partners have demonstrated a commitment to improving their business models. The Cane Farmer's Co-operative Savings and Loans Association (CCSLA) has teamed up with insurers and Mobile Network Operators (MNOs) to facilitate the enrollment of women and underserved communities in existing parametric insurance solutions. Solutions Studio, a digital partner, has worked on developing e-learning platforms focused on digital and financial literacy as well as CDRFI awareness.

The Kiribati Insurance Corporation has formed new key partnerships and diversified its service offerings. Sun Insurance has made improvements to their product structure and tailored offerings for specific groups, such as PWD and social welfare recipients. New partnerships with the National Disaster NDMO have also emerged through the Climate and Disaster Risk Management (CDRM) programme, a result of their work on climate insurance. Tower Insurance Ltd has partnered with Global InsurTech, Celsius Pro, and launched a digital platform across Fiji, Tonga, and Samoa, while also establishing new collaborations with NDMO through the CDRM programme focused on climate resilience. In Samoa, Tower Insurance Ltd introduced a new product design to cover three additional perils: excess rainfall, water deficit, and earthquake. In Tonga, the company is expanding customer segments beyond Tonga Development Bank clients to include individual sign-ups. The Solomon Islands National Provident Fund (SINPF) is working on diversifying products for its members.

TransPacific is also developing new services related to climate insurance. In Samoa, the local insurer Samoa Surety is preparing to launch a cover that bundles parametric and indemnity insurance. New partnerships have been established with PNG, with PNG MMI Insurance Ltd working on product and service design. Mama Bank has also formed premium support partnerships with Humanity Insured.

Eleven new or improved products and services piloted with PICAPs support.

1. Fiji Product for Social Welfare Recipients
2. Fiji Product for Persons with Disabilities
3. Fiji Product for National Provident Fund Members
4. Fiji Product relating to Anticipatory Action
5. Solomon Islands Retail Product
6. Solomon Islands Anticipatory Action Product
7. Kiribati Farmers Product
8. Samoa Anticipatory Action Product
9. Papua New Guinea Multi-Peril Product
10. Digital literacy web-based platform called EduPasifika
11. E-learning app

Qualitative Assessment:

PICAP partners with several stakeholders to achieve results

- **Technical Assistance Partnerships:** PICAP collaborates with technical experts, financial institutions, and private sector actors to provide advisory services and capacity-building support. These efforts focus on designing inclusive climate risk insurance products, enhancing digital capabilities for risk assessment and service delivery, and strengthening financial institutions to scale microinsurance solutions.
- **Government and Central Bank Partnerships:** PICAP also works closely with national and local governments and central banks to integrate disaster risk financing into public policy and regulatory frameworks, aligning initiatives with national adaptation plans and financial inclusion strategies.
- **UN Agency Collaborations:** As part of a broader UNDP-led initiative, PICAP partners with multiple UN agencies to develop resilience-building frameworks that enhance climate adaptation efforts.
- **Academic and Research Partnerships:** PICAP engages with universities and research institutions to study climate risks that will enable the development of evidence-based disaster financing solutions.
- **Global and Regional Collaborations:** PICAP works with international and regional organizations to leverage expertise and funding, including the World Bank and ADB on financial risk transfer solutions, PIFS on regional policy coordination, and The Global Shield against Climate Risks to advance climate risk insurance initiatives.
- **Other Partnerships:** PICAP collaborates with community-based organizations, financial service providers and industry associations to expand outreach, ensuring vulnerable populations—particularly women, smallholder farmers, and informal sector workers—benefit from climate risk insurance solutions.

Partnership Listing

Grant Partners (24)	
1. Cane Farmer's Co-operative Savings and Loans Association Limited	13. Coconut Millers Fiji
2. Sugar Cane Growers Council	14. Fiji Rice Limited
3. Fiji Crop and Livestock Council	15. Pacific Disability Forum
4. Nature's Way Cooperative	16. Vodafone Fiji
5. Sun Insurance Company	17. Digicel Fiji
6. Tower Insurance Company	18. IT Galax Pte Limited
7. FijiCare Insurance Company	19. Reserve Bank of Fiji
8. VanCare Insurance Company	20. Ministry of Trade, Co-operatives, and Small and Medium Enterprises, Fiji
9. Samoa Surety Insurance	21. Consumer Council of Fiji
10. Kiribati Insurance Corporation	22. Tonga Development Bank

11. The Financial Management Councilors' Association of Fiji	23. Tailevu Dairy Farmers Co-op and Association Ltd
12. Solutions Studio	24. FemLink Pacific
Technical Assistance Partner (5)	
1. Weather Risk Management Services Pvt Ltd (WRMS)	4. Milliman
2. Risk Shield Consultants	5. Young Enterprises Trust
3. MicroSave Consulting	
Government Ministry / Departments and Regulators (22)	
1. Ministry of Finance, Fiji	12. Samoa Meteorology Division
2. Ministry of Women, Children & Social Protection, Fiji	13. Tonga Meteorological Service
3. Ministry of Rural Development, Fiji	14. Ministry of Finance, Tuvalu
4. Ministry of Agriculture and Waterways, Fiji	15. Ministry of Agriculture and Fisheries, Samoa
5. Ministry of Finance, Tonga	16. Kiribati Meteorological Service
6. Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change, Tonga	17. Ministry of Climate Change, Vanuatu
7. Ministry of Finance, Solomon Islands	18. National Reserve Bank of Tonga
8. Ministry of Environment, Climate Change, Disaster Management and Meteorology, Solomon Islands	19. Central Bank of Solomon Islands
9. Ministry of Finance, Vanuatu	20. Reserve Bank of Vanuatu
10. Fiji Meteorological Service	21. Bank of PNG
11. Solomon Islands Meteorological Services	22. Central Bank of Samoa
	23. Central Bank of Samoa
UN Agencies (12)	
1. United Nations Office for Disaster Risk Reduction (UNDRR)	7. United Nations Volunteers (UNV) programme
2. World Food Programme (WFP)	8. United Nations Office for South-South Cooperation (UNOSSC)
3. International Labour Organization (ILO)	9. Multi-Partner Trust Fund Office (MPTFO)
4. UN Women (UNW)	10. United Nations Industrial Development Organization (UNIDO)
5. Food and Agriculture Organization (FAO)	11. United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)
6. United Nations Framework Convention on Climate Change (UNFCCC)	12. United Nations Population Fund (UNFPA)
Academia (1)	
1. University of the South Pacific (USP)	
Global / Regional Partners (24)	
1. Disaster Risk Financing Technical Working Group under Pacific Resilience Partnership (PRP) and the Pacific Islands Forum (PIFS)	13. Pacific Islands Forum (PIFS)
2. Pacific Catastrophe Risk Insurance Company (PCRIC)	14. Global Shield against Climate Risks
3. Access to Insurance Initiative (A2ii)	15. The Vulnerable Twenty (V20) Group
4. National Institute of Water and Atmospheric Research (NIWA)	16. G20 Disaster Risk Reduction Working Group (DRR WG)
5. Sustainable Market Initiative (SMI)/Lloyds	17. Humanity Insured
6. Consultative Group to Assist the Poor (CGAP)	18. The InsuResilience Solutions Fund (ISF)
7. Insurance Development Forum (IDF)	19. Anticipatory Action Community of Practice
8. Microinsurance Network (MiN)	20. World Bank
9. Global Centre for Climate Mobility (GCCM)	21. Asian Development Bank (ADB)
10. Commonwealth Secretariat	22. International Federation of Red Cross and Red Crescent Societies (IFRC)
11. The Secretariat of the Pacific Regional Environment Programme (SPREP)	23. ABC Pacific
12. The Pacific Community (SPC)	24. Anticipation Hub
Others (11)	

1. Pacific Reinsurance Co (regional reinsurer)	7. Global Development Network
2. SCOR SE, France (global reinsurer)	8. Our Telekom Solomon Islands
3. Pacific MMI Insurance Limited (PMMI), PNG	9. Solomon Islands National Provident Fund (SINPF)
4. TransPacific Assurance limited	10. Fiji National Provident Fund (FNPF)
5. Mama Bank, PNG	11. Centre for Excellence in Financial Inclusion (CEFI)
6. Excelsia College	

ii) Indicator Based Performance Assessment:

	<u>Achieved Indicator Targets</u>	Reasons for Variance with Planned Target (if any)	Source of Verification
Indicator 1- Activity Indicator: Number of partners supported by PICAP Baseline: 19 (2022) Planned Target: 28	4	<u>Target not met.</u> Less number of new partners in 2024 due to changes in the partner onboarding process, which shifted from using RFA procedures to RFP procedures and service contracts. The need to fully operationalize this shift through updated Standard Operating Procedures (SOPs) caused delays in developing the necessary terms of reference for the RFPs and their application processes.	PICAP 2024 Annual Report
Indicator 2- Activity Indicator: Number of people taking part in capacity building activities. Baseline: 451(2022) Planned Target: 150 (30% women)	1,375	<u>Target exceeded.</u> Total number of female participants were 554 (60%).	PICAP 2024 Annual Report
Indicator 3- Activity Indicator: Number of capacity building activities. Baseline: 61 (2022) Planned Target: 30	31	<u>Target exceeded</u> UNCDF Programme Staff facilitated capacity development activities.	PICAP 2024 Annual Report
Indicator 4- Activity Indicator: Value of PICAP investments (USD) Baseline: 4,040,066 (2022) Planned Target: 2,000,000	263,526	<u>Target not met.</u> 4 new investment projects. Due to internal changes in partner engagement modalities and due diligence processes introduced, planned investments were much slower than anticipated.	PICAP 2024 Annual Report
Indicator 5- Activity Indicator: Value of PICAP investments due to PICAPs support (USD) Baseline: 2,447,518 (2022) Planned Target: 1, 1,500,000	Nil	<u>Target not met.</u> With the shift in agreements from Performance Based Agreements to the use of 'Contract Agreements' tracking partner investments has been more difficult.	PICAP 2024 Annual Report
Indicator 6- Output	9,749	<u>Target not met.</u> Due to having less new partners onboard in 2024, outreach targets were quite low.	PICAP 2024 Annual Report

Indicator: Number of people reached through partner financial competency development partners. Baseline: 22,186 (2022) Planned Target: 26,800			
Indicator 7- Output Indicator: Number of partners showing increased commitment in improving their business models. Baseline: 19 (2022) Planned Target: 8	12	<u>Target exceeded</u> CCSLA, Solutions Studio, KIC, Sun Insurance, Tower Ltd (Fiji), Tower Ltd (Samoa), Tower Ltd (Tonga), SINPF, TransPacific, Samoa Surety, PNG MMI Insurance Ltd, Mama Bank. (See Outputs narrative on business models).	PICAP 2024 Annual Report
Indicator 8- Output Indicator: Number of new and improved products and services piloted with UNCDF support. Baseline: 15 (2022) Planned Target: 3	11	<u>Target exceeded</u> FJ Product for Social Welfare Recipients FJ Product for Persons with Disabilities FJ Product relating to Anticipatory Action SB Islands Retail Product SB Islands Anticipatory Action Product KI Water Deficit Product (Farmers Product) KI Windspeed Product (Fishers Product) WS Anticipatory Action Product PG Multi-Peril Product Digital literacy web-based platform called EduPasifika EduPasifika E-learning app.	PICAP 2024 Annual Report
Indicator 9- Stakeholder Outcomes Indicator: Number of policies, regulations and standards introduced or improved that support the expansion of inclusive insurance products and services. Baseline: 4 (2022) Planned Target: 2	2	<u>Target achieved.</u> 1. VU DRF Strategy: Endorsed by Council of Ministers on the 17 th of October 2024 2. SB DRF Strategy: Approved by Cabinet 23 rd August 2024	PICAP 2024 Annual Report
Indicator 10- Stakeholder Outcomes Indicator: Number of new or improved CDRFI business models scaled by PICAP-supported partner Baseline: 2 (2022) Planned Target: 1	3	<u>Target exceeded</u> 1. Tower Limited Tech Integration for Regional IT Platform 2. Tower in Tonga diversifying customer segments through partnerships with MNO. 3. Reserve Bank of Fiji scale up project	PICAP 2024 Annual Report
Indicator 11- Stakeholder Outcomes	46	<u>Target exceeded</u>	PICAP 2024 Annual Report

Indicator: Number of partners indicating they have applied the knowledge gained in the PICAP delivered capacity development activity 6-12 following the date of the activity. Baseline: 13 (2022) Planned Target: 5		An online survey was administered to all beneficiaries of PICAPs capacity development interventions (training) in 2023 and 2024. 88 participants responded. 46 participants highlighted that they were able to apply the knowledge gained from UNCDF facilitated CD initiatives.	
Indicator 12- Impact Indicator: The percentage of customers that perceive that new products and practices will help them recover quicker after extreme events. Baseline: 58.5% (2022) Planned Target: 62%	92%	<u>Target exceeded.</u> 97%- preference for insurance 88%- preference for a combination of financial recovery methods 92%- average score	PICAP 2024 Annual Report
Indicator 13- Client Outcomes Indicator: Number of registered clients of new or improved CDRFI products and services supported by PICAP (access). Baseline: 5,287 (2022) Planned Target: 40,000	26,850	<u>Target not met.</u> Due to the low number of partners onboard, this had some impact on the total registered clients onboarded.	PICAP 2024 Annual Report
Indicator 14- Client Outcomes Indicator: Number of active clients of new or improved CDRFI products and services supported by PICAP (usage). Baseline: 4,799 (2022) Planned Target: 36,400	26,392	<u>Target not met.</u> Clients Active: 26,392 FJ: 15,573 PNG: 10,000 TO: 276 WS: 543 Total Female Active: 13,470 (51%) Persons with Disabilities: 577 (F: 265) Micro Level Product: 3,690 (F: 2,350) Meso Level Product: 22,702 (F: 11,120)	PICAP 2024 Annual Report
Indicator 15- Client Outcomes Indicator: Percentage use of digitally enabled CDRFI products and services. Baseline: 0.59% (2022) Planned Target: 2.75%	0.35%	<u>Target not met.</u> Meeting the target for this indicator is dependent on the programme meeting its target on the number of active clients. The programme did not meet its target with registered clients due to the reasons highlighted in indicator 13.	PICAP 2024 Annual Report
Indicator 16- Sector Outcomes	2	<u>Target exceeded.</u>	PICAP 2024 Annual Report

<p>Indicator: The number of PICs that achieve crowd in i.e. the extent the market actors crowd-in and respond to inclusive insurance and digital business model innovation with new or improved practices, products, services, and policies.</p> <p>Baseline: Achieved (2022)</p> <p>Planned Target: 1</p>		<ul style="list-style-type: none"> • Market entry of non-competing partners including InsurTech firm CelsiusPro and Solutions Studio • Market entry of Digicel in Tonga to partner with Tower for premium collection. 	
<p>Indicator 17- Impact</p> <p>Indicator: Value of financial loss or risk averted from climate-induced disasters and natural hazards.</p> <p>Baseline: N/A</p> <p>Planned Target: N/A</p>	~USD 5m	US\$5m represents the value of total insurance protection provided to end beneficiaries across the 5 countries where parametric products have been enjoyed.	PICAP 2024 Annual Report

iii) Evaluation, Best Practices and Lessons Learned

Research Activities

Payout Survey data collection in collaboration with Fijian Ministry of Agriculture and Waterways (MOAW)

In 2023 and 2024, Fiji faced multiple heavy rainfall events, resulting in over 1000 payouts, mainly in the Western Division, amounting to over FJ\$200,000. To evaluate the impact of these payouts on clients' resilience, the PICAP team is conducting a survey focusing on the utilization and economic impact of payouts following excess rainfall events. This survey aims to determine how beneficiaries utilize parametric insurance payouts to support economic recovery, identify which areas benefit most, and compare coping levels between insured and uninsured households. It also explores household dynamics, experiences with extreme weather, preparedness levels, gender impacts, and satisfaction with the insurance product. The sample consists of 480 insurance policyholders and 120 non-policyholders, selected using random and "Nearest-Neighbor" sampling methods. In-person data collection has been conducted in Viti Levu, in 4 Tikinas of the Western Division Ba Province, from August to September 2024, in partnership with the Fijian Ministry of Agriculture and Waterways (MOAW) and under UNU-EHS' remote supervision. Preliminary results have been communicated at COP29, at the side event "Assessing the impact of parametric climate risk insurance payouts in Fiji," held at the Moana Blue Pacific Pavilion. Furthermore, publications showcasing the survey's results are planned for 2025. During the analysis, the team identified missing data resulting from technical issues. Therefore, as of the end of 2024, the MOAW is collecting missing data, and the subsequent analysis will be performed at the beginning of 2025.

Working Paper on Premium Support

Premium support consists in providing subsidies to lower the price of climate risk insurance premiums, with the aim of increasing products' accessibility and affordability, and thus progressively close the protection gap. While macro-level premium support schemes have been extensively studied, there is a notable lack of knowledge and experience in implementing such measures at micro and meso levels. To bridge this gap, the PICAP team wrote a paper on considerations to operationalize micro and meso level premium support. The working paper was launched in December 2023, at COP28 in Dubai (United Arab Emirates), where it was discussed during two panel discussions. Furthermore, the main findings were discussed within the framework of the Frankfurt School's InsuResilience Solutions Fund course on product development for Climate Risk Insurance, on September 18th, 2024. After completing a review process and incorporating feedback from experts and partners, the team will publish the paper in early 2025.

Anticipatory Action and CRI research paper

Throughout the year, the PICAP team undertook research to explore the link between Climate Risk Insurance (CRI) and Anticipatory Action (AA). This study led by UNU-EHS, aimed to pinpoint specific entry points for CRI along the AA activity chain. The research assessed the current use and impact of existing AA initiatives, supplemented by expert insights on the benefits, challenges, and limitations of these applications. For this study, data was gathered through interviews with experts from the humanitarian and insurance sectors from July –to September 2024. The findings served as a foundation to kick off in-depth discussions and additional expert exchanges at various international knowledge management events such as the 14th Global Dialogue (Berlin, Germany), the International Conference on Inclusive Insurance (ICII, in Kathmandu, Nepal) and COP29 (Baku, Azerbaijan). Based on this research, UNU-EHS team developed a paper which was submitted for review and potential publication in an academic journal. Meanwhile, UNU-EHS team is working on publishing the policy brief based on the research findings in Q1 2025. The brief will present evidence-based recommendations for integrating CRI and AA as a practical and innovative framework to address persistent challenges in disaster preparedness. By ensuring timely interventions and fostering long-term resilience to climate-driven risks, it advocates for scalable, equitable, and sustainable solutions that prioritize the needs of vulnerable communities.

Learning online seminar: Qualitative Assessment on PICAP's Project Outcomes

A PICAP internal learning webinar was facilitated on the 10th of December 2024. The purpose and objective of the session was to validate with key stakeholders the findings and recommendations from a qualitative assessment on PICAP's project outcomes in line with its theory of change. The presentation was delivered by Katherine Miles, a UK-based independent consultant with inclusive climate and disaster risk financing and insurance experience. The consultant had facilitated the project qualitative assessment.

Programme Risks


Key: L- Low | M-Medium | H-High

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation	Risk Status
1	Global pandemics, wars, conflicts with economic impacts	M	H	There are no Covid-19 related restrictions, both local and global. However, the programme will continue to monitor the situation, following Government guidelines, UN advisories. The ongoing war Russia-Ukraine war is affecting global supply chains, putting inflationary pressures across continents and fiscal/economic situation in many PICs continues to cause concern. Management will continue to monitor the environment, engage donors and stakeholders in addressing these issues.	Reducing
2	Other parametric insurance or CDRFI initiatives	M	M	In the last year, several agencies have announced plans for commencing parametric insurance initiatives in the Pacific, these are potentially conflicting with PICAP. Proactively it is planned to engage with these agencies to develop collaborative approaches and complementarities. As a member of the DRFTWG under PRP, PICAP will continue to engage all stakeholders in this space and position itself strategically. Further, PICAP has firmly established its credentials through robust stakeholder engagement, development of solutions and evidenced by results.	No Change
3	Implementation Support from Pacific governments is delayed	L	L	Through direct engagement with Pacific governments and FEMM, PICAP has received good support from country stakeholders and will continue to build relationships as implementation progresses. National workshops with government and regulators in the countries planned for expansion will also serve to minimize this risk.	Reducing
4	Limited technical knowledge and capacity of regulators/governments on parametric	M	L	Several capacity enhancement workshops have been completed for government, regulators, and other stakeholders and this will be ongoing during the expansion phase as well.	Reducing for pilot PICs

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation	Risk Status
	insurance and other CDRFI tools				No Change for expansion PICs
5	Limited private sector support or buy-in for implementation partnerships	L	L	There is excellent support and participation from the private sector- insurers and reinsurers besides FinTech/InsurTech partners as well as cooperatives and aggregators. Supply side challenges in some of the smaller PICs will remain, through rigorous engagement, programme will cover the implementation in these countries as well.	Reducing for pilot PICs No Change for expansion PICs
6	Low levels of insurance awareness	H	M	Programme has identified this as a priority area for intervention and ongoing support will be provided to partners for continuing awareness and literacy campaigns. PICAP will also work with PDEP in rolling out financial and digital literacy training and awareness for partners. It should be recognized that insurance awareness and financial competency development will be an ongoing activity throughout the expansion phase.	Reducing for pilot PICs No Change for expansion PICs
7	Poor market response to parametric insurance and other CDRFI instruments	M	M	Globally, parametric insurance has either been government or donor driven or supported. Developing/deploying market-based solutions is bound to be challenging; however, it is proposed to address this challenge through a combination of community engagement, co-creation of solutions for acceptance and sustainability, regular awareness campaigns, innovative financing options, use of digital linkages for cost efficiency as well as concentration on meso level players for market outreach. Development of the 'macro to micro' parametric insurance for social protection is another way of reaching scale.	Reducing for pilot PICs No Change for expansion PICs
8	Sustainability of market interventions and projects	H	M	Based on the findings and observations from the mid-term review, a sustainability and exit plan will be developed by the programme to look at phased transfer of capacities to national/ regional stakeholders during the expansion phase from 2023 to 2025. Given the limited local capacities, it will be some time before national or regional ownership of the programme can be fully ensured.	No Change
9	Technical capacity and implementation	L	L	Team technical capacity has vastly improved with exposure to appropriate training. Need-based recruitment has been carried out and will	Reducing

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation	Risk Status
	experience of the Programme team			be continued as the programme enters the expansion phase. The services of technical experts have also been enlisted through contractual services.	
10	Donor/funder support to the programme for the expansion phase	L	M	Programme has delivered excellent results during the inception phase, reaching targets on all counts. Principal donors- Australia and New Zealand- have confirmed support for the expansion phase, new donors like UK (United Kingdom) have also committed resources in addition to added support from India-UN fund and Luxembourg.	Reducing

iv) A Specific Story



United Nations Capital Development Fund and Reserve Bank of Fiji representatives with parametric insurance beneficiaries at the Grand Pacific Hotel in Suva on November 12, 2024. Photo: Jernese Macanawai

UNCDF, RBF scale up parametric insurance

JERNESE MACANAWAI
SUVU

The UN Capital Development Fund (UNCDF) and the Reserve Bank of Fiji (RBF) are scaling up parametric microinsurance products to protect more at-risk Fijian communities financially against climate disasters.

Speaking at the launch yesterday at the Grand Pacific Hotel in Suva, RBF Governor Ariff Ali said, "For Fiji, climate change is an urgent reality affecting our homes, communities, and livelihoods. The real concern lies in how climate change impacts the most vulnerable among us—those who are least able to recover from its devastating effects."

"By scaling up parametric microinsurance products, we are equipping Fijians with innovative financial tools that offer protection against the unpredictable forces of nature."

During the COVID-19 pandemic in 2021, the UNCDF and the Pacific Insurance and Climate Adaptation Programme, with the support of the RBF and other partners, launched parametric insurance into the local market and the Pacific region for the first time.

Since then, the initiative has benefitted thousands of farmers, fishers, market vendors and small businesses.

Mr Ali said the aim going forward would be to reach 5000 policyholders in Fiji by the end of the year for a total of 25,000 beneficiaries, 45 per cent of whom would come from the most vulnerable and disadvantaged communities.

UN Development Programme Pacific Office Resident Representative Muukhtuya (Tuya) Altuggerel said the feedback from the beneficiaries ensured that the insurance product was effective and suitable for them.

With this move to scale up, RBF became the first central bank in the Pacific and globally to 'take ownership of national parametric microinsurance implementation', said Mr Ali.

RBF also established a dedicated unit within the bank to oversee the growth of this programme and there have been efforts to set up a Climate Change Unit in the Governor's Office to help develop products and a sustainable insurance market in Fiji.

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Summary of Communications and Media Coverage for 2024

Social Media Channels through UNDP

Facebook:	27,000 followers
Twitter:	40,500 followers
Instagram:	127 followers
LinkedIn:	32,000 followers
YouTube:	801 subscribers
Total	100,428

Social Media Channels through UNCDF

Facebook:	165,000 followers
Twitter:	25,000 followers
Instagram:	11,700 followers
LinkedIn:	137,000 followers
YouTube:	5,260 subscribers
Total	343,960

Publication and Distribution Pieces

News Coverage:	51
Publications by UNCDF:	1
Publications with UN-PICAP Mentions:	21
Events:	27
Social Media Coverage:	12
Blogs:	18
Press Releases:	8
Stories:	4
Recording/Video Highlights:	47
Total	189

/End of Report/