

United Nations Development Programme

Insurance and Risk Finance Facility

Annual Report 2024



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Project Information

Project Title

Insurance and Risk Finance Facility

Scope

Global with country implementations

Reporting Period

01 January 2024 – 31 December 2024

Donors

- Gates Foundation
 - Assicurazioni Generali
 - Howden
 - Ocean Risk and Resilience Action Alliance (ORRAA)
 - Arab Gulf Programme for Development (AGFUND)
 - Kuwait Finance House (KFH)
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Industry Partners

- Milliman
 - Swiss Re
 - AXA
 - Guy Carpenter
 - Blue Marble
 - Howden
 - SCOR
 - Munich Re
 - Hannover Re
 - Hiscox
 - Celcius Pro
 - Allianz
 - Europa Re
 - Gallagher Re
 - Generali
 - Zurich
-

Institutional Partners

- Microinsurance Network (MiN)
 - International Cooperative and Mutual Insurance Federation (ICMIF)
 - International Labour Organisation (ILO)
 - Islamic Development Bank
 - Islamic Development Bank Institute
 - Jupiter
 - Insurance Development Forum
 - Global Shield Against Climate Risks
 - InsuResilience Solutions Fund
-

Abbreviations and Acronyms

AGFUND	Arab Gulf Programme for Development
BIOFIN	Biodiversity Finance Initiative
BMZ	Federal Ministry for Economic Cooperation and Development – Germany
CDRFI	Climate and Disaster Risk Finance and Insurance
COMESA	Common Market for Eastern and Southern Africa
CoP	Community of Practice
DRF	Disaster risk finance
ERM	Enterprise Risk Management
FfD4	Financing for Development Conference
FRA	Financial Resilience in Agriculture
GAIN	Global Actuarial Initiative
HSC	Hamburg Sustainability Conference
HWC	Human-wildlife conflict
ICBP	Insurance Capacity-Building Programme
ICMIF	International Cooperative and Mutual Insurance Federation
IDF	Insurance Development Forum
IIC	Insurance Innovation Challenge
ILO	International Labour Organization
INFF	Integrated National Financing Framework
IRFF	Insurance and Risk Finance Facility
IsDB	Islamic Development Bank
IsDBI	Islamic Development Bank Institute
ISF	InsuResilience Fund
KFH	Kuwait Finance House
MiN	Microinsurance Network
MTE	Mid-Term Evaluation
NAICOM	National Insurance Commission of Nigeria
NAP	National Adaptation Plan
NDC	Nationally Determined Contributions
NIIS	National Inclusive Insurance Strategy
ORRAA	Ocean Risk and Resilience Action Alliance
RFSU	Rural Finance Service Unit
SES	Social and Environmental Standards
SMEs	Small and medium-sized enterprises
TAIS	Tanzania Agriculture Insurance Scheme
TIRA	Tanzania Insurance Regulatory Authority
ToT	Training of trainers
UAIS	Uganda Agriculture Insurance Scheme
UNDP	United Nations Development Programme
UNOC-3	UN Oceans Conference

Executive summary

In 2024, the United Nations Development Programme's Insurance and Risk Finance Facility (IRFF) advanced its mission to build financial resilience across 33 countries. Now in its fourth year of activities, the Facility continues to deliver on its core objective: helping countries to better manage the financial risks that hinder sustainable development. Through targeted support across five key thematic areas – resilient countries and communities, resilient households, resilient businesses, resilient nature and resilient food systems – IRFF is working with partners to close protection gaps and enable long-term financial resilience.

Operating across five regions with support from eight donors, the Facility collaborates with governments and the insurance industry to build well-functioning local insurance markets and improve countries' financial management of risks. Key activities include partnering with insurers to design innovative risk transfer and insurance solutions and working with governments to integrate risk management into public policies and enhance insurance regulations to create inclusive and effective insurance systems.

In 2024, the Facility achieved several notable milestones under the Tripartite Agreement – a strategic partnership between UNDP, the German government and the Insurance Development Forum to build countries' financial resilience to climate risks. Four sovereign and sub-sovereign insurance products were developed in Ghana (two solutions), Nigeria and Uzbekistan, with the potential to protect nearly 14 million people from climate risks, and an additional 14 products are currently in development. This initiative was internationally recognized for its innovation and impact, earning the 2024 Property & Casualty Innovator of the Year Award from the International Insurance Society.

Innovation and data were key focus areas in 2024. Insurance Innovation Challenges (IICs) were launched in eight countries to power a new generation of insurance products and services tailored to underserved markets, with support from several donors. Fourteen solutions are in development, ranging from parametric insurance for smallholder farmers in Viet Nam and gender-responsive health coverage in Kenya to habitat protection products in Colombia and an Insurtech platform for small businesses in Malaysia. To support better decision-making and risk management, the Facility launched a partnership with Jupiter Intelligence to help governments access advanced climate risk analytics to inform their disaster risk finance strategies, social protection programmes and national adaptation plans.

Building countries' capacity to manage financial risks remains central to IRFF's work. In 2024, more than 450 public officials in 11 countries received training in risk finance. The Global Actuarial Initiative (GAIN) in collaboration with Milliman rolled out actuarial capacity-building in 12 countries. Technical assistance was provided for disaster risk finance (DRF) strategies in eight countries, while policy frameworks supporting agricultural insurance were enhanced in Ghana, Uzbekistan and Viet Nam. The Facility also facilitated regional knowledge exchanges for insurance regulators, including on Solvency II, and supported the development of public policies to strengthen insurance markets in Ghana and the United Republic of Tanzania.

The Facility's commitment to enhancing the resilience of farmers and food systems continued in 2024 by strengthening collaboration with ministries of agriculture and public development banks across five programme countries—Bangladesh, Ethiopia, India, Uganda and the United Republic of Tanzania—

through the Financial Resilience in Agriculture (FRA) initiative. The FRA embeds agricultural insurance solutions within broader strategies for rural financing, agricultural productivity, rural livelihoods and climate adaptation and is supported by the Gates Foundation. In 2024, the FRA Community of Practice (CoP), a peer-learning platform designed to assist governments in institutionalizing agricultural insurance within national development agendas, was launched with 18 governments during the International Conference on Agriculture Insurance and Agri-Financing in Goa, India.

With its partners, the Facility continued its efforts to build a research base to increase awareness and understanding of the role that insurance and risk finance can play in underpinning sustainable development, incentivizing economic growth and protecting the most vulnerable. As part of the Facility's partnership with Generali, joint publications were released on protecting small business in South-east Asia and the role of parametric insurance in building financial resilience, along with a digital tool to help Malaysian SMEs understand and manage their flood risk. Other key publications included a collaboration with the Islamic Development Bank (IsDB) and Islamic Development Bank Institute (IsDBI) on growing Takaful markets to provide financial protection for Muslim communities as well as the finalization of 26 diagnostic studies outlining the insurance and risk finance landscape in programme countries.

The progress achieved in 2024 underscores the power of partnership, innovation and institutional capacity in advancing financial resilience. As IRFF evolves, it remains committed to catalysing systemic change and building public-private partnerships for a more secure, inclusive and sustainable future for all. By working with governments, insurers, communities and international organizations, IRFF is strengthening global supply chains and food systems, enhancing country and community financial resilience, protecting small businesses from shocks and hazards, de-risking investments in climate adaptation and resilience, and enabling nature-based solutions to drive a virtuous cycle of financial protection, investment and economic growth.

Looking ahead to 2025, IRFF will continue to scale and enhance these efforts. Sovereign and sub-sovereign solutions are expected to be finalized in Argentina, Colombia, the Dominican Republic, Ecuador and Uzbekistan under the Tripartite Agreement, Insurance Innovation Challenges will expand to 30 countries, the UNDP-Generali partnership will be renewed for another three years and expand to five countries, and the FRA will work with governments to embed agricultural insurance into national public policies. In Argentina, IRFF will also support the launch of the world's first jaguar protection insurance product, underscoring the Facility's commitment to nature-based solutions. Throughout, the Facility will continue to bring governments and insurers together to design public-private mechanisms that deliver long-term financial protection for countries and communities, households, businesses, nature and food systems.



Introduction: Managing Risk as a Development Priority

In an era defined by compounding risks – from climate extremes and economic shocks to geopolitical uncertainty – insurance and risk finance have emerged as critical tools for safeguarding development and unlocking economic potential. By enabling countries, communities and businesses to manage and transfer risk, these instruments provide financial stability, de-risk investments and protect development gains.

UNDP's Insurance and Risk Finance Facility harnesses the full power of insurance and risk transfer to build financial resilience for households, enterprises, ecosystems and countries. Anchored within UNDP's Sustainable Finance Hub, the Facility brings together global expertise, technical innovation and catalytic financing to help countries withstand shocks and chart resilient development pathways. As of 2024, IRFF operates in 33 countries across five regions, backed by eight donors: Arab Gulf Programme for Development (AGFUND), the German Federal Ministry for Economic Cooperation and Development (BMZ), the Gates Foundation, Generali, Howden, the Islamic Development Bank (IsDB), Kuwait Finance House and Ocean Risk and Resilience Action Alliance (ORRAA).

Working in close partnership with governments and the insurance industry, IRFF supports the design

of inclusive, scalable risk transfer solutions while strengthening public policies, regulatory frameworks and institutional capacity. The Facility fosters functioning insurance markets by embedding risk finance into national development strategies and enabling better public financial management of risk.

To support better decision-making and risk management, IRFF is also investing in data-driven solutions. Through its collaboration with Jupiter Intelligence, the Facility is helping governments in countries like Ethiopia and the United Republic of Tanzania access advanced climate risk analytics, informing disaster risk finance strategies, social protection programmes and national adaptation plans.

At the heart of IRFF's model is a systems-based approach focused on long-term market transformation. This means investing in the foundational market functions, enabling policies and institutional capabilities that are essential for sustainable insurance ecosystems to thrive.

Partnerships are key to the Facility's work, and in 2024, important advancements were made with partners on IRFF's programmes, including: the Tripartite Agreement, with BMZ and 18 insurers under

the framework of the Insurance Development Forum (IDF); the Financial Resilience in Agriculture initiative, with the Gates Foundation; the Insurance Innovation Challenges, with Generali, the International Cooperative and Mutual Insurance Federation (ICMIF) and the Biodiversity Finance Initiative (BIOFIN); the Global Actuarial Initiative (GAIN), with Milliman; and the Data for Development partnership with Jupiter Intelligence. IRFF is also a key contributor to the Global Shield against Climate Risks, supporting in-country processes and providing critical data, tools and coordination to strengthen climate risk financing globally.

This annual progress report is structured according to IRFF’s five key thematic areas: resilient countries and communities; resilient households; resilient businesses; resilient nature; and resilient food

systems. In each section, the report describes innovative insurance and risk finance solutions in development together with insurance partners; collaborations with governments to strengthen regulatory and policy environments; capacity-building efforts for governments and insurance industry stakeholders to help develop markets and support insurance design and uptake; and advocacy, research and tools created to help build the evidence base for insurance and risk finance for development. The report also explores cross-cutting priorities that shaped IRFF’s impact in 2024, including gender equality, South-South cooperation and the generation of robust evidence and data. It concludes with operational updates, reflections on lessons learned and the Facility’s vision for the year ahead.

Africa	Asia and the Pacific	Latin America and the Caribbean	Arab States	Europe and Central Asia
Comoros	Bangladesh	Argentina	Algeria	Uzbekistan
Ethiopia	India	Chile	Egypt	
Ghana	Indonesia	Colombia	Jordan	
Kenya	Malaysia	Dominican Rep.	Yemen	
Madagascar	Nepal	Ecuador		
Malawi	Pakistan	Mexico		
Mozambique	Philippines	Peru		
Nigeria	Sri Lanka	Uruguay		
Senegal	Thailand			
Uganda	Viet Nam			
U.R. Tanzania				



Resilient Countries and Communities



As the global risk landscape grows increasingly complex, developing countries require enhanced financial capacity to manage risks without further straining their national budgets. In 2024, IRFF continued collaborating with governments to integrate risk management into all aspects of financial decision-making, building supportive policies and regulations for insurance market development, and partnering with the insurance industry to create and scale relevant insurance solutions.

Through tailored technical assistance, IRFF drives the development of risk financing strategies, policy reforms, improved risk modelling and stronger local insurance markets, while also facilitating the incorporation of risk finance into key development

frameworks like Integrated National Financing Frameworks (INFFs), National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs).

To foster long-term, sustainable systems change, IRFF employs a two-pronged approach that reshapes institutions, policies and regulations, while simultaneously strengthening market foundations. This systems-focused strategy allows countries to establish effective disaster response mechanisms, enabling prompt financial relief to communities without diverting essential resources or relying on external aid – thus supporting the integration of insurance solutions into public policies that encompass adaptive social protection, climate change adaptation and food security.

Insurance and risk finance solutions in development

The Tripartite Agreement is a strategic public-private partnership between UNDP, the Insurance Development Forum and the Government of Germany to build countries' financial resilience to climate risks. Under the agreement, IRFF acts as a convening partner between national and subnational governments and global and local insurance and reinsurance entities, facilitating collaboration on the

design and roll-out of risk financing products that specifically target climate risks and climate-related perils. In 2024, the Tripartite Agreement won the Property & Casualty Innovator of the Year Award from the International Insurance Society.

As part of the Tripartite Agreement, 18 countries are currently at different stages of the design and

roll-out of sovereign risk financing schemes, with a total of 64 million projected beneficiaries. Among IRFF’s major accomplishments in 2024 were the development of first-of-their-kind insurance solutions in Ghana, Nigeria and Uzbekistan through the Tripartite Agreement.

In Ghana, Accra received its first flood-specific insurance products – the Excess Rainfall Cover and Flood Footprint Products – developed with a global insurer consortium (Swiss Re, Allianz and HKV), alongside a municipal contingency plan to ensure fast, fair payouts that are expected to reach

nearly 5 million beneficiaries. In Nigeria, a new parametric flood insurance scheme was designed to protect 1.7 million households in Lagos, backed by a national disaster risk finance strategy and premium financing mechanisms for rollout in 2025. Meanwhile, in Uzbekistan’s Ferghana Valley and four other regions, IRFF worked with an insurance Industry team (Swiss Re, Europa Re and local insurers Uzagrosugurta and Semurg) to finalize a multi-peril indemnity product covering over 83,000 smallholder farmers, complemented by the formulation of new public policy enabling premium subsidies for agricultural insurance.

**STATUS OF COUNTRIES IN THE
TPA TRIPARTITE AGREEMENT PROCESS**

Engaging the government and /or defining the scope	Bangladesh • Egypt • Pakistan • Thailand
Concept note or full proposal submission made to ISFthe InsuResilience Solutions Fund (ISF)	Ethiopia • Madagascar • Mozambique • Nepal • U. R. Tanzania • Viet Nam
Products in development	Argentina • Colombia • Dominican Republic • Ecuador
Securing premium financing or preparing for market launch	Ghana • Nigeria • Mexico • Uzbekistan

Strengthening the enabling environment for insurance and risk finance

A key part of IRFF’s approach involves providing technical assistance for public policy development across its programme countries, helping to improve the enabling environment for insurance and risk

finance by developing disaster risk finance strategies and integrating them into national financing and development frameworks.

Disaster risk finance strategies

Disaster risk finance (DRF) strategies and risk profiles are critical tools for proactively managing risk. They enable countries to assess their exposure, plan ahead and ensure that financial resources are in place so funds can be deployed quickly and effectively when disasters strike.

In 2024, IRFF advanced DRF from concept to implementation, supporting countries to move from reactive response to proactive resilience. By strengthening national strategies, legal frameworks and risk profiling, IRFF enabled governments to better understand their exposure, pre-arrange financing and respond more effectively when disasters occur.

Key milestones included the adoption of national DRF strategies in Pakistan and Zanzibar (United Republic of Tanzania), while strategy development moved forward in Jordan, Mexico, Nigeria and Viet Nam. In Ethiopia, IRFF supported the Ministry of Finance in operationalizing its 2023 strategy. At the local level, IRFF worked with municipalities in Argentina to create a practical manual for managing urban flooding and transparent fund disbursement, and helped design a disaster pool fund in India to extend financial protection to vulnerable populations.

Risk profiling efforts also expanded: in Mexico, value chain-specific profiles were developed for coffee and honey, while in Algeria, national assessments for earthquakes, wildfires and floods were initiated.

DRF integration in national financing and development frameworks

IRFF supports the integration of Climate and Disaster Risk Finance and Insurance (CDRFI) into national development and financing frameworks. In the Dominican Republic, UNDP has embedded insurance and risk finance within the country's INFF, aligning it with national development priorities. In Ecuador, two agricultural insurance initiatives – expanding climate-resilient insurance tools and scaling up coverage through targeted subsidies – have been formally incorporated into the country's second NDC for implementation between 2026 and 2035.

Throughout 2024, IRFF worked in collaboration with UNDP's Climate, Inclusive Growth and INFF teams on developing guidelines to embed CDRFI into key national development processes, including NAPs, NDCs, INFFs and social protection mechanisms.

Building country capacity in insurance and risk finance

UNDP strengthens the capacity of national and subnational governments to understand, articulate and measure risk, enabling them to engage effectively with local insurance markets and international reinsurers in designing, tendering for and procuring sovereign risk finance solutions. The goal is to empower governments and UNDP Country Office teams to develop informed risk financing strategies

that are data-driven, context-specific and aligned with broader climate and development priorities.

The IRFF Climate and Disaster Risk Finance and Insurance Training Programme is a core part of this effort. It is tailored for government officials and technical staff who play a role in shaping national or local climate adaptation and risk management

strategies. The training builds both awareness and technical understanding of key CDRFI concepts, helping countries embed risk finance into planning, budgeting and policy implementation.

Since 2022, more than 480 participants from across 12 countries have taken part in in-person trainings. These sessions provide foundational knowledge on national climate and disaster risk contexts; core

CDRFI concepts, financial instruments and tools; the application of risk data and analytics in policy and planning; the role of CDRFI in resource mobilization; and global trends in insurance and risk finance.

By equipping public institutions with the knowledge and tools to assess and manage risk, the IRFF training programme is helping to mainstream risk finance as a cornerstone of resilient development.

Advocacy, research and tools

In 2024, IRFF's key publications on resilience for countries and communities included:

- [Joint report with Generali on Parametric Insurance to Build Financial Resilience](#) highlights how parametric insurance, which uses triggers instead of actual losses, can help governments, businesses and communities prepare for rising risks. The report provides case studies and tools for understanding parametric policies and calls for greater collaboration among insurance, government and development sectors to address the protection gap.
- [Insurance and Risk Financing Opportunities in Western Balkans](#) examines the challenges and opportunities for developing insurance and risk financing in the Western Balkans, including Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia. It provides an overview of the current insurance market, identifies key obstacles and suggests solutions and growth areas that could benefit from external intervention.



Resilient Households



An estimated 9 out of 10 people in low-income communities lack access to the financial protection that insurance provides, leaving them highly vulnerable to shocks such as illness, death, loss of income or property damage from natural hazards. These events can push individuals and families into poverty, undermining development gains.

IRFF collaborates with partners to design and deliver affordable, accessible insurance solutions tailored to the needs of people in developing countries. This includes working with governments to prioritize insurance in national development agendas, integrating insurance into public policies and strengthening regulatory frameworks to enable inclusive insurance markets to flourish.

The Facility also builds the capacity of local insurers to design relevant products, develop effective distribution channels and expand outreach to underserved populations. In parallel, the UNDP-Milliman Global Actuarial Initiative enhances countries' actuarial capabilities to ensure accurate pricing of insurance products.

Recognizing that resilience is not one-size-fits-all, UNDP is also advancing gender-responsive approaches to risk and insurance – raising awareness of the gendered dimensions of vulnerability and advocating for inclusive policies, programmes and products that leave no one behind.

Insurance and risk finance solutions in development

UNDP is enhancing the financial resilience of vulnerable households through its Insurance Innovation Challenges. The IICs are being rolled out in 30 countries, with an investment of over US\$2.1million to incentivize industry transformation and provide tailored technical assistance to bring winning solutions to life.

In Viet Nam, Bao Viet Insurance Corporation was selected as the winner of an IIC focused on building the resilience of rural communities. The company's solution focuses on scaling up a microinsurance health product to reach 50,000 vulnerable women by leveraging its partnership with the Women's Union of Viet Nam and its extensive distribution network to address health risks and income loss,

thus significantly improving economic security and financial stability for rural women.

UNDP also collaborated with MiCompa Insurtech and Pan American Mexico insurance company to create and pilot an innovative health insurance product specifically tailored for rural women in Mexico. This comprehensive insurance covers dental, laboratory, nutritional, psychological and legal services. Complementing the roll-out, a financial literacy initiative trained 200 women in Jalisco province on financial management and risk awareness, significantly improving product understanding, and the initiative is planned to be scaled up to Morelos state.

Strengthening the enabling environment for insurance and risk finance

IRFF works closely with national governments to develop inclusive insurance strategies and road maps that integrate adaptive social protection, climate adaptation, food security and social development. These efforts aim to expand sustainable insurance access for low-income, underserved and vulnerable populations.

Through UNDP Country Offices and IRFF's technical guidance, UNDP also engages with insurance regulators to create enabling environments for insurance market development. This includes work on parametric insurance regulation, reinsurance conditions, premium taxation, solvency frameworks and broader regulatory reforms.

In 2024, IRFF provided technical assistance to advance regulatory reforms in several countries. In Colombia, IRFF supported regulatory reviews to strengthen insurance distribution channels, working with the financial regulation unit (URF) and the supervisor (Superfinanciera). In the Dominican

Republic, IRFF advised on amendments to Law 146-02, which governs the insurance sector. Ghana saw the completion of a legal and regulatory review of the Insurance Act 2021. In Jordan, a policy brief identified regulatory barriers to inclusive insurance and proposed an action plan to enhance access to digital finance.

In Nepal, IRFF assisted the Insurance Authority in revising microinsurance directives. In Nigeria, support was provided to the National Insurance Commission (NAICOM) for reviewing the National Insurtech Guideline and Environmental, Social and Governance Framework, while the Insurance Bill awaits consideration by the National Assembly. IRFF also supported Uzbekistan's regulator in updating reserve regulations and reporting methodologies. In the United Republic of Tanzania, technical assistance contributed to the development of the National Inclusive Insurance Strategy (NIIS 2025–2030), setting a transformative agenda for inclusive insurance.

Building country capacity in insurance and risk finance

Strengthening the capacity of national institutions and insurance professionals is foundational to building inclusive and resilient insurance markets. In 2024, efforts across IRFF programme countries converged around a common goal: enabling local systems to manage risk more effectively, promote innovation

and extend the protective power of insurance to underserved populations. These efforts reached from regulatory reform and actuarial training to institutional partnerships with insurance associations, laying the groundwork for long-term sustainability.

Strengthening country risk modelling through the Global Actuarial Initiative (GAIN)

Actuarial skills are essential for assessing risk and designing sustainable insurance products for vulnerable populations. Through the Global Actuarial Initiative, UNDP and Milliman are working to build national actuarial ecosystems by supporting academic programmes, certification paths, policy development, professional associations and mentorship for young actuaries.

Since its launch in 2022, GAIN has worked in 12 countries. More than 140 Milliman volunteers and 50 external experts have contributed over 4,000 pro bono hours to strengthen actuarial capacity in the insurance sector and among regulators.

In 2024, actuarial students in Colombia, Ghana, Nepal and the United Republic of Tanzania received targeted support through mentorship and exam preparation. In Ecuador, an orientation course resulted in 25 students enrolling in a new Master's degree programme, alongside the launch of an 11-part training series for regulatory staff. Ethiopia began work on a national directive defining the actuarial role in insurance companies.

In Ghana, 17 insurers joined the Non-Life Actuarial Capacity Development programme, while government efforts to develop mortality tables and adopt the new global reporting standard, IFRS 17, were supported through GAIN-led training. In Nepal, the issuance of new policy guidelines in May 2024 mandated actuarial analyst functions across insurers. GAIN is helping companies implement the changes through toolkits, templates and orientation sessions.

GAIN's collaboration with regulators has led to new policies requiring insurers to establish in-house actuarial functions, technical training for regulatory staff and best practices for supervisory processes. A Latin America roundtable in March 2024 brought together 300 participants from 18 countries, while a second event in Malaysia in September gathered 40 regulators from 15 jurisdictions across Asia and the Pacific.

Strengthening skills for insurance regulators

Effective regulation is the backbone of inclusive and resilient insurance markets. In 2024, UNDP supported regulatory authorities with targeted training and technical assistance to enhance supervisory frameworks, strengthen institutional capacities

and accelerate the development of fit-for-purpose insurance systems.

In Ecuador and Uzbekistan, tailored trainings introduced regulatory authorities to Solvency II¹ principles, with a focus on risk-based supervision and capital adequacy. These sessions provided a foundation for assessing the potential adoption of

¹ Solvency II is a comprehensive regulatory framework developed by the European Union to ensure the financial stability and solvency of insurance companies. It is crucial for adoption by developing economies as it enhances financial stability through robust risk management and capital adequacy, ensuring insurers can withstand shocks and protect policyholders. The framework promotes market development by attracting foreign investment, fostering innovation and creating a level playing field, while improving regulatory oversight and harmonization with global standards. By encouraging long-term investments and providing a risk transfer mechanism, Solvency II supports economic growth and resilience, particularly in sectors like agriculture and infrastructure. Additionally, it facilitates integration into global markets, demonstrating commitment to high regulatory standards and enabling cross-border trade. Through its technical assistance on Solvency II framework, IRFF facilitates the alignment with international standards, while ensuring that the framework is also adapted to the local context and needs.

Solvency-based frameworks adapted to national priorities.

A key milestone in 2024 was the regional workshop for Latin America held in November, convening insurance supervisors from Argentina, Colombia, the Dominican Republic, Ecuador, Mexico and Uruguay. Designed as a South–South Cooperation initiative, the workshop focused on advancing actuarial competencies and deepening technical knowledge of Solvency II. The exchange fostered regional alignment and promoted collaborative approaches to strengthening supervisory practices.

Additional trainings focused on the regulation of parametric insurance – a growing product class designed to respond quickly to climate and disaster-related risks. Regulatory teams in Algeria, Argentina and Senegal participated in capacity-building sessions to better understand the design, approval and oversight of parametric products. In Nepal, technical assistance supported the regulator in aligning product development with market needs and consumer protection standards, ensuring innovation is matched by strong oversight.

These investments in regulatory capacity are helping to build more responsive, transparent and resilient insurance systems, capable of protecting people, unlocking private sector innovation and driving financial inclusion at scale.

Building skills across the insurance industry

Inclusive insurance is more than a protective tool; it is a catalyst for financial resilience and a driver of inclusive economic growth. For insurers, it offers an opportunity to diversify portfolios and tap into underserved markets. For distributors, it creates new value propositions and unlocks additional revenue streams. This dual impact makes inclusive insurance a powerful lever for both development outcomes and market sustainability.

IRFF has anchored inclusive insurance training within national institutions, ensuring local ownership. In 2024, partnerships were formalized with seven insurance training institutes across multiple regions, supporting the roll-out of structured 6- to 12-month programmes that combine Training of Trainers (ToT) modules with hands-on technical sessions for practitioners.

Thirteen national trainers were fully certified in 2024, with another 35 in progress and at least 30 more expected to begin in 2025. Over 140 insurance professionals have already completed industry training, building technical and operational capacity to design, price and distribute inclusive insurance products tailored to low-income and vulnerable populations.

To help ensure equitable access, more than 65 participants across all programmes received full or partial scholarships between 2023 and 2024, co-sponsored by global partners and, in the case of the United Republic of Tanzania, by national stakeholders.

Promoting gender balance remains a core principle across all training activities. Women's participation is critical to shaping a more inclusive and representative insurance sector. Despite deliberate efforts to engage women as trainers and practitioners, women represented only 22 percent of participants in the ToT component, highlighting the need for continued focus on gender-responsive recruitment, mentorship and support.

This capacity-building effort reflects IRFF's broader commitment to creating sustainable ecosystems where inclusive insurance can thrive. By investing in local talent and institutions, countries are better equipped to develop solutions based on global experience and practices.

Partnering with local insurance associations

In all its programme countries, IRFF works closely with insurance associations to promote best practices, advocate for and validate inclusive insurance regulations, promote innovative solutions, coordinate efforts among insurance market players to reach underserved populations, build skills in the market, and facilitate consumer education and awareness. With implementation coming to full pace in 2024, national insurance associations became crucial partners for many country projects.

Insurance associations are core partners in the inclusive insurance capacity development programme, national surveys and evidence creation, advocacy, financial education and Insurance Innovation Challenges in Colombia, the Dominican Republic, Ecuador, Egypt, Ethiopia, Indonesia, Jordan, Mexico, Nigeria, Uganda, Uzbekistan and Viet Nam.

Advocacy, research and tools

In 2024, IRFF's key publications on resilient households included:

- [Building Climate Resilience Through Takaful](#), analyses the Takaful market, its structures, key support functions, challenges and growth potential, providing insights into how it can be further developed, scaled and distributed to meet the needs of Muslim communities seeking insurance alternatives.
- UNDP continues to support [The Landscape of Microinsurance 2023](#), developed by the Microinsurance Network, which maps out global trends in inclusive insurance and its role in addressing pressing global risks such as climate change, health crisis and food insecurity.
- By the end of 2024, in-depth [diagnostic studies](#) were developed for 28 countries (25 IRFF programme countries, as well as Cambodia, Chile, Maldives and Uruguay).



Resilient Businesses



Small and medium-sized enterprises (SMEs) represent 90 percent of all businesses worldwide, employ more than 50 percent of the global workforce and account for approximately 40 percent of GDP in emerging economies. They serve as engines of innovation and entrepreneurship and play a crucial role in the interconnected global economy, linking businesses across borders and contributing to the resilience of global value chains.

While SMEs in both developed and emerging economies are facing the disruptive effects of extreme weather events, shifting market demands,

cybersecurity threats and regulatory changes, those in emerging economies often grapple with limited access to finance and technology, infrastructure deficits and capacity-building constraints, exacerbating their vulnerability to climate and other risks. Most of these companies have no insurance of any kind.

UNDP is working with partners to develop insurance solutions for small businesses, create research and tools that help SMEs manage their climate risks and develop local insurance markets where these solutions can scale.

Insurance and risk finance solutions in development

UNDP is supporting SMEs' financial resilience through its Insurance Innovation Challenges. In [Malaysia](#), a new SME microinsurance solution is being developed to serve small businesses through a fully digital platform through the UNDP-Generali partnership (see box). This product will offer flexible and comprehensive commercial risk coverage tailored to the needs of small enterprises. In Colombia, two parametric insurance products are in development. The first is to [protect shopkeepers](#), combining insurance coverage with loans to provide critical financial support. The second product is focused on the [tourism sector](#), providing new insurance offerings designed specifically for small hotels.

In partnership with ICMIF, three projects were selected for scale-up through Inclusive Insurance Innovation Challenges. These projects bolster the

resilience of businesses by providing inclusive, community-driven insurance solutions that safeguard vulnerable entrepreneurs from financial shocks. By tailoring protection for [Sri Lankan](#) women in micro-SMEs, expanding health coverage for [Kenyan](#) cooperative members and scaling a proven mutual model in the [Philippines](#), these solutions strengthen the capacity of local enterprises to withstand and recover from crises.

Similarly, the IRFF Insurance Innovation Challenge launched in Senegal resulted in two winners that demonstrated how digital innovation can drive business resilience. SAMMANTE bridges healthcare access gaps through a tech-enabled sponsorship and voucher system, ensuring vulnerable populations remain healthy and economically active. PRO ASSUR's WhatsApp-based insurance chatbot, AWA,

empowers informal sector workers with on-demand insurance access, reducing downtime and increasing

security for microentrepreneurs operating outside traditional systems.

Enhancing SME resilience through the UNDP-Generali partnership

Launched in 2022, the partnership between UNDP and Generali aims to strengthen the financial resilience of global value chains and SMEs through innovative insurance solutions, digital tools, research and advocacy. This public-private collaboration draws on the combined technical expertise, global reach and thought leadership of both organizations. Leveraging Generali's insurance know-how and UNDP's focus on sustainable development, the partnership has achieved important milestones. Between 2023 and 2024, Generali extended its SME EnterPRIZE programme to Asia. Together, the partners published joint reports on [Building MSME Resilience in Southeast Asia](#) and [Parametric Insurance to Build Financial Resilience](#), launched an [Insurance Innovation Challenge](#) to develop SME insurance solutions in Malaysia, and released a free online tool – the [SME Loss Prevention Framework](#) – to help climate-vulnerable SMEs in Malaysia understand and prepare for rising climate risks.

Building country capacity in insurance and risk finance

In 2024, UNDP continued its efforts to build the capacity of SMEs and their workers by promoting inclusive insurance and risk awareness. In Ghana, an inclusive insurance awareness clinic was held to empower more than 150 informal workers — particularly market women and artisans — with knowledge on risk identification and financial resilience through community-based training

sessions and awareness activities. In Mexico, UNDP organized a forum focused on business strategies to increase insurance penetration. Ten insurance companies presented their business models aimed at expanding coverage to vulnerable populations, highlighting innovative approaches to bridging protection gaps in the country.

Advocacy, research and tools

UNDP is developing research and digital tools to increase SMEs' understanding and financial management of rising risks. In 2024, this work included:

- [Joint report with Generali on MSMEs: "Building MSME Resilience in Southeast Asia"](#) highlights key risks faced by MSMEs and proposes new strategies for enhancing their financial resilience, focusing on Thailand and Malaysia.
- [SME Loss Prevention Framework](#), developed by Generali and UNDP, offers guidance through an online platform for businesses in Malaysia on how to protect their operations in the face of climate challenges, providing risk profiling and recommendations based on activity and location.



Resilient Food Systems



UNDP is supporting the transformation of food systems by positioning agricultural insurance as a central tool for building resilience to climate change. Through IRFF, insurance is promoted within broader de-risking frameworks, facilitating collaboration across ministries, integrating insurance into public policy and bundling insurance with agricultural inputs, credit and services delivered through agricultural value chains.

In 2024, UNDP supported the design and implementation of innovative agricultural insurance programmes in 12 countries (Colombia, Ecuador, Egypt, Ethiopia, Jordan, Mexico, Uganda, the United Republic of Tanzania, Uzbekistan and Viet Nam). These initiatives help smallholder farmers adapt to climate risks and enable investment into food systems. By working with governments, insurers and investors, the initiative is demonstrating how insurance can protect livelihoods, unlock credit and strengthen climate-smart agriculture.

Insurance and risk finance solutions in development

In addition to the Tripartite solution developed for fruit and nut farmers in [Uzbekistan](#), three Insurance Innovation Challenges focused on building the financial resilience of farmers and food systems in 2024. These efforts are expanding the use of data-driven, cost-effective insurance products tailored to local needs.

In [Mexico](#), a multi-risk parametric product using satellite and meteorological data is incentivizing regenerative agriculture among smallholder farmers. In Senegal, multi-risk parametric insurance based on rainfall, yield and river flow indexes is under development to align with farmers' risk profiles. Meanwhile, a parametric insurance product is being designed for the rice value chain targeting 600,000 farmers in the Mekong delta in Viet Nam.

Strengthening the enabling environment for insurance and risk finance to scale

Agricultural insurance creates economic opportunity, protects against shocks and encourages investment in climate adaptation. But to reach scale, it must be embedded within development frameworks and supported by enabling policies.

In 2024, as part of the Tripartite Agreement programme, IRFF supported the development of agricultural insurance policies and strategies in Ghana, Uzbekistan and Viet Nam to enhance resilience in the agriculture sector. In Ghana, the national Agricultural Insurance Policy was reviewed, and an Inclusive Insurance Strategy was launched to broaden coverage and raise insurance awareness, particularly among smallholder farmers. In Uzbekistan, UNDP provided support for drafting a new agricultural insurance law, which has now been approved by the Cabinet, establishing a legal basis for insurance subsidies and the digitalization of insurance services. In Viet Nam, technical assistance focused on strengthening the regulatory framework and institutional capacity for agricultural risk finance, helping to build a more robust and responsive insurance ecosystem.

Financial Resilience in Agriculture

The Financial Resilience in Agriculture initiative, funded by the Gates Foundation, supports the development of agricultural insurance markets in Bangladesh, Ethiopia, India, Uganda and the United Republic of Tanzania. In 2024, the initiative moved from planning to implementation, with national workplans approved and concrete country-level outcomes emerging across three pillars: enabling environment, market foundations and innovation models.

In Ethiopia, UNDP helped establish the Rural Finance Service Unit (RFSU) within the Ministry of Agriculture to serve as the national coordination hub for agricultural insurance. This institutional structure provides a permanent home for cross-ministerial collaboration and product development – a key step in scaling up insurance as part of national climate and agricultural policies. The RFSU is already engaging the insurance industry to co-design market-ready solutions.

In India, UNDP supported the government in launching a South-South Development Cooperation initiative, leveraging India's experience with PMFBY, the world's largest agricultural insurance scheme. This initiative is expanding the reach of India's expertise to countries like Côte d'Ivoire, Ethiopia and the United Republic of Tanzania, while also strengthening India's own governance of PMFBY through a new Product Development Innovation Framework. India's efforts are helping to define global best practices and legal standards for inclusive insurance systems.

In Uganda, UNDP facilitated the development of a road map and evaluation plan to guide the next phase of the Uganda Agriculture Insurance Scheme (UAIS). The FRA is currently strengthening UAIS, with the aim of expanding coverage from 800,000 to 3 million farmers.

In the United Republic of Tanzania, UNDP worked with the Tanzania Insurance Regulatory Authority (TIRA) to coordinate national efforts under the Tanzania Agriculture Insurance Scheme (TAIS). Through feasibility studies, institutional diagnostics and technical workshops, the United Republic of Tanzania now has a road map backed by cross-

government consensus which lays the groundwork for integrated insurance solutions, including public-private products and financing mechanisms linked to national climate and agriculture strategies.

In Bangladesh, where no agricultural insurance policy currently exists, UNDP convened policymakers

and insurers to explore how agricultural insurance could fit within broader development frameworks. A landscape study was launched to identify entry points in policy, social protection and climate finance. These efforts are setting the stage for Bangladesh to design its first national approach to agricultural risk management.

Building country capacity in insurance and risk finance

The FRA Community of Practice, which launched in Goa, India, in April 2024, brought together policymakers from 16 countries to exchange knowledge and advance national workplans. The CoP has been instrumental in building ownership

among government stakeholders, identifying country priorities and aligning policy goals with FRA's systemic approach. The next CoP will be held in Ethiopia in 2025.

Advocacy, research and tools

In 2024, IRFF commissioned three global studies to strengthen the evidence base and inform country-level strategies:

- A meta-analysis of 92 academic studies on the development outcomes of agricultural insurance
- An institutionalization framework to guide governments on integrating insurance into broader development plans
- An investor engagement strategy to encourage the integration of insurance into private sector investment portfolios – including a follow-up study on de-risking energy access for smallholder farmers, which will be published in 2025.

These studies are informing technical assistance, shaping policy frameworks and strengthening the investment case for agricultural insurance in development.

UNDP also published several key resources in 2024, including the [White Paper on Supporting Food Systems Transformation Towards Sustainability and Resilience](#)² and the [FRA Consultation Paper](#), positioning agricultural insurance as a key enabler for food system resilience and sustainable development.

² This White Paper was produced by a specially convened UNDP Task Team including participants from the Crisis Bureau, Climate Hub, Nature Hub, Nairobi Resilience Centre, Governance Hub and Sustainable Finance Hub.



Resilient Nature



Unprecedented nature loss and degradation has contributed to the most pressing global threats facing humanity, including food insecurity, pandemics and the climate crisis. Nature's conservation, restoration and sustainable use must be part of any meaningful approach to inclusive economic growth, especially in nature-rich developing countries.

By investing in nature protection and restoration, nature-dependent businesses, communities and

countries can benefit from the natural buffers that ecosystems provide against severe weather, as well as the essential economic value of these ecosystems.

IRFF is designing and deploying insurance solutions to protect coral reefs, mangroves, forests and wildlife through Insurance Innovation Challenges, the Tripartite Agreement and a series of bilateral partnerships.

Insurance and risk finance solutions in development

Supporting biodiversity with BIOFIN

In collaboration with [BIOFIN](#), four Insurance Innovation Challenges focused on developing solutions for nature protection and restoration, providing the prospect of rejuvenation and resilience for ecosystems.

In [Colombia](#), one innovative solution is designed to ensure the results of investments in conservation projects, habitat banks and protected areas, guaranteeing benefits for local communities and helping to mitigate human-wildlife conflicts. Another solution in development is the Water Insurance initiative, a preventive parametric insurance scheme that seeks to protect páramo ecosystems against fires. In [Mexico](#), the solution under development is a Habitat Protection and Biodiversity Fund, which will fund the conservation and restoration of ecosystems, protect endangered species and issue biodiversity

bonds. IRFF is also collaborating with BIOFIN to support the development of a mangrove insurance scheme in Mozambique.

Addressing human-wildlife conflict with BIOFIN

Human-wildlife conflict (HWC) is increasingly common due to habitat loss, resource competition and increasing human encroachment into natural areas. HWC can lead to crop damage, livestock predation and life and safety risks, which can drive negative sentiments and retaliatory attacks against wildlife. Insurance can help mitigate HWC by providing financial protection and addressing risks, fostering coexistence between humans and wildlife and promoting sustainable conservation efforts. UNDP is working to support these solutions in cooperation with BIOFIN.

With support from the Government of the Province of Misiones in Argentina and the insurance company Río Uruguay Seguros, UNDP and BIOFIN have facilitated the creation of the world's first jaguar conservation insurance – an innovative solution aimed at protecting this critically endangered species. IRFF is also advancing a risk pooling mechanism to address HWC in Africa, in partnership with BIOFIN, the Common Market for Eastern and Southern Africa (COMESA) and Zep-Re. Additionally, collaborative efforts with BIOFIN are under way to design and implement HWC insurance schemes in Bhutan and Gabon, helping to safeguard both communities and biodiversity in regions where human-wildlife interactions are increasingly common.

Building coastal resilience with ORRAA

One of the most critical parts of natural capital is the rich marine biota and ecosystems, including coral reefs and mangroves, supporting 25 percent of all marine species and providing economic benefits to over 1 billion people. Protecting coral reefs and mangroves is key to ensuring they continue to provide protection and economic benefits to communities, while safeguarding biodiversity.

With support from ORRAA, UNDP is collaborating with Swiss Re and the Government of Indonesia to develop an insurance solution for coral reef protection and restoration in the Gili Islands. The solution is expected to be in place in 2025.

Strengthening the enabling environment for insurance and risk finance

Creating effective insurance solutions to protect ecosystems requires supportive policies and regulatory frameworks. In 2024, IRFF collaborated with Indonesia's Ministry of Marine Affairs and Fisheries to advance the development of coral reef insurance. In 2024, the project provided technical assistance to the Ministry of Marine Affairs to establish a Marine Biodiversity Trust, a critical

step in putting in place insurance cover and other conservation finance instruments. In parallel, UNDP is supporting the Government of Indonesia in expanding the national disaster pooling fund, extending its reach from the national level to local authorities to strengthen decentralized disaster risk financing.

Advocacy, research and tools

UNDP is developing research to improve understanding of ways insurance and risk finance can be used to protect biodiversity, restore ecosystems and reduce human-wildlife conflict. In collaboration

with BIOFIN, IRFF is developing a guide and toolkit on How Insurance Can Address Nature-Related Risks for release in 2025.



Cross-cutting Themes

Gender mainstreaming

IRFF has placed gender mainstreaming at the heart of its programming, ensuring that all interventions are designed with a gender lens. As implementation accelerates across countries, 2024 marked major progress in advancing women-focused initiatives and inclusive solutions.

A Gender Task Force was established within IRFF, drawing from national offices and technical leads, to lead on gender integration, share global best practices and support evidence-based, gender-informed implementation.

At the country level, IRFF partnered with MiCompa Insurtech and Pan American Mexico to pilot an innovative health insurance product for vulnerable rural women in Mexico, offering services such as dental care, nutritional counselling and legal assistance. The pilot, complemented by financial literacy training for 200 women in Jalisco, is now scaling to Morelos.

In Viet Nam, IRFF is co-developing a microinsurance solution targeting 50,000 female farmers and vulnerable women, in partnership with BaoViet Insurance Corporation, the Women's Union and the National Insurance Association. Similarly, three microinsurance products are being expanded with ICMIF in Kenya, the Philippines and Sri Lanka to provide essential health, life and business continuity coverage for women and women-led cooperatives.

Meanwhile, in Ghana, over 150 female market vendors and artisans were trained on inclusive insurance through community outreach, while in Indonesia, gender-responsive communication tools were developed to support advocacy efforts.

These efforts collectively reflect IRFF's commitment to making risk finance more accessible, equitable and impactful for women.

Strengthening South-South cooperation

As implementation scales up across IRFF programme countries, South-South cooperation has become a powerful driver of shared progress. Governments are increasingly seeking opportunities to exchange knowledge, learn from peers at different stages of

insurance market development and collaborate on common challenges. In 2024, cross-country learning accelerated with a series of high-impact regional dialogues and technical exchanges.

In India, the inaugural Community of Practice on Financial Resilience in Agriculture convened in Goa, bringing together representatives from 16 governments. The workshop focused on how best to financially protect farmers, with policymakers reflecting on the state of national policy and regulatory frameworks.

In Indonesia, a Regional Forum on Building Financial Resilience through Insurance and Risk Finance brought together regulatory authorities, finance ministries and disaster management agencies from 10 countries across Asia-Pacific, the Arab States and Central Asia. The forum spotlighted regional innovations, enabling policies and practical solutions for advancing inclusive insurance and risk finance agendas.

At the International Conference on Inclusive Insurance in Nepal, UNDP hosted five sessions focused on scaling inclusive insurance across the Global South. These sessions highlighted sustainable pricing models, enabling regulatory environments and innovations across agriculture, health and life insurance.

In Argentina, a regional workshop on Solvency II brought together representatives from six countries for peer learning and regulatory dialogue. The event included a focused exchange between regulators from Argentina and Colombia, exploring how to adapt international standards to national contexts.

Knowledge-sharing extended to biodiversity insurance, with regulators from Argentina and Ecuador coming together to explore the mechanics and replication potential of the jaguar conservation insurance scheme, an innovative model blending environmental protection with financial resilience.

Finally, actuarial capacity was strengthened through cross-regional collaboration under the GAIN partnership. Two regulatory roundtables (one in [Latin America](#) and one in [Asia](#)) focused on building the actuarial profession as a key enabler of risk-informed regulation and insurance market development.

These exchanges are accelerating learning, catalysing innovation and reinforcing a shared commitment to inclusive, climate-smart insurance systems across the Global South.

Research, evidence and data

UNDP's technical work at the country level is underpinned by its efforts to build a global knowledge ecosystem for risk financing. The Facility's research, evidence and training materials demonstrate how insurance can minimize the financial burden of shocks, disasters and crises on countries and communities, and help public and private actors make informed choices about insurance and risk finance products, supervision and technology.

Global publications in 2024 included:

- [Building Climate Resilience Through Takaful](#)
- [Advancing Smallholder Farmers' Resilience and Adaptation to Climate Change](#)
- [Parametric Insurance to Build Financial Resilience](#)
- [Building MSME Resilience in Southeast Asia](#)
- [Diagnostic studies for 28 countries](#) (25 IRFF programme countries, as well as Cambodia, Maldives and Uruguay), along with a composite summary of key trends.

Country-specific research and knowledge products were also developed in Argentina, Colombia, Ecuador, Pakistan and Uzbekistan in 2024.

UNDP also supported the publication of two broader studies:

- [Insurance and Risk Financing Opportunities in Western Balkans](#)
- [The Landscape of Microinsurance 2023](#).

Also in 2024, key communication tools such as the [IRFF website](#) and the Facility's [General Overview Factsheet](#) were updated and significantly enhanced to reflect the evolution of the Facility and its key areas of work since its launch in 2021.

Data for development

Without precise information and analysis, governments, insurers and other stakeholders face significant challenges in developing adequate climate risk mitigation strategies. To help fill this data gap, in 2024, IRFF [partnered](#) with Jupiter Intelligence, through their [Jupiter Promise](#) initiative, to leverage cutting-edge climate risk data and analytics to inform critical public financial management decisions and bolster climate adaptation strategies to build resilience in key sectors.

UNDP and Jupiter will be working with the Governments of Ecuador, Ethiopia, Mexico, Uganda and the United Republic of Tanzania to provide specific climate-risk data based on country development priorities such as agriculture and small businesses resilience. Jupiter will provide critical data and analytics on climate related disasters through a set of metrics and perils such as extreme heat, precipitation, flooding and drought, which impact livelihoods, business continuity, agricultural productivity and overall resilience.

These tailored climate-risk insights will strengthen development frameworks, inform financial decisions and help governments adopt the right risk management solutions.

Operational Updates

Revised Project Document

Since its initial signing in October 2020, the IRFF Project Document has been significantly revised to reflect the Facility's evolution, its alignment with shifting sustainable development priorities, and guidance from the 2022 and 2023 Project Boards. Key updates include a proposed extension through December 2027 and a revised workplan aligned with the UNDP Strategic Plan 2022–2025. While the expanded scope requires additional funding, resources have yet to be secured.

The six workstreams have been renamed to underscore a stronger focus on resilience across systems, communities, investments and innovation. Strategic updates also include a refined theory of change, strengthened gender commitments and the removal of COVID-19 as a central challenge.

The Results and Partnerships section now offers clearer expectations on outcomes, resource needs, technical partnerships and digital tools. Project management has been enhanced with defined team structures, an updated organogram and a country-level programming overview. Revisions to the Results Framework, Multi-Year Work Plan, governance and annexes ensure the project remains agile, impact-focused and fit for purpose. The updated Project Document is available [here](#).

Mid-Term Evaluation of the Facility

In 2024, UNDP's Sustainable Finance Hub commissioned an independent mid-term evaluation (MTE) of the Facility to assess progress towards project objectives and outcomes. The evaluation aimed to identify early signs of success or course correction needs, while reviewing the project's strategy, sustainability and overall direction.

Drawing on 93 interviews with stakeholders across global, regional and country levels, the evaluation recognized IRFF as a visionary and innovative platform that enables UNDP to engage more strategically across development and private sector landscapes. It highlighted IRFF's potential to strengthen resilience, not only for individuals and communities, but also for governments facing increasing shocks and crises.

While applauding the ambition and innovation of the Facility, the evaluation noted challenges in operationalizing a project of this scale and novelty within the existing UNDP structure. The original design was found to be overly optimistic in its timelines and ambitions, particularly in relation to engagement with governments, the Insurance Development Forum and the InsuResilience Solutions Fund. The evaluators also flagged limitations in the Facility's original results framework and theory of change, suggesting a need for stronger technical guidance on results-based management and long-term outcome measurement.

Importantly, the evaluation emphasized that IRFF is a long-term mechanism and could be a game-changer for UNDP's engagement with the insurance industry, if adjustments are made to internal systems and processes to better enable private sector partnerships.

Based on the findings, the evaluation made seven key recommendations:

- Extend IRFF to a 15-year horizon to reflect its long-term nature and ambition
- Enhance UNDP's institutional capacity to engage with the private insurance sector
- Focus in the short term on a select number of countries to generate practical results by 2027
- Conduct an organizational review to determine whether IRFF should function as a Facility or transition into a Fund
- Undertake a global diagnostic study of the insurance and risk finance ecosystem
- Develop a comprehensive glossary of key technical terms
- Mobilize additional donor support to sustain and scale operations.

For each recommendation, a detailed management response was provided, which can be found here: [Insurance and Risk Finance Facility](#).

Innovation for efficiency

In 2024, IRFF introduced a digital reporting application to enhance real-time monitoring of quarterly outcomes across its global portfolio. This innovation represents a major step forward in leveraging digital tools to increase efficiency, accountability and learning. Results are consolidated in a dynamic PowerBI dashboard, providing an up-to-date overview of progress and enabling teams to evaluate adherence to planned outputs more effectively.

Beyond tracking performance, the application plays a vital role in identifying and flagging potential risks that could impact project outcomes. These risks are escalated to the global project management team for timely technical, financial and strategic support. The system is fully integrated with IRFF's Enterprise Risk Management (ERM) and Social and Environmental Standards (SES) policies, ensuring a coherent and proactive approach to risk mitigation.

To further strengthen quality and learning, IRFF has rolled out an internal assessment process across country projects, encouraging cross-country exchange and capacity-building. In parallel, all Country Offices were required to conduct a Social and Environmental Screening to identify potential risks and define management responses where necessary, reinforcing the programme's commitment to responsible and sustainable implementation.

Financial status

In 2024, the Facility mobilized an additional \$700,000 in contributions (inclusive of a 1 percent levy), strengthening its ability to scale and deepen its work. This was made up of \$100,000 from AGFUND and \$100,000 from Kuwait Finance House, both dedicated to advancing inclusive Takaful insurance solutions, and \$500,000 from ORRAA. These new resources will help expand the Facility's reach in key areas such as financial inclusion and nature-based risk finance.

The Facility advanced its work through two flagship initiatives: the Tripartite Agreement programme on Insurance and Risk Finance, and the Financial Resilience for Agriculture programme. In 2024, 23 country projects were operational under the Tripartite Agreement, while all five countries under the FRA programme reached full operational status. Each initiative also supported one global-level project, providing direct assistance to UNDP Country Offices to strengthen implementation. Combined, these efforts resulted in a total delivery of \$7,947,205.

Lessons Learned

The Facility has collaborated with various stakeholders in complex environments since 2021, and has identified key lessons and reflections from this experience, as well as from the mid-term evaluation conducted by an independent evaluator in 2024.

Lessons identified:

- **Extended timelines:** Developing risk financing solutions via public-private partnerships requires longer timelines than originally anticipated. An extended pre-product engagement period is crucial for educating government officials in insurance and risk finance, ensuring schemes are comprehensively understood, sustainable, scalable and aligned with regulatory frameworks.
- **Public-private partnerships:** Effective financial risk management necessitates changes in regulations and policies to enable governments to collaborate with the insurance industry. Establishing strategic alliances with the private sector requires adjustments to UNDP's private sector engagement mechanisms, including intellectual property rights and non-commercial usage.
- **Knowledge-sharing and South-South Cooperation:** Knowledge-sharing initiatives among government officials on insurance and risk finance topics provide significant value. Regional exchanges among governments organized in 2024 positively impacted implementation, enhanced sustainability and strengthened national ownership.
- **Data collection:** Investments in streamlined data collection have improved programme efficiency, responsiveness and decision-making. Real-time reports benefit the global project, enabling more informed decisions. The Facility delivers quantifiable results and drives long-term systemic changes through public-private partnerships, focusing on creating enabling policies, building stakeholder capacities, facilitating support functions for collective action and supporting the roll-out of insurance solutions. Tracking, monitoring and evaluation assess these holistic systemic changes to ensure lasting impact.

Looking Ahead

Building on the strong momentum from 2024, IRFF enters 2025 with growing demand from countries and partners who increasingly recognize the critical role of financial resilience in advancing climate adaptation, strengthening local economies and supply chains, de-risking investments and protecting nature and biodiversity. As the political landscape shifts and global uncertainty intensifies, driven in part by the mounting impacts of climate change, IRFF's work has never been more relevant.

In the year ahead, the Facility will continue to build financial resilience through a systems approach by enhancing local insurance markets, developing innovative products and solutions, and forging effective public-private partnerships to safeguard development in an increasingly complex world.

Putting in place sovereign risk financing solutions

Several sovereign and sub-sovereign insurance products will be in place under the Tripartite Agreement in Argentina, Colombia, the Dominican Republic, Ghana, Ecuador, Mexico, Nigeria and Uzbekistan. A further 10 countries will move into the product design phase.

Scaling innovation and expanding protection

In 2025, the Facility will roll out Insurance Innovation Challenges in 19 countries, bringing the total number of global IICs to 30. These will unlock a new generation of insurance products and services to protect underserved populations and support the development of inclusive insurance markets.

Strengthening national processes for agriculture insurance

The Facility will support national agricultural insurance scale-up efforts in Ethiopia, India, Uganda and the United Republic of Tanzania and help Bangladesh design its first agricultural risk management strategy. The next FRA Community of Practice annual event will be hosted between 11 and 13 June in Addis Ababa, Ethiopia, advancing peer learning for governments on financial resilience for smallholder farmers.

Protecting nature and biodiversity

The world's first jaguar protection insurance product will be piloted in Argentina, and a parametric/hybrid solution for coral reef protection will be introduced in Indonesia, in collaboration with Swiss Re.

Driving systemic change through policy and regulation

Efforts to strengthen insurance markets will accelerate through reforms to insurance and inclusive insurance directives in countries such as the Dominican Republic, Ghana, Nepal and Nigeria. The Facility will also deepen support for disaster risk financing strategies and public policy enhancement in over a dozen countries. IRFF will also release policy guides to facilitate the integration of climate and disaster risk financing into INFFs, social protection mechanisms and national climate policy instruments (NAPs and NDCs).

Strengthening local knowledge on insurance and risk finance

Capacity-building will expand as CDRFI trainings will be delivered to national authorities in eight more countries, while the Insurance Capacity-Building Programme (ICBP) will be rolled out in 13 more in partnership with national training institutions.

Expanding public-private partnerships

The UNDP-Generali Partnership, focused on building SME resilience to climate risks and strengthening global supply chains, will be renewed for another three years and expand its focus to five countries in Asia.

Shaping the global agenda

IRFF will continue to contribute to major global platforms to promote financial resilience as a core development priority, including the Financing for Development Conference (FfD4), the Hamburg Sustainability Conference (HSC), the Asian Development Bank Annual Board Meeting, the UN Oceans Conference (UNOC-3) and the Insurance Development Forum Summit.

Prioritizing efficiency and sustainability

Internally, the Facility is integrating artificial intelligence-powered tools to enhance monitoring and reporting. It is also acting on recommendations from its mid-term evaluation to develop an updated resource mobilization strategy to adapt the offer of the programme to diverse audiences and funding mechanisms and ensure the long-term sustainability of the Facility.



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