

Building the resilience of households, smallholder farmers, coastal communities and SMEs

UNDP's Work in Inclusive Insurance

UNDP's [Insurance and Risk Finance Facility](#) (IRFF) works across 34 countries to build the financial resilience of households, smallholder farmers, coastal communities and small businesses as they navigate a world of rising risks. Whether risks materialize in the form of damaged crops, health incidents or extreme weather, these events can often undermine years economic gains and push people into poverty. Well-designed insurance solutions can offer critical financial protection to help vulnerable groups recover quickly when disaster strikes, providing peace of mind in an increasingly risky world. Learn about our work and how we are building a prosperous and resilient future everyone, everywhere.

Some examples of how the IRFF works to build the financial resilience of:



– Households

- The IRFF launched the [Insurance Innovation Challenge Fund](#) with the International Cooperative and Mutual Insurance Federation (ICMIF) Foundation, to incentivize mutual and cooperative insurers to scale up innovative and affordable insurance products for underserved households and/or micro, small and medium-sized enterprises (MSMEs), with a particular focus on women. Learn more about the selected solutions from Sri Lanka, India, Malawi and Kenya [here](#).
- In Indonesia, the IRFF is implementing a [coral reef insurance programme](#), in partnership with the [Ocean Risk and Resilience Action Alliance](#) (ORRAA), to improve the resilience of coastal communities by protecting coral reefs which are key drivers of tourism and local livelihoods, and can act as powerful buffers against tropical storms. The protection and restoration of reefs benefits the environment while reducing the vulnerability of coastal communities to climate risks.



– Smallholder farmers

- The IRFF's [Financial Resilience in Agriculture initiative](#) (FRA) builds smallholder farmers' resilience to climate change and strengthening global supply chains through agriculture insurance programmes, in partnership with the Bill & Melinda Gates Foundation. The initiative engages governments through a [Community of Practice](#), as well as food and beverage companies, investors, and the insurance industry and is currently focused on five countries in Africa and Asia - Tanzania, Uganda, Ethiopia, Bangladesh, and India, with the intention of scaling to additional countries and regions.
- Together with the insurance industry, the IRFF is building smallholders' resilience to drought, flood, and pests in [Mexico](#), Colombia, Ecuador, and [Uzbekistan](#) through the development of parametric insurance solutions as part of the [Tripartite Agreement](#).



– Micro Small and Medium Enterprises (MSMEs)

- The IRFF is working to build the financial resilience of small businesses through research, tools, and innovative insurance products, in partnership with Generali, a leading global insurer. In 2023, the IRFF and Generali developed the [SME Loss Prevention Framework](#) to help SMEs in Malaysia reduce and manage their flood risks. In addition, an [Insurance Innovation Challenge Fund](#) was launched to incentivize the development of a set of transformative insurance products for small businesses.
- In Colombia, the IRFF convened insurers, reinsurers, distribution channels, microfinance companies, banks, fintech's, insurtechs and tourism associations for an [insurance innovation challenge](#) to design innovative and cost-efficient

insurance solution for small hotels. This was part of the partnership between UNDP, Fasesolda, Banca de las Portunidae's and the Ministry of Trade, Industry and Tourism.

While working with government to transform insurance markets through:

Institutional and policy capacity – The IRFF drives the development of insurance markets at the country level by:

- Engaging and supporting national insurance regulatory authorities to update and improve insurance regulation and legislation;
- Supporting diverse public institutions to integrate insurance across their national development programmes, especially those focused on financial inclusion, climate adaptation, rural development, inclusive growth, and social protection; and
- Integrating a risk transfer lens to budgetary and planning processes such as the Integrated National Financing Frameworks (INFFs) and Nationally Designated Contributions (NDCs).

Enhancing risk management capacity - The [Global Actuarial Initiative](#) (GAIN), developed in partnership with Milliman Inc., a leading global actuarial firm, empowers insurers, pension funds, and social security administrators to better manage and price risks, leading to the development of more affordable insurance solutions for vulnerable populations. In Tanzania, the IRFF is scaling efforts to build local actuarial capacity in partnership with government and insurance entities, through comprehensive five-year strategy featuring an Actuarial Professional Course and a mentorship program, which provides training to students to strengthen Tanzania's actuarial expertise. In Colombia, a roundtable on [Insurance Regulation and the Role of Actuaries in Latin America and the Caribbean](#) convened over 300 actuaries across the region to raise awareness and understanding of the regulatory role of actuaries by sharing practical tools, methodologies, and helpful reports that actuarial staff are using within regulatory entities.

Training and capacity building – The IRFF and ILO 's Impact Insurance Facility, in collaboration with the Africa College of Insurance and Social Protection (ACISP), have launched a ground-breaking programme to build the capacity of Tanzania's insurance industry. With a focus on inclusivity, this initiative aims to cater to the diverse insurance needs of under-insured and underserved

communities, revolutionizing the way insurance is delivered in the country. Read more [here](#).

Research, Evidence and Tools

- The [Inclusive Insurance Navigator](#) supports the development of inclusive insurance products by leveraging lessons learned by experts over the past decade and condenses them into practical applications that can be used by practitioners who have varying degrees of experience in inclusive insurance and research methods.
- Diagnostics studies are carried out in each IRFF programme country and cover key risks, the current state of inclusive insurance and risk finance in the country, and recommendations to advance inclusive insurance, risk finance and overall development. Check out the country diagnostics [here](#).
- The joint UNDP Generali report on '[Building MSME Resilience in Southeast Asia](#)' details key risks MSMEs are exposed to in the ASEAN and a new approach to building MSMEs' financial resilience - with a country focus on Thailand and Malaysia.
- UNDP's IRFF supports the [Microinsurance Network's](#) (MiN) [Landscape of Microinsurance Study](#), which provides the most extensive inclusive insurance data to date. By tracking the uptake of microinsurance, the report highlights emerging trends and informs action to close the financial protection gap for the world's most vulnerable communities.



Read more about IRFF's work and results:
[2023 SNAPSHOT](#)

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