Background Note on targets and indicators for Vision 2025:

A refined Monitoring & Evaluation framework for the InsuResilience Global Partnership

I.   Introduction

Climate change increases the frequency and intensity of extreme weather events worldwide. As a response to the urgent need for resilience-building, the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions ("the Partnership") was launched at the UN Climate Conference COP23 in November 2017. The Partnership aims to strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people against the impacts of disasters. In doing so, it brings together countries, civil society, international organizations, the private sector and academia. Goals and objectives of the Partnership are detailed in the Partnership's core strategic guidance document, the **"Vision 2025" (IGP 2019)**. Drawing from the Partnership's initial "Concept Note" (2018), Vision 2025 defined 8 quantitative targets in three distinct result areas, as well as several broadly specified indicators covering three further result areas.[1]

Continuously monitoring and evaluating to track the Partnerships' objectives is recognized to be a key process for accountability, learning, and operational improvements. **The Monitoring and Evaluation ("M&E") framework laid out in this note builds upon and further refines the initial basic structure of targets and indicators that was specified in "Vision 2025"**. Firstly, it specifies exact methodologies for the 8 targets in result areas I – III. Secondly, it specifies 11 further rigorously defined indicators for Vision 2025's result areas IV – VI, and exact 2025 target levels for these. This (re)definition of indicators, methodologies and targets for Vision 2025 at hand serves multiple purposes. First of all, it enhances methodological rigour, clearly distinguishing indicators (and methods) from targets. The refinement of the Partnership's M&E framework further responds to a need for SMART (specific, measurable, ambitious, realistic and time-bound) indicators and targets. This improves usability and communicability of targets, as well as the assessment of progress. Last but not least, the refined M&E framework allows for learning and operational improvements in order to enhance the way in which the Partnership and the implementing programmes it comprises reach poor and vulnerable people and support vulnerable countries. The framework is subject to continuous improvement with regard to the measurement of the indicators. Any changes shall be communicated transparently.

This background note explains the refined M&E framework of the InsuResilience Global Partnership to members of the Partnership and further climate and disaster risk practitioners and provides technical detail relevant to understanding the Partnership's approach to M&E and possible implications for the work of its members. The M&E framework presented in this note was developed in 2019-20, building upon M&E elements contained in the guiding strategy documents and involving a wide range of stakeholders under the Partnership. Expert input by risk analytics firms Risk Management Solutions (RMS) and Vivid Economics and several review rounds with the Partnership's Impact Working Group resulted in the framework at hand. Methodologies for existing (result areas I – III) and newly defined indicators (result areas IV – VI) were designed in a science-based manner, cognizant of data and reporting availability and constraints. Target levels for 2025 were already endorsed by the Partnership's HLCG for result areas I – III. "New" targets contained in this note (in result areas IV - VI) were set based on a

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[1] See a list of the result areas in figure 1.

combination of political guidance, desk research, expert consultations under the Partnership's Impact Working Group, and operational experience, to respond to the need for SMART targets.

II.   Results: The Partnership's refined M&E Framework

The Partnership's refined M&E framework comprises 19 indicators with clearly defined targets, which are grouped corresponding to the Partnership's six result areas (stemming from its 2018 Concept Note). Result areas I to III focus on countable figures on the individual, economic and country level. Result areas IV-VI focus on the long-term, multidimensional impact of Climate and Disaster Risk Finance and Insurance (CDRFI).

Each result area comprises between two and four indicators that are either of quantitative or qualitative nature. Two types of input are central for the computation of most indicators: Firstly, members of the Partnership contributing to Vision 2025 targets annually report programme- and country-specific information, which is then used for assessment of both quantitative and qualitative indicators. The country-level information is complemented and validated through additional desk research. Secondly, annually updated country-level risk data derived from RMS's global risk model and partially using publicly available global risk datasets[2] feeds into computation of several quantitative indicators in Result areas I and V.
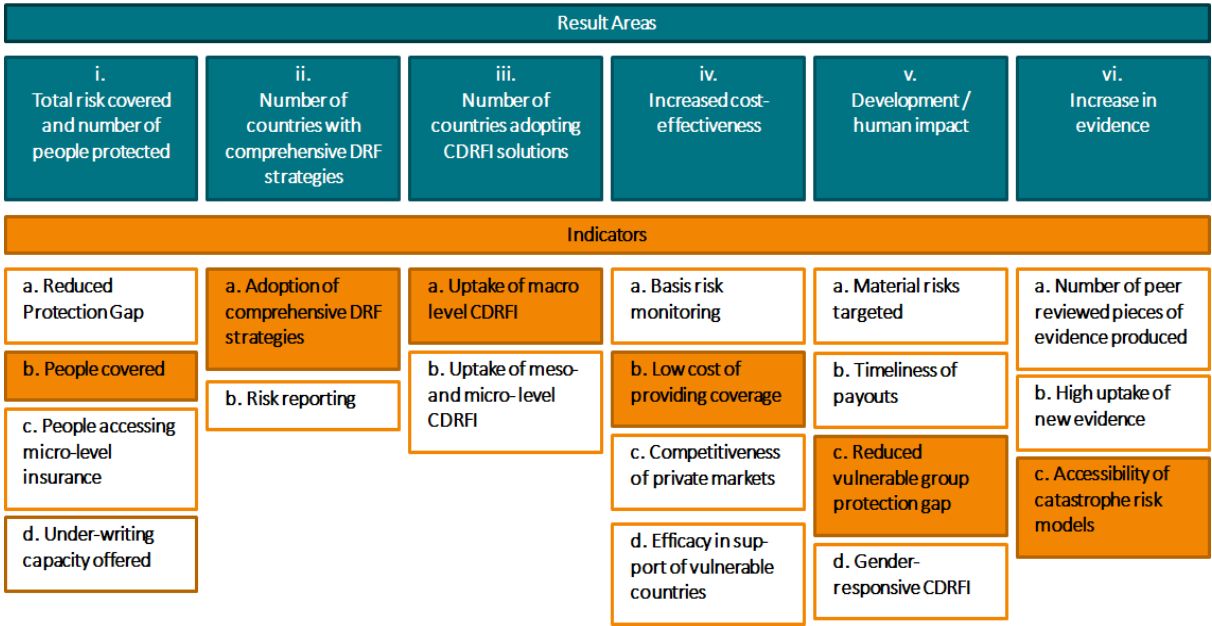

Figure 1: Lead and non-lead indicators in the six result areas. Each result area has one lead indicator which captures its core message and is considered to be reliably measurable (highlighted orange). Complete indicator and target definitions can be found in Annex 1.

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[2] These include country-level average annual loss data by peril from UNDRR Global Assessment Report on Disaster Risk Reduction (GAR) 2015, Consumer Price Index data from the US Department of Labor, GDP data from the International Monetary Fund, and Country population data from the United Nations and the International Monetary Fund.

Out of the two to four indicators per result area, one serves as a readily communicable headline figure. These **lead indicators** (highlighted in figure 1) capture the result area's core message and are relatively reliable to measure. This paper provides a detailed overview of the quantitative and qualitative lead indicators and their respective targets as well as a short summary of the remaining indicators which provide more granular information about the result areas.

General Principles

The target group of the InsuResilience Global Partnership are **poor and vulnerable people** who live in countries with a considerable vulnerability to climate change. This currently includes all individuals **living on less than $15 PPP per day** in member countries of the V20 Group or countries on the DAC list of ODA recipients. It is recognized that to target vulnerability such income threshold is limited to the extent that it does not consider risk exposure of individuals. This can be addressed through additional research, helping to ensure the Partnership's target group is captured adequately.

Implementing partners of the Partnership report against the indicators for activities that are financed through funds under the InsuResilience commitment statement[3] or subsequent pledges from donor countries. The Secretariat will conduct **a Partnership-wide contribution mapping in 2021** to identify further activities of the members which contribute to the targets. If the **members** decide to attribute their achievements to the goals of Vision 2025, they will be included in upcoming data collections. To keep the reporting efficient, members only report against the indicators related to their activities.

The **InsuResilience Secretariat** is responsible for identifying which activities of the programmes and members contribute to which indicator. Furthermore, the Secretariat is responsible for data collections, desk research and progress analysis across the indicators. Cases of double counting[4] are identified by the Secretariat.

For any impacts which materialise after the termination of a project, the Secretariat and the implementing institution agree to assess the long-term effects following a case-by-case approach. Examples are follow-up studies or a continued beneficiary measurement with institutionalised solutions.

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[3] To be found in the Leaders' Declaration of the 2015 G7 Summit, p. 13

[4] There are two potential ways of double counting beneficiaries. 1) The same project receives support through two institutions, and both report the corresponding data to the Secretariat. This is identified by the Secretariat's analysis tool. 2) Multiple solutions in one country address the same target group (e.g. agricultural microinsurance and sovereign drought insurance). Given the complementarity of solutions, this is not considered double counting.

Lead Indicators

Result area I:

Result Area	Indicator	Target
i. Total risk covered and number of people protected	b. People covered	In 2025, 500 million poor and vulnerable people are covered against climate and disaster shocks

The lead indicator for result area I is th**e number of people covered by CDRFI solutions in vulnerable countries** and is meant to track the Vision 2025 headline target of 500 million beneficiaries from CDRFI solutions.[5] It sums up the number of beneficiaries of all contributing programmes in each country covered by the Partnership. The indicator provides a measure of the overall reach of CDRFI schemes in terms of beneficiaries and tracks the success in scaling up CDRFI solutions**. The total number of people covered by solutions united under the Partnership is calculated as the sum of people covered by micro-, meso- and macro-level solutions in each country**. While the methodology does not explicitly distinguish poor and vulnerable people, commensurate with the currently applied categorization of individuals **living on less than $15 PPP per day** , the InsuResilience Secretariat together with implementation partners verifies that all schemes included in the M&E reporting by implementation partners, meet this requirement.[6] People covered at the different levels are assessed as follows:

▶ **Micro-level:** Micro-level insurance is the direct financial protection of individuals or small-business policyholders. Beneficiaries are calculated by multiplying the (data collection-assessed) number of policies sold by average household sizes in the given country (as per UN population database, UN DESA 2018).

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Beneficiary (micro) =

$$Policies\ sold(p) * Average\ Household\ Size(h)$$

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▶ **Meso-level:** The protected is not an individual, but rather an aggregation of individuals under a collective body. For instance, this could be an organization that supports a collective of farmers in the area, or a small or medium enterprise. For direct insurance of MSMEs, beneficiaries are calculated using the (data collection-

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[5] Vulnerable countries are those that are particularly susceptible to climate impacts as a result of both exposure and constrained adaptive capacity due to economic development levels. For InsuResilience Global Partnership, it includes all members of V20 group as well as those on the DAC-ODA list. In case of implementing programmes operating in countries not falling in either category, inclusion for this indicator will be assessed on a case-by-case basis.

[6] As the limited nature of using income thresholds to target poor and vulnerable people can be addressed through further research, the verification process will be expanded to include these considerations.

assessed) number of policies sold by programmes under the Partnership multiplied by the average number of employees of businesses in each country.[7]

$$Beneficiaries\ (meso) =$$

$$\textit{Policies sold } (p) * \textit{Average number of employees } (h)$$

For corporate or institutional risk transfer, the provided coverage volume is divided using local response costs as used in the macro-level approach below.

▶ **Macro-level:** Macrolevel solutions include financial arrangements on sovereign or sub-sovereign levels supporting national or sub-national governments in addressing early action, disaster response and reconstruction needs. Examples include sovereign risk pools, contingent credit mechanisms or contingency funds. In order to calculate people benefitting from macrolevel solutions, the expected payout per country *i* and scheme *j* (i.e. the maximum payout or coverage volume, assessed via data collection) is divided by the average relief cost per person per peril *k* (derived from the risk model output as an annual average).

Average relief cost per person is the amount of money needed for one person's immediate relief right after the disaster. It is calculated by multiplying the expected loss per peril *k* and country *i* by 6% - the value that ODI and RMS (2017) found to be representative of the global average proportion of immediate relief needs in the overall figure of disaster loss, divided by the expected population affected (both expected loss and expected population derived from global risk model datasets).[8] Thus,

$$Beneficiaries\ (macro) = \qquad\qquad Where\ average\ relief\ cost\ per\ person_{k,i} =$$

$$\frac{expected\ payout_{j,i}}{average\ relief\ cost\ per\ person_{k,i}} \qquad\qquad \frac{expected\ loss_{k,i} * 0.06}{expected\ affected\ population_{k,i}}$$

As set out under the G7 goal back in 2015, the target for 2020 was to have 400 million poor people in poor and vulnerable countries covered by climate and disaster risk finance solutions against disaster shocks. In Vision 2025, the target is set at 500 million poor and vulnerable people covered until 2025. In order to rule out ambiguities, the refined M&E framework slightly refines the target formulation to **"In 2025, 500 million poor and vulnerable people are covered against climate and disaster shocks"**.

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[7] The average number of employees per company is assessed via data collection (for where programmes record and report this information), or else taken from the most recent World Bank's Enterprise Survey available for a country in 2020. For meso-level corporate or institutional risk transfer programmes under the Partnership, the calculation of beneficiaries is the same as for macrolevel insurance.

[8] Further, the average expected loss per person is capped at USD 10 at the minimum and USD 93 as the maximum amount. This is due to the considerable volatility of data reported for some programs and countries in 2020, which -without caps - would yield unrealistically bias beneficiary figures. USD 10 refers to the minimum response cost required as defined by African Risk Capacity programs, USD 93 is derived from the World Bank definition for poverty USD 3.10 PPP (which multiplied by 30 days is equal to USD 93). Further methodological refinements in the calculation of average expected loss per person ("response cost") are envisaged for 2021.

Result area II:

Result Area	Indicator	Target
ii. Number of countries with comprehensive DRF strategies	a. Adoption of comprehensive DRF strategies	80 vulnerable countries with comprehensive disaster risk finance strategies in place

Strategic planning in the form of Disaster Risk Finance (DRF) strategies and the presence of strategies meeting certain quality standards reflect the willingness and ability of countries to engage with CDRFI instruments and secure prearranged, predictable financing for disasters. Therefore, indicator II.a measures the number of countries with a comprehensive CDRFI strategy in place, using a multi-criteria definition of comprehensiveness. Whether or not a country has elaborated a DRF strategy is assessed via data collection from programmes operating in a country. This information is complemented and validated by desk research. For all countries for which a DRF strategy exists, data collection and desk research will in addition shed light on **two dimensions of strategy comprehensiveness: Credibility and quality**. For a DRF strategy to be considered comprehensive and thus be counted towards the target, it should fulfil all three of the following credibility criteria and at least three of the quality criteria.

Credibility	Quality
Is a strategy (or update) from the last 5 years available online, endorsed by government or on a government website?	Risk audit: does the strategy quantify risk and define resilience objectives to enable risk-informed action?
Is funding available for mechanisms described by the strategy?	Gender approach: does the strategy acknowledge the differential impact and risks between men, women and children, and take steps to address these?
Is there an institution with responsibility for implementing and reporting progress against the strategy?	Does the strategy adopt CDRFI instruments for which there is an evidence-based need and where there is local capacity to effectively adopt the instrument?
	Does the strategy link CDRFI instruments to an up-to-date DRM strategy?
	Is the CDRFI strategy linked to an up-to-date assessment of risk reduction needs or future trends in risk as set out in the country's adaptation plan, adaptation strategy, or similar document?
	Is the CDRFI strategy integrated with countries' macroeconomic, macrofinancial and macrofiscal planning?

Table 1: A multi-criteria definition of comprehensiveness for DRF strategies

Given (assumed) current levels of countries with DRF strategies in place or under development, **the target for 2025 is set at 80 vulnerable countries** with comprehensive disaster risk finance strategies in place.

Result area III:

Result Area	Indicator	Target
iii. Number of countries adopting CDRFI solutions	a. Uptake of macro level CDRFI	60 vulnerable countries with new or enhanced (sub-) sovereign pre-arranged risk financing and insurance mechanisms integrated within prevention, preparedness, response and recovery plans that are anchored in a country's systems.

Indicator III.a captures a measure of successful uptake and expansion of (sub-) sovereign approaches to managing CDRFI. These are (sub-)sovereign insurance policies, contingent credits, contingency funds or other financial instruments on the sovereign level. The indicator can provide insights into the implementation at the (sub-) sovereign level of the strategic planning tracked in result area II: The indicator illuminates how many of the countries with intentions to use CDRFI instruments are successfully applying these. It does so by gathering country-level information from all schemes/programmes operating in a country in the Partnership's Annual Data collection. Countries eligible to fulfil the indicator are identified in the annual data collection. For countries where the implementation of macro-solutions is indicated, the result is validated in a separate assessment (see box 1).

The Partnership's target for 2025 is for 60 vulnerable countries to have taken up new or enhanced (sub)-sovereign pre-arranged risk financing and insurance mechanisms, with around two-thirds of these countries expected to be covered by new or expanded schemes and the remaining one-third to have (access to) upgraded existing schemes.

Box 1: Annual Data collection/Validation questions on Macrolevel CDRFI Uptake

Has the identified (sub-) sovereign pre-arranged CDRFI scheme* been enhanced** or created since 2017? (yes/no)

In the countries where the organization is working, do you know if in the last year there has been a (sub-) sovereign pre-arranged CDRFI scheme* enhanced** or created? (yes/no)

*A (sub-) sovereign pre-arranged CDRFI scheme is defined as a product designed to cover at least one piece of critical infrastructure and/or provide rapid funding following the occurrence of a disaster and/or provide funding before a disaster strikes, based on forecast based planning

**'Enhanced' schemes are those that existed before but that have been changed in order to offer more coverage, pay out more rapidly, or pay out according to a demonstrably improved index of losses.

Result area IV:

Result Area	Indicator	Target
iv. Increased cost-effectiveness	b. Low cost of providing coverage	10 percentage point increase in the proportion of publicly supported macro-level schemes meeting the relevant benchmarks beyond the 2020/21 baseline.

This indicator measures the proportion of premiums going toward schemes with below-threshold costs. Preliminary cost thresholds used are set out in table 2:

Type/ level of CDRFI solution	Preliminary benchmark cost
Macro-level (sub-)sovereign insurance	Benchmark annual costs represent 20% of premiums. Of this, around 10 percentage points are spent annually on reinsurance and the remainder on other expenses (industry intelligence).
Macro-level catastrophe bonds	The average insurance multiple in 2018 was 2.05 for cat bonds (World Bank, 2018)
Macro-level contingent credit	the World Bank's contingent credits are at IBRD loan lending rate, with a front-end fee of 0.5%.
Other products (contingency budget, public asset insurance, and micro- and meso-level insurance)	No benchmark costs can be determined, as these are mostly purchased from private insurers from which shareable cost data cannot be anticipated or because of the inherently varied nature of these products

Table 2: Preliminary cost benchmarks for different CDRFI products

While more granular data is needed to improve the understanding of the relationship between cost and quality of CDRFI products, the assumption is that costs should not be excessive, while still high enough to enable high-quality product development. Only publicly supported products are within the scope of this indicator since these schemes are assumed to be able to share cost data more readily and openly. All publicly supported programmes are hence requested in the Partnership's Annual Data collection to report costs of implemented CDRFI instruments, which will in turn be compared to the respective benchmarks. Additional survey questions, such as on the main categories of expenses incurred (in particular spending on consumer protection and information efforts) and on spending on capacity-building efforts (macro-level schemes) will elucidate cost structures and provide valuable insights for improved understanding of cost-effectiveness. The 2025 target level for the indicator is set at a 10-percentage point increase in the proportion of publicly supported macro-level schemes meeting the relevant benchmarks beyond the 2020/21 baseline. To improve the understanding of affordability of CDRFI, additional research shall address the relationship between premium costs and local incomes.

Result area V:

Result Area	Indicator	Target
v. Development / human impact	c. Reduced vulnerable group protection gap	15% of climate and disaster losses faced by vulnerable populations are absorbed by pre-arranged CDRFI solutions

Result area V monitors the positive impacts of CDRFI on human and economic development of target countries and populations. As a lead indicator for the result area, the indicator in question provides a measure of the **overall value of coverage provided by CDRFI schemes relative to need of most vulnerable populations**, thereby measuring the success of the Partnership in narrowing the coverage gap over time. Indicator V.c thus **compares expected losses faced by vulnerable groups with expected payouts from CDRFI instruments delivered to vulnerable groups**.

The size of the vulnerable people protection gap is measured as follows: In a first step, loss suffered by vulnerable populations is calculated. For this, the RMS risk model computes the Average Annual Loss (AAL) undergone by vulnerable populations using spatial data on the concentration of capital owned by vulnerable people ($AALV_{k,i}$ in term below).[9] In a second step, actual coverage for vulnerable people is calculated from data using, the following assumptions:

▶ micro-level schemes under InsuResilience generally target vulnerable households, so that
$$Vulnerable\ coverage_j = overall\ coverage_j$$

▶ meso- and macro-level coverage benefits vulnerable people in line with the overall proportion of vulnerable individuals, so that, for scheme j in country i:
$$Vulnerable\ coverage_j = \frac{Vulnerable\ population_j}{Population_j} \times overall\ coverage_j$$

In case that a program reports that only a part of their target population is considered to be vulnerable, this target share is applied in: $Vulnerable\ coverage_j = target_j \times overall\ coverage_j$

The ratio between the sum of coverage for vulnerable people and the vulnerable people's AAL is then used to compute the 'vulnerable people protection gap':

$$Reduced\ protection\ gap_{vulnerable} = \sum_{i=1}^{N} \sum_{k_i=1}^{2} \frac{\sum_{j=1}^{J_{i,k}} vulnerable\ coverage_{j,i}}{AALV_{k,i}}$$

Where N is the number of countries, k_i indicates the (most) critical hazards in country *i*, and $J_{i,k}$ is the number of schemes in country *i* tackling hazard *k*.

The 2025 target level for this indicator is that 15% of climate and disaster losses faced by vulnerable populations are absorbed by pre-arranged CDRFI solutions. This target, higher than for indicator I.a, the overall protection gap, reflects the Partnership's focus on the core target group, poor and vulnerable people and countries.

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[9] People vulnerable to slipping into poverty as a result of climate risks are here defined as those who earn less than $15 PPP/day.

Result area VI

Result Area	Indicator	Target
vi. Increase in evidence	c. Accessibility of catastrophe risk models	20% increase in the number of countries using catastrophe risk models over the 2020/21 baseline

Result area VI tracks the amount of evidence and information on CDRFI that is being generated and used. Given the centrality of high-quality risk models to the adequate functioning of CDRFI products, the lead indicator focuses on adoption of catastrophe risk models, a particular type of CDRFI-related information. **So far, limited access to and use of catastrophe risk models by and in vulnerable countries has proven to be a key bottleneck to engage in CDRFI solutions as well as to drive forward other resilience efforts**. Indicator VI.c, is a measure of the degree to which advanced risk modelling tools are available, thus provides a measure of the Partnership's success in addressing this bottleneck. The indicator will be measured based on information reported in the partnership's annual data collection. Specifically, programmes will be asked to report, based on their country expertise, for each country they operate in:

> "Has a CDRFI instrument been designed, implemented, or monitored using a catastrophe risk model, hazard monitoring or a mapping tool?"

For a country to be considered as using catastrophe risk models, the reported answer should be "yes" for at least half the CDRFI schemes in place in that country. The Partnership's 2025 target level for this indicator is a 20% increase in the number of countries with a positive score over the 2020/21 baseline. The tools considered here by reporting programmes could be both proprietary and open access. Open access models which allow for local updating offer a particular benefit as they allow for both key assumptions to be changed by the risk owner and for their sensitivity to be understood. This is a key issue for all models' acceptability and use. All models – both proprietary or fully open – can vary in quality and contain benefits of local data or not. For this reason, the applied models are assessed in additional desk research to test them against the following criteria:

- Openness and transparency of the models
- Ability to update the models locally
- Compliance with global standards to promote interoperability
- Cost effectiveness to allow for wider use and application

Remaining Non-lead Indicators

As set out above, beyond explicitly communicable lead indicators, each result area comprises additional non-lead indicators capturing more granular information on the Partnership's success in achieving set targets. Tables 3 and 4 present non-lead indicators for result areas I-III and IV-VI, respectively.

Non-lead indicators in result areas I – III track additional quantitative aspects of global coverage, financial volume, uptake, protection, and risk reporting. Several non-lead indicators (I.a and I.c) further provide granular insights on the Partnership's focus in comparison or conjunction with lead indicators introduced above. Comparing progress on lead indicator V.c (vulnerable population protection gap) to non-lead indicator I.a (reduced protection gap), for example, can yield insights on the Partnership's ability to effectively deliver for its defined target group, poor and vulnerable countries and populations. Similarly, assessing the contribution of micro-level

insurance (non-lead indicator I.c) to the total number of people covered by solutions under the Partnership (indicator I.b) can illuminate areas of progress and the lack thereof towards Vision 2025.

Non-lead indicators for result areas IV – VI cover mainly qualitative aspects of CDRFI effectiveness and impact and the generation of evidence regarding these dimensions. With the exception of indicator V.a, these indicators rely more commonly on information gathered through the Partnership's annual data collection and desk research approaches. This reflects the more qualitative and multi-dimensional nature of CDRFI aspects covered by these result areas.

Table 3: Result Areas I – III: Non-lead indicators for reliably measurable, quantitative aspects of global reach of CDRFI solutions and approaches

Result area	Indicator	Target	Method
i.	a. Reduced protection gap.	**10%** of climate and disaster losses in vulnerable countries absorbed by pre-arranged CDRFI solutions.	Comparison of expected (modelled) climate and disaster losses with (surveyed) annual CDRFI coverage volumes for all countries (i), i.e. $$Share\ of\ AAL\ covered\ = \frac{\sum_{i=1}^{N} CDRFI_i}{\sum_{i=1}^{N} AAL_i}$$ Where $CDRFI_i$ (expected payouts in country i) will be computed as a function of different hazards' return period and using data reported in the data collection. AAL is the average annual losses of country i, computed in the same way as for indicator i.b (see above).
	c. People accessing micro-level insurance.	**150 million** poor and vulnerable people covered by microinsurance.	Estimation based on program reporting (data collection): $Beneficiaries = \sum_{i=1}^{N} policyholders_{i,HH} \times household\ size_i + \sum_{i=1}^{N} policy\ holders_{i,SME} \times number\ of\ employees_i$ Where $policyholders_{HH}$, the number of policyholders of micro-level household insurance solutions is collected from the annual data collection, and average household size by country (i) is collected from the UN Population Database. The number of beneficiaries from insurance for small businesses is calculated from the data collection-assessed number of policy holders ($policyholders_{SME}$) multiplied by the average number of employees (source: World Bank Enterprise Survey.) Disaggregation into policyholders or beneficiaries on household level is possible for reporting.
	d. Underwriting capacity offered	Additional **US$ 5 billion** of total under-writing capacity offered by the insurance industry for climate risk insurance.	In the data collection, information on the overall insured volume (coverage) of all insurance products under InsuResilience is collected. Given that some of the insurance programs receive substantial donor funds, which enable the coverage volumes, additional data is collected on the share of private (re)insurance capacity in the reported coverage. The sum of the entire private (re)insurance capacity across all program is assumed to be a good approximation for the total underwriting capacity offered at acceptable conditions.

ii.	b. Risk Reporting.	**60 vulnerable countries** reporting their climate risk and expected losses.	Assessment via 3 desk research questions on risk reporting by countries programmes are operating in, complemented by desk research for V20/DAC countries not covered by programmes. The research questions are: In the countries where the organization is operating, could you confirm if the government has identified its most material climate hazards (under involvement of the IMF) and has recorded the associate losses? (if yes) Could you confirm if the government is reporting on the expected damages and losses from these identified hazards? (if yes) Is this information covering (i) Expected average losses of physical asset (public and private), and/or Expected average life and livelihood impacts?
iii.	b. Uptake of meso- and micro-level CDRFI.	**70 vulnerable countries** have developed property, business or agricultural micro-level insurance solutions.	Assessment via one question in the annual data collection on CDRFI schemes (or adaptive social protection schemes) in countries that programmes operate in on offer to individuals, MSMEs or communities to cover property, business interruption and/or agricultural assets and income.

Table 4: Non-lead indicators for Result Areas IV – VI: Long-term, multidimensional impacts of CDRFI solutions

Result area	Indicator	Target	Method
iv.	a. Basis risk monitoring.	All parametric schemes satisfy at least 2 of the criteria for high-quality basis risk monitoring. Additional data on basis risk in parametric and indemnity products is collected.	Programmes will be requested to report on their basis risk monitoring and mitigation strategies. The following three questions/ criteria are assessed, complemented by desk research. 1. Is a plan in place to systematically improve upon each component of the model throughout the product's lifespan? 2. Is a comparative monitor in place to triangulate the primary triggering model and to review diverse risk metrics? 3. Are continuous updates and basis risk assessments over the live risk period in place?

	c. Competitive private insurance markets.	10% increase in the number of competitive insurance markets among the countries with active micro- and meso- and mesolevel insurance solutions under IGP.	Assessment of 4 components of insurance markets in countries covered via desk research: • **Barriers to entry** (proxy: market entrants in past 3 years) and **Innovation** (proxy: new product issuance in last year): • **Regulatory barriers** (proxy: legal basis for parametric coverage) and **user satisfaction** (proxy: renewal rate)
	d. Efficacy in support of vulnerable countries.	**50%** increase in the number of schemes fulfilling more criteria than in the baseline.	Assessment via the annual data collection to track (self-reported) pro-poor approach of schemes, assessing - whether a clear path to sustainability is established so that donor support can eventually be phased out - whether the scheme includes specific capacity-building objectives targeting a range of local stakeholders - whether the scheme is gender-inclusive (see the checklist for indicator v.d)? - whether the scheme includes additional support for the country to build a comprehensive DRF strategy - whether the scheme includes premium subsidies that address affordability concerns
v.	a. Material hazards targeted.	**80%** of countries prioritise their most critical hazards for financial protection.	The ratio between the coverage provided against the two most material hazards (k=1 and k=2, as per risk model) is compared to the ratio of the AAL of the two most material hazards to overall AAL. The indicator is the number of countries for which the material hazard coverage ratio is at least as great as the AAL ratio, as per the following formula: $$\frac{AAL_{1,i} + AAL_{2,i}}{\sum_{k=1}^{5} AAL_{k,i}} \lessgtr \frac{coverage_{1,i} + coverage_{2,i}}{\sum_{k=1}^{5} coverage_{k,i}}$$
	b. Timeliness of payouts.	**20 percentage point increase** in the proportion of parametric premia funding products that meet benchmark performance level for delivering funds to affected populations.	The proportion of premiums going toward schemes with well-defined targets (standard protocols with faster-than-benchmark payouts), assessed via the annual data collection. Timeliness is only assessed for parametric products, because indemnity payouts are inherently dependent upon the product's structure, coverage and specific context. Two components of timeliness of parametric products' payouts are measured: (1) the number of days elapsed between the triggering event and the payout, self-reported by programmes and compared to the following benchmarks: Macro-level: 10 days, Meso-level: 1 month, Micro-level: 2 months (2) the number of days elapsed between the payout and the receipt of funds or benefits by the ultimate beneficiaries (for macro- and meso-level schemes only). The decisive criterion here is the existence of a precise target (number of days) rather than a benchmark comparison, as targets and context will differ.

			The overall indicator will thus assess 1) Proportion of parametric premia going toward rapid-payout products plus 2) Proportion of macro-or meso-level parametric premia going toward schemes with well-defined fund release targets.
	c. Gender-responsive CDRFI.	**All schemes** fulfill all applicable criteria for gender-responsive CDRFI.	Assessment via data collection, in which programmes self-report on the application of gender-responsiveness criteria: - application of donor gender policies and criteria in investment decision-making and financing agreements for (sub-)sovereign and meso-level schemes. - collection and use of sex-disaggregated data for the differential impacts of pay-outs on direct and indirect beneficiaries (macro-/meso-level schemes) or on clients (for micro-level schemes).[10] - For macro-level schemes: Regional risk pools have institutional gender policies in place; DRR plans which inform pay-out priorities are gender-responsive. - For meso-level schemes: The proportion of women among institutional policyholders' clients, members or employees is recorded and gender-responsive training is provided. - For micro-level schemes: Schemes focus on sectors and value chains with high levels of women's participation and a gender-diverse leadership and workforce among providers is promoted.
vi.	a. Number of peer reviewed pieces of evidence produced.	**80% of the gap areas** identified in the evidence roadmap covered.	Desk research to measure the number of gap areas with at least five publications published on the last three years, as a proxy for quality evidence produced. Upon launch of the evidence roadmap, this indicator will need to be refined to align with the adopted evidence roadmap structure/ logic. The evidence roadmap shall furthermore outline how the production of evidence in the Global South can be enhanced.

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[10] Note the relevance of this criterion (and indicator) to the IGP Declaration of Gender (2020), in which members of the Partnership committed to "Identify and replicate good practices in collecting, analysing and using sex-disaggregated climate risk, disaster impact and CDRFI data, including the documentation of the gender impacts of payouts on indirect beneficiaries in the monitoring and evaluation of macro-, meso- and micro- level scheme".

	b. High uptake of new evidence.	**30% increase** in the number of reports and resources downloaded from the IGP website.	Estimate based on the number of downloads of evidence reports and studies uploaded to the IGP's website.

III.   Applying the M&E framework and Outlook: From M&E to MEL

From M&E to MEL (Monitoring, Evaluation and Learning)

The M&E framework presented in this note is aiming to track progress towards the Partnership goals with a 2025 timeframe. As set out above, rigorous M&E serves multiple purposes under the Partnership. Firstly, it responds to accountability and transparency needs the Partnership owes to the contributing members, implementing programmes, donors and partner countries. Regular reporting on progress towards the set goals responds to legitimate information needs.

Secondly, information on progress towards these goals over time or the lack of it can be used to inform implementation and to adjust and improve operations. This second aspect of learning and improving operations pertains to operations on the Partnership level, such as through the Secretariat or the Program Alliance, but also to activities of individual implementing programmes and members. By aligning their own M&E systems (and, in turn, project designs) to a well-established guiding M&E framework for CDRFI impacts, implementing partners can benefit from each other's experience, ease and align data collection and reporting practices, and improve coherence and transparency under the Partnership. Since joint learning and the creation of mutual synergies are among the core functions of the Partnership, mainstreaming the use and application of the M&E framework is a key envisaged step for the Partnership. In this context, the Partnership and its M&E system can serve as a service provider and reference on M&E aspects for members and other CDRFI actors alike.

Annual Data Collection and Aggregated Reporting

To satisfy the purposes set out above, progress towards Vision 2025 will be continuously monitored. In regular intervals, a yearly snapshot under the auspices of the Secretariat and the Impact Working Group will provide a stocktake of progress. Central inputs to this assessment will be twofold: Firstly, for indicators relying on risk model calculations, these data will be updated annually. Secondly, for the large majority of indicators which rely on reporting by programmes, input data will be gathered from the Partnership's **Annual Data Collection**. In Q4 of each year, this Secretariat-administered data collection will provide a standardized assessment by enquiring quantitative and qualitative programme- and country-specific CDRFI aspects. As questions and surveyed data set out in section 2 illustrate, programmes are requested to report information on programme design and operations. In addition, programme expertise on countries they operate in will be harnessed by soliciting information on government policies and market conditions (as set out above, e.g. on indicators ii.a and iv.c). Country-level information will be validated in desk-research studies involving local and regional experts.

To facilitate data collection, processing and analysis, the Partnership's Annual Data collection has been fully Excel-based since 2020. A standardized reporting template can hence be provided to the reporting entities. Guidance on reporting – in addition to this note and on-demand support – is provided via bilateral support calls and in the reporting template itself. The reporting data sheets are the central interface for programmes and members to contribute to the Partnership's successful application of the M&E framework.

Information obtained via the Annual Data collection will be complemented and partially validated by desk research coordinated by the Secretariat. While in many areas results of the Annual Data collection 2020 yielded valid results, a first instance for such complementary desk research is the definition of remaining baselines for multiple indicators, on which relative 2025 targets depend.

Remaining Limitations, Evidence Roadmap and Contributions Mapping

Despite the comprehensive coverage of six result areas by way of 19 well-defined indicators, it is clear that limitations of the M&E framework's indicators in capturing CDRFI impacts, in particular qualitative impacts on development outcomes (such as those assessed in Result Areas IV – VI), remain. Cognizant of this, the Partnership has set out to identify and implement a **'CDRFI Evidence Roadmap'**. The roadmap is thought to identify and alleviate this mismatch between what can be tracked and what the partnership and CDRFI practitioners have set out to achieve. **To do so, the Evidence Roadmap will identify priority gap areas in which evidence is needed to assess and maximize CDRFI impact**. In each evidence priority area, it will outline priority research questions that can feasibly be tackled by 2025. It will thereby complement the M&E framework in identifying areas of work and milestones that ought to be tackled within a well-defined timeframe in order to achieve the partnership impact of CDRFI and support actors under the Partnership to enhance their impact goals. This, in turn, will allow for learning and qualitative improvements of CDRFI solutions.

At the same time, as set out in section 2, the evidence roadmap document itself – expected to be launched in the autumn of 2021 – will serve as a benchmark for the IGP's Result Area VI, in which pieces of evidence produced and evidence gaps started to be closed are being tracked. As such, political support (e.g. through HLCG endorsement or support) for the evidence roadmap will be sought in 2021. This, in turn, would generate political backing and support potential financing for priorities and actions outlined in the roadmap.

Finally, an additional step to more fully assess activities and impact under the Partnership will consist in a **contribution mapping** exercise, which in turn could lead to an enlargement of the M&E framework's scope. As a multi-stakeholder partnership, IGP convenes actors from governments, multilateral institutions, private sector, civil society and academia. All of these contribute to the vision of the partnership to strengthen financial resilience of poor and vulnerable people, albeit in various ways. In order to establish better links between the members and to identify potential for leveraging certain activities, the contribution mapping has the objective to link the activities of all members of the InsuResilience Global Partnership to the result areas and indicators under Vision 2025. A subsequent step could thus consist in the expansion of reporting to all members (beyond the implementing programmes). This, in turn, would enhance members' understanding and usage of coherent CDRFI metrics, scale up the Partnership's ambition levels, and facilitate the identification and best use of operational synergies between members.

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Annex 1: Overview Table Result Areas – Indicators – Target

- Indicators in **bold** have been selected as lead indicators for the refined M&E framework.

Result area	Indicator	Target
i. Total risk covered and number of people protected.	a. Reduced protection gap.	10% of climate and disaster losses in vulnerable countries absorbed by pre-arranged CDRFI solutions
	b. People covered.	**In 2025, 500 million poor and vulnerable people are covered against climate and disaster shocks**
	c. People accessing micro-level insurance.	150 million poor and vulnerable people covered by microinsurance
	d. Underwriting capacity offered.	Additional US$ 5 billion of total under-writing capacity offered by the insurance industry for climate risk insurance
ii. Number of countries with comprehensive DRF strategies.	**a. Presence of comprehensive DRF strategies.**	**80 vulnerable countries with comprehensive disaster risk finance strategies in place**
	b. Risk reporting.	60 vulnerable countries reporting their climate risk and expected losses
iii. Number of countries adopting CDRFI solutions.	**a. Uptake of macro-level CDRFI.**	**60 vulnerable countries with new or enhanced (sub-) sovereign pre-arranged risk financing and insurance mechanisms integrated within prevention, preparedness, response and recovery plans that are anchored in a country's systems.**
	b. Uptake of meso- and micro-level CDRFI.	70 vulnerable countries have developed property and agricultural meso- or micro-level insurance solutions
iv. Increased cost-effectiveness.	a. Basis risk monitoring.	All parametric schemes satisfy at least 2 of the criteria for high-quality basis risk monitoring. Additional data on basis risk in parametric and indemnity products is collected.
	b. Low cost of providing coverage.	**10%-point increase in the proportion of publicly supported macro-level schemes meeting the relevant benchmarks beyond the 2020/21 baseline. Research is carried out on the components of expenditure by micro- and meso-level schemes.**
	c. Competitive private insurance markets.	10% increase in the number of competitive insurance markets among the countries with active micro-, meso- and meso-level insurance solutions under IGP

	d. Efficacy in support of vulnerable countries.	50% increase in the number of schemes fulfilling more criteria for pro-poor targeting of donor funds.
v. Development / human impact.	a. Material hazards targeted.	80% of countries prioritise their most critical hazards for financial protection.
	b. Timeliness of payouts.	20% increase in the proportion of parametric premiums going toward products with rapid payouts and clear targets for delivering funds to affected populations.
	c. Reduced vulnerable group protection gap.	**15% of climate and disaster losses faced by vulnerable populations absorbed by pre-arranged CDRFI solutions**
	d. Gender-responsive CDRFI.	All schemes fulfil all three criteria for gender-responsive CDRFI.
vi. Increase in evidence.	a. Number of peer review pieces of evidence produced.	80% of the gap areas identified in the evidence roadmap are covered by new research.
	b. High uptake of new evidence.	30% increase in the number of downloads of reports and resources from the IGP website.
	c. Accessibility of catastrophe risk models.	**20% increase in the number of countries using catastrophe risk models over the 2020/21 baseline.**