



**InsuResilience  
GlobalPartnership**

# **InsuResilience Global Partnership**

## **Theory of Change: Summary**

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**<https://www.opml.co.uk/>**

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## Introduction

This document gives a summary of the Theory of Change for the InsuResilience Global Partnership (IGP). A Theory of Change (ToC) shows how change is expected to happen, linking the activities of an organisation, a project or a programme through the major steps that need to take place for the impact to be achieved. These steps, or causal pathways, are often implicitly assumed, held in the minds of the stakeholders involved. The purpose of the ToC is to articulate and document them in a process of consultation. In this case around twenty stakeholders were interviewed and the results presented to the Impact Working Group under the IGP. This summary can be used to explain the ways in which the Partnership contributes to long-term change and updated in line with new understanding and new opportunities. There is a separate, full document produced by Oxford Policy Management (OPM) with further details available from the InsuResilience Secretariat.

## The Problem

### *Climate disaster responses*

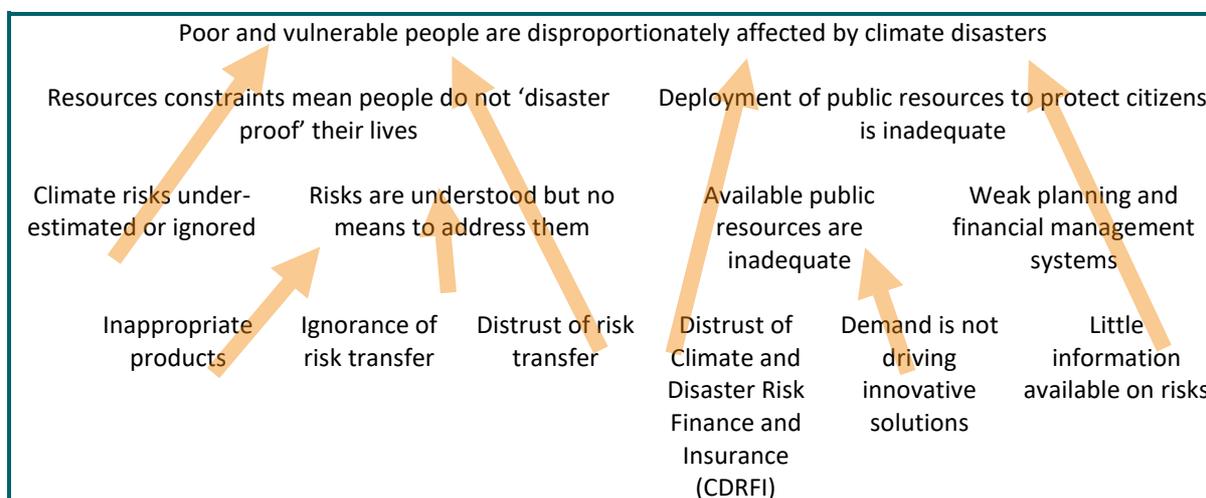
The increase in disasters globally due to climate change is well documented<sup>1</sup>. The prevalent way of addressing disasters and the associated losses has been through post-disaster international donor funding. However, this takes place after the damage has been done and often the costs of operating in post-disaster environment are higher. Furthermore, it takes time to raise funds, to disperse them and to re-build. The funds may have been diverted from other important development investments. With the increasing frequency and severity of disasters, this approach is increasingly inappropriate. A better alternative is to proactively manage risks, to understand what – and where – the risks are, and to put in place the plans, systems and resources needed. Disaster Risk Management (DRM) includes the steps required to prevent new disasters, reducing existing risks and managing the ‘residual’ risk. This is often done through financial tools such as insurance. But the markets for such instruments are not well-developed, countries might not have appropriate policies and laws in place, and people (including government leaders) are often reluctant to use limited resources in such a way to protect against a disaster whose impact is difficult to foresee.

### *Inequality*

Such disasters do not affect all countries, regions, communities or household members equally. Climate-vulnerable countries with less developed economies are more likely to have fewer resources, fewer choices, greater dependence on natural resources and a lower ability to recover from disasters. Poor and vulnerable people are more likely to live in marginal areas of the country, use materials in their housing that are less robust, have no choice but to remain in their homes when extreme weather is predicted and are less likely to have the resources available to mitigate these risks. The majority of the world’s poor are women, and they face higher risks and greater burdens from the impacts of climate change. Similarly, people with disabilities are affected by discrimination, marginalisation and limited access to economic choices making them more vulnerable to poverty and the effects of climate change. In short, vulnerable people face double jeopardy of increased exposure to climate-related hazards and limited capacity to cope with disasters when they occur.

The diagram below summarises the problem being addressed with this ToC (the full analysis is given in the detailed ToC document provided by OPM).

<sup>1</sup> For example, see The Human Cost of Disasters 2000-2019, the Global Climate Risk Index, 2020, the <https://www.adb.org/publications/global-increase-climate-related-disasters> and the work of the World Meteorological Organization



## The Theory of Change Hypothesis

The Partnership consists of country members (especially from the G20 and the V20<sup>2</sup> group of climate-vulnerable countries), private sector organisations, international organisations, implementing partners, academic institutions plus civil society organisations and networks. Their actions and influence are fundamental to making the changes required to address the problems outlined above. The most important ways in which members contribute to change are around:

- **Knowledge:** more information on the risks, hazards and vulnerabilities are needed, together with better risk literacy of governments and citizens.
- **Collaboration:** between policy makers and citizens, the private sector and civil society, development partners and academia to work together to address DRM challenges.
- **Convergence:** CDRFI needs to align better with changing risks and development priorities to decrease the vulnerability of people and countries.

Understanding the socio-political priorities of local partners and providing tailored, expert and responsive support to those actors is at the heart of the proposed ToC. The different groups of members gain benefits from their membership and have some responsibilities in tandem with that. To increase the impact, there is more they can do, summarised in the final column below.

	Members, through IGP can...	Are expected to...	And... for more impact
<b>Governments</b>	Access customised technical and financial assistance to support their DRM	Influence a global community of development partners and practitioners	<b>Support, accelerate change</b> in risk management practice in line with the <u>Pro-Poor Principles</u> <sup>3</sup>
<b>International Development Partners</b>	Contribute to pooled financing, build capacity and provide specialists	Support the delivery of development priorities to protect poor and vulnerable people	<b>Integrate</b> good practice in their own programmes, sharing their experience and collaborating with others
<b>Private Sector representatives</b> <sup>4</sup>	Share applicable expertise, tools, products and innovative solutions	Shape product innovation and support market development	<b>Collaborate and innovate</b> to expand into vulnerable country markets in line with the pro-poor principles

<sup>2</sup> <https://www.v-20.org/>

<sup>3</sup> [https://www.insuresilience.org/wp-content/uploads/2019/06/insuresilience\\_propoor\\_190529-2.pdf](https://www.insuresilience.org/wp-content/uploads/2019/06/insuresilience_propoor_190529-2.pdf)

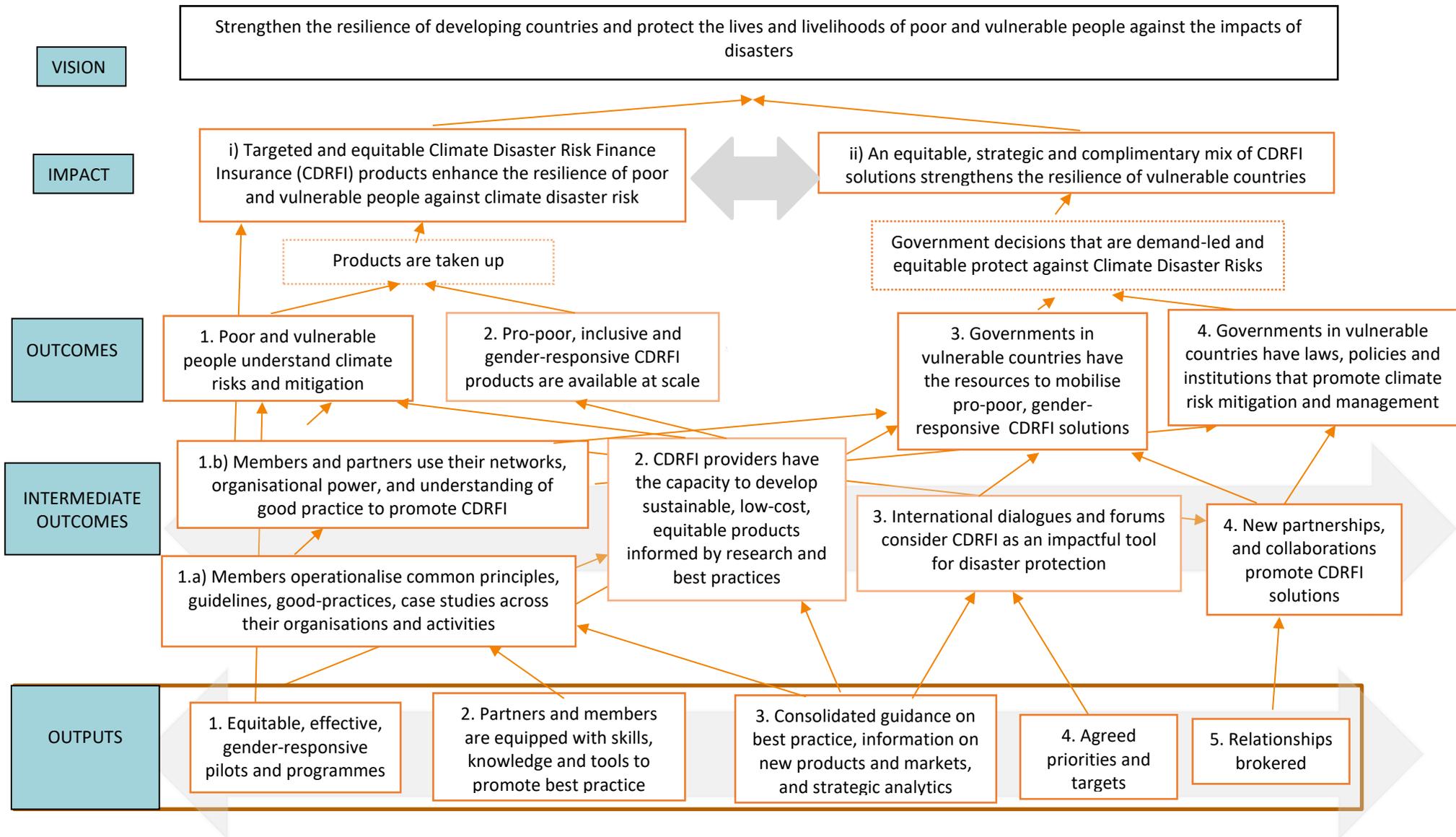
<sup>4</sup> e.g. insurers, brokers, banks, risk-modelling firms

<b>NGO representatives</b>	Provide information and technical expertise on community-based solutions	Provide a bottom-up perspective on the needs of poor and vulnerable people, a 'ground-truthing'	<b>Integrate</b> good practice in their own programmes, sharing their experience and collaborating with others
<b>Academia</b>	Share scientific knowledge on climate change, climate modelling, weather, CDRFI development impacts	Conduct and publicise new research to a wider set of stakeholders	<b>Co-develop</b> impact studies, new models and tools

The Vision of the Partnership is to 'Strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people against the impacts of disasters.' Protecting poor and vulnerable people will also strengthen the resilience of developing countries, and vice-versa. The diagram below shows the links, the pathways of change between the work that the Partnership does (illustrated as 5 outputs) right up to that vision. Obviously, the work of many stakeholders is needed to achieve that vision, and its achievement will take time. In the diagram, the higher the level, the more it is a result of the work of a higher number of stakeholders, and the more time it will take. At the bottom level (the outputs), that is the work of the Partnership alone, a statement of what it delivers, and what can be delivered in a finite period of time.

Two impacts are required to reach the vision, namely: i) Targeted and equitable CDRFI products enhance the resilience of poor and vulnerable people; and ii) an equitable, strategic and complimentary mix of CDRFI solutions strengthens the resilience of vulnerable countries.

Considering the first of these, for CDRFI to be used, targeted and equitable products need to be designed based on a good understanding of the specific risks of the end-users, tailored to their needs. Before citizens invest in such products, they need to understand the risks, the options for mitigating those risks and they need to have access to the products, whether they come from government, or from the private sector. The citizens may be individuals (the micro market) or a group sharing a commonality (e.g. workplace, neighbourhood, vulnerability, region) - the meso level. These are shown as outcomes 1 and 2 on the diagram below. Moving down the diagram, members of the IGP implement good practice such as the pro-poor principles, gender-responsive approaches and other research and guidance that comes through the Partnership. These good practices are integrated into all their work, whether it be in the private or public sectors, or in civil society. The members, by virtue of their own networks as well as those fostered through IGP, also use their understanding and their personal experience of implementation to influence other partners of IGP to adopt CDRFI solutions. These are shown as 1a and 1b in the diagram. Such influencing activities could also lead to CDRFI getting more prominence in International dialogues or even helping in getting two partners to collaborate on custom-made, demand-driven CDRFI solutions.



Simultaneously, CDRFI providers - private companies, aggregators, re-insurers and service providers and donors' programmes - engage in the development of effective, sustainable and affordable products, financing mechanisms and business models that deliver equitable cover. This links back to specific outputs of the work of the Partnership, such as successful pilots and programmes), good practice and evidence), analytics, market and risk research, and agreed priorities between members.

Going back to the top of the diagram, to the impact of CDRFI solutions strengthening the resilience of vulnerable countries, governments need to manage climate risks through an inclusive and synergistic mix of risk finance and insurance solutions. This is underpinned by government decisions that are demand-driven (based on citizens' needs) and equitable. A regulatory environment that supports and advances CDRFI, together with institutions that have the capacity to develop and promote climate risk mitigation and management underpin good decisions in DRM (shown as outcome 4). This obviously requires adequate, dedicated resources (outcome 3), which often come through new partnerships and collaborations. Such partnerships may be within the national and sub-national authorities, but also from cooperation between countries, or with donors and other development partners. Political pressure, momentum and good practice are magnified through international fora, in conferences and events such as those surrounding the UNFCCC Conference of the Parties (COP). The Partnership brokers relationship between members and partners that can feed into new collaborations to promote CDRFI. The priorities and targets of the Partnership, together with consolidated guidance, feed into international dialogues.

Coming to the level of outputs of the Partnership, outputs feed, often in combination, into the upper levels, as well as across the diagram, to each other. As a first output, programmes specifically designed to promote and deliver CDRFI are tested and then implemented at scale. This provides proof of concept and lessons which can be used by partners in their own organisations and programmes, and/ or promoted as good practice across their networks. In particular, the programmes implemented provide evidence for the insurance industry upon which they can develop new business partnerships and products. The second output relates to the skills, knowledge and tools that the IGP creates through its work and shares. These skills, knowledge and tools come from discussions held within the working groups, in the High-Level Consultative Group, and at the annual Partnership Forum. There are also capacity building activities, lessons sharing plus regular reports on the progress of the IGP to inform future activities. The research that is carried out as part of the work of the Partnership to build evidence on what works and what does not work feeds into the guidance and good practice. IGP can create bespoke partnerships between members, bringing together members to form further collaborations.

At each level, there are factors in the operating environment that need to be in place to enable the move to higher levels. These are summarised in the table below.

Outcome to impact	Intermediate outcomes to outcomes	Output to intermediate outcome
<ul style="list-style-type: none"> <li>• Citizens create demand</li> <li>• Governments respond</li> <li>• Funding grows</li> <li>• Political will improves</li> </ul>	<ul style="list-style-type: none"> <li>• CDRFI providers' operations expand and adapt given new information and tools</li> <li>• CDRFI remains high on political agenda</li> <li>• International fora are influential</li> </ul>	<ul style="list-style-type: none"> <li>• Mutual benefit in engagement</li> <li>• Engagement is effective</li> <li>• Lessons motivate behavioural change</li> <li>• Stakeholders have capacity to change</li> <li>• Common agenda creates momentum</li> </ul>