Contents
1. Background and Purpose ............................................................................................................. 3
2. Program Description ..................................................................................................................... 4
   2.1 Scope and Objective .................................................................................................................. 4
   2.2 Approach ................................................................................................................................ 5
      2.2.1 Finance Strategy ............................................................................................................... 5
      2.2.2 Principles for GRiF Financing ........................................................................................... 7
      2.2.3 Co-financing rules ............................................................................................................. 9
3. Governance ................................................................................................................................. 12
   3.1 Role of the World Bank .......................................................................................................... 12
   3.2 Role of Donors ....................................................................................................................... 13
4. Implementation Arrangements ..................................................................................................... 13
   4.1 The GRiF Secretariat ............................................................................................................. 13
      4.1.1 Identification of Projects through Scoping .................................................................... 14
      4.1.2 Preparation of Work Plan ............................................................................................... 15
      4.1.3 Technical Quality Enhancement and Approval of Co-financing and TA proposals ....... 15
      4.1.4 Engaging External Partners ........................................................................................... 17
   4.2 Managing Relationships with Transferees ........................................................................... 20
      4.2.1 For projects implemented by Transferees .................................................................. 20
5. Risks and Mitigation Measures .................................................................................................... 22
Annex 1: Guiding Principles and Appraisal Framework for GRiF Grant Support ......................... 29
Annex 2: Illustrative Projects funded by the GRiF ......................................................................... 39
Annex 3: Grant Concept Note – Template ..................................................................................... 40
1. Background and Purpose

1. **The Global Risk Financing Facility (GRiF)** is a new initiative established by development partners and the World Bank (WB) to pilot and scale up support to strengthen the financial resilience of vulnerable countries to climate and disaster shocks. It aims to enable earlier action to protect vulnerable people and expedite recovery. Initial support and leadership on the GRiF came from the governments of Germany and the U.K. Several development partners active in supporting risk financing have also expressed interest to join the initiative. Through focusing on financing solutions that implement pre-arranged risk financing instruments, the GRiF will complement and leverage other existing donor-supported risk financing programs that focus on upstream technical assistance that create the enabling environment for these instruments.

2. The **development objective of the GRiF** is to strengthen financial resilience of vulnerable countries by enabling earlier and more reliable response and recovery to climate and disaster shocks, and over time to a wider range of crises, through establishing or scaling up pre-arranged risk financing instruments, including market-based instruments like insurance. It will focus on helping poor and vulnerable people, and the economy, services and infrastructure they depend on, to recover more quickly when a disaster strikes. Such pre-arranged risk financing instruments could potentially absorb a larger fraction of disaster losses, helping to shift the balance from a reactive to a proactive approach to disaster financing and crisis management globally. Pre-arranged financing instruments not only allow for faster, more cost-effective response and recovery but can also drive greater disaster preparedness and resilience. A key aim of the GRiF is to also create incentives for disaster prevention, risk reduction, preparedness, response and resilient reconstruction.

3. The GRiF aligns with the vision and principles of the **InsuResilience Global Partnership** (the Partnership), which was launched at the 2017 UN Climate Conference COP23 in Bonn by Germany as the 2017 G20 Presidency (BMZ), the United Kingdom (DFID), the V20 Presidency Ethiopia and the WB. Since its launch, more than 50 members have joined the Partnership.

4. The **vision of the Partnership** is to strengthen the resilience of developing countries and to protect the lives and livelihoods of poor and vulnerable people against the impacts of natural disasters. The Partnership’s objective is to enable more timely and reliable post-disaster response through use of climate and disaster risk finance and insurance solutions to reduce impacts and help poor and vulnerable people recover more quickly. In this context, the Partnership’s role is to promote and enable the adoption of disaster risk financing and insurance (DRFI) approaches as part of comprehensive disaster risk management, adaptation and resilience strategies and integrated within preparedness, response and recovery plans that are anchored in country systems (see section 4.1.4 Engaging External Partners).

5. The **Program Alliance of the InsuResilience Global Partnership** (the Alliance) brings together several major operational programs as one collaborative effort, including this MTDF. As an important contributor

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1 Initial discussions have taken place with the Governments of The Netherlands, Japan, Canada and with the European Union.
2 See Joint Statement and Consultation Draft of the Concept Note for the InsuResilience Global Partnership.
3 This reflects the “Consultation Draft: Concept Note - Shaping the InsuResilience Global Partnership” of November 3, 2017
4 Including the Centre for Global Disaster Protection (a DFID-WB partnership) and the KfW Solutions Fund
to the achievement of the goals of the InsuResilience Global Partnership, the GRiF under the WB will participate in the Alliance.

6. The pilot phase of the InsuResilience Climate Risk Financing and Insurance Program⁵ established the MDTF that will now evolve into the GRIF MDTF, with initial total planned contributions of US$ 145 million.⁶ The Global Facility for Disaster Reduction and Recovery (GFDRR) in the Climate Change Group (CCG) and the Disaster Risk Financing and Insurance Program (DRFIP) in the Finance, Competitiveness, and Innovation (FCI) Global Practice (GP) will jointly manage GRIF. CCG/GFDRR will be the trust fund manager and FCI/DRFIP will be the technical manager (see Section 4.1 The GRIF Secretariat).

7. Initially, disaster and climate shocks will be a key priority focus of the GRiF. Over time, the GRIF would expand the uptake of these risk financing instruments in the context of a wider range of crisis risks enhancing the impact of crisis response systems (including IDA’s Crisis Response Window) and support the goals of the World Humanitarian Summit’s Grand Bargain.⁷

8. This document will serve as the Operations Manual for the GRiF. It will define the Program Description, the Governance Arrangements, and the Implementation Arrangements of the GRiF. This document is not a legal or binding document. In the event of any inconsistency between the provisions of the Operations Manual and those of the Administration Agreement, the latter shall prevail.

2. Program Description

2.1 Scope and Objective

9. **Mission:** To integrate financial resilience and early action in the agenda of Finance Ministers, thereby scaling up financial planning, systems and capabilities for disaster preparedness, response and recovery to address the fiscal and poverty impact of climate and disaster shocks and other crises.

10. **Development Objective:** To strengthen financial resilience of vulnerable countries by enabling earlier and more reliable response and recovery to climate and disaster shocks, and over time to a wider range of crises, through establishing and/or scaling up pre-arranged risk financing instruments, including market-based instruments like insurance.

11. **Sequenced Approach for Scope of the GRiF:** Activities financed by the GRiF will adopt a sequenced approach. The GRIF will begin with initially addressing climate and disaster risk. However, given the potential for application of risk financing instruments to other shocks, over time, the GRIF will also fund projects and instruments that respond to wider crises. Pilot engagements in contexts of wider crises will be identified within the first year of the GRiF operations.

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⁵ The GRiF was piloted under the InsuResilience Climate Risk Financing and Insurance Program MDTF (TF0772858), which was established in May 2017 with EUR 25 million in total contributions to date from Germany and GBP 2 million from the U.K.

⁶ BMZ: EUR 90 million; DFID: GBP 10 million

⁷ The Grand Bargain is the outcome of negotiations between representatives of 15 donors and 15 humanitarian organizations as a result of a call for improved efficiency made by the UN Secretary-General’s High-Level Panel on Humanitarian Finance. It was adopted by many other donors and partners at the World Humanitarian Summit.
2.2 Approach

2.2.1 Finance Strategy

12. **The GRiF will test and scale up financial solutions**, as part of broader risk management and resilience-building investments. Through this approach, the GRiF seeks to leverage development funding from multilateral institutions as well as national governments to scale up the use of financial instruments. This can safeguard development gains often lost because of delay in needed financing in the event of shocks and crises. Financing from the GRiF can complement financing sources available for longer term investment needs, by reducing the financial hurdles countries face in implementing innovative financial solutions for risk management.

13. The GRiF will provide:
   a. Financing for scoping and preparation of financial risk management solutions;
   b. Co-financing for multilateral, bilateral or country financing to implement financial risk management solutions;
   c. Technical assistance linked to co-financing for solutions provided in b.; and
   d. Global public goods.

14. **Scoping and preparation** of financial risk management solutions to be co-financed through the GRiF. The GRiF will award scoping grants of up to US$200,000 provided to projects endorsed by the Steering Committee through the Scoping Plan. Scoping activities will:
   a. Confirm if the project being proposed is operationally ready for finance and complementary TA grants from the GRiF;
   b. Support integration of the GRiF principles into projects at an early stage; and
   c. Prepare documentation required to secure a grant from the GRiF to be embedded in a larger development project.

15. **Co-finance multilateral or country financing** to operationalize efficient risk financing strategies and link these into appropriate country systems and contingency plans to ensure benefits to the most vulnerable people. This includes combining multiple financial instruments, such as domestic contingency funds, contingent financing (for which GRiF can finance technical assistance, start up and operational costs), and market-based risk transfer solutions, inclusive of catastrophe risk insurance, catastrophe bonds and derivatives (for which GRiF can provide costs associated with the instrument itself, for example, premium subsidies) so that countries have a diversified set of pre-arranged financial solutions. Private sector solutions, such as parametric risk transfer through sovereign catastrophe risk pools, have become an integral part of the financial protection toolbox. This approach of combining different instruments increases the likelihood that a government has sufficient access to funds in the event of a disaster or crisis. It can also include strengthening and adapting in-country systems and capabilities, such as shock-responsive safety nets, to receive financing at the right time and ensure it is channeled effectively. See Box 1 for types of financing and Annex 2 for illustrative examples.

16. **Technical assistance (Bank executed and/or Recipient Executed)** to create an enabling environment for successful implementation of financial solutions being financed by the GRiF. Technical assistance financing
will only be linked to GRiF finance for instruments, and not be provided for standalone basis or for upstream work. This can include the development of risk financing strategies; strengthening institutional frameworks for managing financial instruments and mobilizing/allocating/disbursing funds following disasters; required risk assessment and upstream analytical work for financial instruments; legal, institutional, technical, and operational preparatory work for operations; strengthening preparedness and risk reduction, shock-responsive systems, contingency plans and institutional capabilities to utilize the finance and channel it to reduce disaster impacts and speed recovery, and M&E of the financial strategies to develop a more robust evidence base.

17. **Global public goods** financed under the GRiF will be strategic investments in larger projects, with the potential to unlock significant technical improvements in the efficiency of financial instruments and/or spending during and after shocks and crises. This could include, but not be limited to, improving risk assessment and risk monitoring, risk visualization, simulations and risk-based scenarios to stress-test national social protection systems, data collection, earth observation and satellite technology, big data and machine learning, crowdsourced data, and payments infrastructure. Similar grants for global public goods are currently being piloted through the Challenge Fund\(^8\) on: (i) Open Data and Modeling; and (ii) Innovations in Disaster Risk Financing. These projects must avoid duplication and be complimentary to other initiatives.

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\(^8\) [https://www.gfdrr.org/challenge-fund/round-3](https://www.gfdrr.org/challenge-fund/round-3)
2.2.2 Principles for GRiF Financing

18. All funding proposals received by the GRiF Secretariat will be evaluated and further improved with advice from the Technical Committee (see 4.2 for more detail) jointly with the task teams, as needed. The proposals will be evaluated against a set of principles to prioritize allocation of grant resources and achieve maximum impact, and ensure projects follow minimum requirements during implementation (see summary in Box 2 and the full set of principles in Annex 1). These principles have been adopted by the GRiF SC but may be revised in the future based on learning from implementation of GRiF projects.

19. The goal of the principles is to ensure that the projects supported through GRiF funds: (i) achieve impact, (ii) benefit poor and vulnerable people\(^9\), (iii) incentivize preparedness and risk reduction, (iii) demonstrate value for money for client governments and donors, (iv) enable sustainable solutions, and

\[^9\] Up to USD 3.10 PPP per day for poor people and up to USD 15 PPP per day for vulnerable people. (See definition of poor and vulnerable people in the InsuResilience Global Partnership).
(v) crowd-in private sector resources, to ultimately reduce risks for recipient countries, donors, and implementing partners, and move toward increased standardization in concessional support for risk finance and insurance. Over time, this approach could build on and align with the WB’s own evolving approach to standardizing concessional support in different contexts such as blended finance and climate finance and to the InsuResilience Global Partnerships evolving Pro-Poor Principles.  

Box 2: Key principles driving the allocation of grants for co-financing (to be endorsed by the GRiF SC)

Annex 1 provides the full set of principles, as well as additional guidance on how these principles will be operationalized and used by development partners and task teams.

**Part A: Portfolio Resource Allocation across countries**

The resource allocation for a given country should follow established indicators based on:

**A1. Level of economic development and vulnerability.** Overall resource allocation and grant financing should differentiate according to countries’ ability to pay for implementing DRFI strategies. Priority should be given to the poorest and most vulnerable countries.

**Part B. Project Appraisal - The process and system through which a financial instrument is delivered in country**

Proposals for grant financing within a project finance structure should be appraised, as part of overall project appraisal, according to established indicators based on:

**B1. Sustainability and exit strategy.** Proposed program of support should demonstrate a clear path to sustainability. Sustainability does not necessarily mean the country itself would be expected pay the premium in full, but a clear strategy needs to be demonstrated for how the costs of the product will be covered (e.g., donors, IDA) in the medium term.

**B2. Country ownership and readiness.** The country should demonstrate readiness to work on disaster risk financing and insurance solutions, for example, an existing or requested DRFI strategy, an adequate legal and regulatory framework and/or political commitment.

**B3. Comprehensive financial protection.** Financial solutions should be part of an integrated and comprehensive approach to reducing risks and building resilience for the long-term, including adopting risk layering strategies to comprehensively manage risks. Subsidies provided by GRiF do not creates perverse incentives.

**B4. Participatory process.** The process to design the instrument and systems should aim for the inclusive, meaningful participation of all relevant stakeholders in the design, implementation and evaluation of instruments, especially communities, civil society and private sector, who can inform and champion these solutions.

**B5. Improvements in preparedness and resilience.** Grants from the GRiF should create incentives for disaster prevention, preparedness, and resilient reconstruction. Even in countries with a strong disaster preparedness system in place, the use of grants as subsidies should lead to clear improvements to the existing system. All projects supported by the GRiF should demonstrate clear additionality.

**B6. Capability, plans, and systems.** Financial arrangements should be linked explicitly to pre-agreed plans and pre-arranged disbursement channels to help post-disaster assistance reach affected populations and re-establish critical services and infrastructure rapidly and effectively, with the end goal of reducing the social and economic impacts of disasters.

10 The GRiF Principles are part of an adaptive risk management framework that may change over time based on lessons learned from project experience.
**B7. Accountability and clear decision-making processes.** Safeguards must be in place to ensure that any payouts from the subsidized financial instruments finance intended response plans.

**B8. Target beneficiaries.** Instruments should explicitly meet the needs of poor and vulnerable people\(^{11}\), with a focus on ensuring inclusive and equitable outcomes including on gender aspects.

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**Part C. Product Review - The data, quality standards and models that underpin the instrument itself**

During implementation, the quality and viability of specific risk financing products will be ensured/measured according to established standards and practices including:

**C1. High quality, open and accessible data and risk modelling.** The data and model underpinning an instrument must be open, assessed against minimum standards, and fully transparent to avoid information asymmetries between risk carriers, clients, and donor investors.

**C2. Value for money and suitability of the product.** Products should be priced based on sound actuarial principles that adequately account for risks and operating expenses and provide value for money relative to alternatives;

**C3. Communication of the product.** Financial arrangements must be explained using plain language and verifying client understanding; financial advice is delivered with the highest standards of integrity, impartiality, and competence; the product’s risks and limitations must be explained in full. The client needs to attest to the fact that they understand the financial solution and its associated rules, limitations and exclusions;

**C4. Quality and reliability of the product.** Providers of subsidized financial instruments have the responsibility to deliver transparent outcomes to clients as providers have led the clients to expect and provide channels for client feedback (e.g. reviewing any cases of basis risk events quickly and openly).

**C5. Competitive procurement process and non-preferential treatment.** Providers of subsidized financial instruments should be selected following a competitive, robust and transparent procurement process that leverages the private sector in a way that provides most value for money.

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2.2.3 Co-financing rules

20. Co-financing from the GRiF will follow the below rules\(^{12}\) (summarized in Tables 1 and 2) developed in collaboration with SC donor members, which will vary for IDA and IBRD countries. These rules are designed to help donors, the WB and other implementing partners manage risks and give consistent messages to potential beneficiary countries (see section 5 Risks and Mitigation Measures).\(^ {13}\) The types of eligible expenditures have been designed in line with the financing types outlined in Box 1.

21. The ceilings of these co-financing rules have been set based on the rationale that: (i) the GRiF aims to provide sizeable co-financing grants to complement smaller technical assistance grants that other donor-trust funded programs offer; (ii) the size of the grant is adequate as a starting point to be embedded within WB projects for activities that the GRiF expects to implement; and (iii) there is enough incentive for countries to apply for these funds. There is agreement between the GRiF Secretariat and the donors that these rules will be piloted for the first year of implementation and will be reviewed after one year.

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\(^{11}\) ibid

\(^{12}\) The GRiF will also finance Blend countries. The SC will discuss what rules should apply to Blend countries.

\(^{13}\) These will be discussed for endorsement by the SC at the first GRiF SC meeting.
22. For IDA and IBRD countries, an unmatched grant of up to US$4 million will be available for technical assistance linked with the co-financing amount that GRiF is providing for a financing instrument.

23. For IDA and IBRD countries, grants for start-up and operating costs (for example for risk pools, contingency funds, and other risk financing instruments) will be awarded from the GRiF without conditionality on any co-financing required from government, but with a ceiling of US$5 million for each project.

24. Risk financing vehicles, such as cat risk pools, for IDA or IBRD countries will receive grants for their capitalization if the funds have been designed taking into consideration robust actuarial analysis and appropriate burden sharing between donors\(^{14}\); grants will have a ceiling of US$10 million per project or per participating country if a project includes multiple countries.

25. Financial instruments eligible for co-financing include insurance premium financing, e.g., for the payment of the cost of risk transfer instruments; IBRD and IDA countries would receive grants to co-finance the cost of insurance (premiums).\(^ {15}\)

26. For IDA countries, the GRiF would match up to 100% of the funds committed by the government toward the costs of their financial protection strategy. For IBRD countries, the GRiF would match up to 50% of the funds committed by the government toward the costs of their financial protection strategy. Levels of co-financing would be set at the minimal level required\(^ {16}\). The GRiF grant award could be up to US$10 million per year and per project, with a maximum of US$25 million per project for 3 years. The annual grant amount will ideally decline over the duration of the project, particularly for IBRD countries, to ensure shift to lower concessionality level and ultimately to self-financing.\(^ {17}\) The principles (Box 2) form a set of eligibility criteria to access finance that aim to maximize impact and ensures benefits for the poor.

27. For both IDA and IBRD countries, the GRiF grants awarded for linking funding mechanisms to delivery mechanisms, including strengthening in-country delivery systems and capabilities, for example adaptive social protection, will have a ceiling of US$5 million per project and not require co-financing from government.

\(^{14}\) Overcapitalisation will be avoided. GRiF grants should not crowd-out funding from other donors.

\(^{15}\) The GRiF is not meant to offer insurance product or contingent credit, but only to finance the cost of those financial instruments offered by third parties (e.g., insurance premium, cost of credit).

\(^{16}\) Consistent with underlying principle of World Bank (2018) Strategic Use of Climate Finance to Maximize Climate Action.

\(^{17}\) The proposed co-financing rules are consistent with the level of concessionality offered by similar facilities, such as the Global Concessional Financing Facility (GCFF). The GCFF provides upfront funding (the Concessional Amount) for a Benefitting Country in an amount that covers, on a net present value basis, a pre-defined Concessionality Spread for the disbursement period of a loan. The Concessionality Spread reflects the spread between the IBRD fixed lending rate and IDA regular terms. From the projects approved by the GCFF so far, the grants account for up to 26% of the total project amount (see 2017-18 GCFF Annual Report).
28. Additional grants, in excess of the above parameters, may be provided at the request of donors and in agreement with the WB. Any project request, which exceeds 30 percent in grant finance, when compared to the size of the overall Bank project, will be flagged to the GRiF Steering Committee.

Table 1: Co-financing rules for Projects in IDA countries

<table>
<thead>
<tr>
<th>Eligible expenditures</th>
<th>Co-financing</th>
<th>Max grant amount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical assistance</td>
<td>Unmatched grant</td>
<td>Up to US$4m/project</td>
<td></td>
</tr>
<tr>
<td>Start-up costs, operating costs for risk financing vehicles</td>
<td>Unmatched grant</td>
<td>Up to US$5m/project</td>
<td></td>
</tr>
<tr>
<td>Capitalization of risk financing vehicles</td>
<td>Unmatched grant</td>
<td>Up to US$10m/project</td>
<td>Up to US$10m/country in multi-country projects</td>
</tr>
<tr>
<td>Costs of financial instruments, e.g., insurance premiums</td>
<td>Matching grant (1:1)</td>
<td>Up to US$10m/year capped at US$25m/project over 3 years (preferably declining over time)</td>
<td>Based on actuarial analysis</td>
</tr>
<tr>
<td>Costs for implementation of pre-arranged funding linked to national delivery mechanisms</td>
<td>Unmatched grant</td>
<td>Up to US$5m/project</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Co-financing rules for Projects in IBRD countries

<table>
<thead>
<tr>
<th>Eligible expenditures</th>
<th>Co-financing</th>
<th>Max grant amount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical assistance</td>
<td>Unmatched grant</td>
<td>Up to US$4m/project</td>
<td></td>
</tr>
<tr>
<td>Start-up costs, operating costs for risk financing vehicles</td>
<td>Unmatched grant</td>
<td>Up to US$5m/project</td>
<td></td>
</tr>
<tr>
<td>Capitalization of risk financing vehicles</td>
<td>Matching grant (1:1)</td>
<td>Up to US$10m/project</td>
<td>Based on actuarial analysis</td>
</tr>
<tr>
<td>Costs of financial instruments, e.g., insurance premiums</td>
<td>Half-matching grant (1:0.5)</td>
<td>Up to US$10m/project/ year capped at US$25m over 3 years (preferably declining over time)</td>
<td></td>
</tr>
<tr>
<td>Costs for implementation of pre-arranged funding linked to national delivery mechanisms</td>
<td>Unmatched grant</td>
<td>Up to US$5m/project</td>
<td></td>
</tr>
</tbody>
</table>
3. Governance

29. The GRiF will be governed by a Steering Committee, which will provide overall guidance and strategic advice on the priorities of the GRiF-financed activities. The Steering Committee will meet annually\(^{18}\). The Steering Committee will comprise of Members and Observers as below:
   - The World Bank (Chair, SC Member and host of the GRiF Secretariat)
   - Donors (Members)
   - Observers (Specific Role agreed by the Members)

30. **Steering Committee Members**: Members will make decisions on consensual basis. They will:
   - Review and endorse the GRiF scoping plan and work plan, including selection criteria, methods of prioritization of resource allocations, and results framework;
   - Review and endorse the annual report, including reporting of achievements based on the results frameworks and evaluations;
   - Nominate technical experts, who could provide technical reviews of grant proposals to the Technical Manager (see section 4 for more details);
   - Select observers who have a specific role to be invited to the GRiF SC

31. **Steering Committee Members**, with all WB participants omitted, will:
   - Approve any funding proposals for Transfers Out\(^{19}\)

32. **GRiF Observers**: Observers will be invited with consensus of SC members to represent specific interest groups and/or provide specialist advice to SC members and will have no decision-making role. Observers will be invited to the SC for a (maximum) two-year term, which may be renewed by consensus of all SC members. Observers will not attend meetings that are declared closed by the SC Chair.

3.1 Role of the World Bank

33. The roles and responsibilities accepted by the WB have been set out in the Administration Agreement signed with donors. This Operations Manual seeks to provide further details on this agreement to internal stakeholders (implementing teams, country management units, senior management, etc.) and external stakeholders (donors, operational partners, wider interest groups including NGOs and private sector actors).

34. **Chair of SC**: The role of the Chair will be to:
   - Convene SC meetings;
   - Provide strategic advice to the GRiF Program through the GRiF Secretariat;
   - Jointly with donor members, invite observers to the SC; and

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\(^{18}\) In the initial phase (first one year) of the GRiF, the SC will meet bi-annually.

\(^{19}\) The World Bank will not play a role in approving any proposals for Transfers Out.
iv. Declare in consultation with donor members all or part of the SC meeting as open to Members only.

35. The WB will host the GRiF Secretariat, responsible for providing technical management, program management and administrative support for the Trust Fund. The GRiF Secretariat will be responsible for preparing and organizing an annual SC meeting. The GRiF Secretariat will participate in the Program Alliance Meetings to facilitate the interface with the wider Partnership and other partners at a strategic level. Section 4.1 provides more detail on the GRiF Secretariat.

36. Transfers Out: Individual transfers-out of GRiF resources would be on WB applicable policies and procedures. WB will not be responsible for monitoring the use of funds or for supervising the execution of activities by said entity: the recipient or executing entity is directly accountable to the SC members with WB participants omitted on the use of the funds. WB will have a limited fiduciary role in providing the donor SC members limited reporting on the holding, investment and transfer of the funds. The fiduciary framework and program governance arrangements of the third party to whom the funds are transferred must nevertheless be acceptable to WB.

3.2 Role of Donors

37. Steering Committee Members: Donors contributing at least US$ 10 million to the GRiF will be Members of the GRiF SC for a period of five years, after which, they will be required to contribute US$ 5 million every five years. Should donors decide not to renew their contribution, they could potentially be invited to stay on as Observers by SC members. Role of SC members has been detailed in Section 3.

4. Implementation Arrangements

38. This section of the Operations Manual outlines the implementation arrangements of the GRiF. It outlines how the GRiF Secretariat and a Technical Committee will manage the appraisal and approval of grant proposals to be implemented by the WB; and the role of the WB vis-à-vis projects implemented by Transferees.

4.1 The GRiF Secretariat

39. The WB will house the GRiF Secretariat. The GRiF Secretariat will be responsible for: (i) Preparation of the Scoping plan for identification of potential projects proposed by WB teams; (ii) Preparation of Grant Concept Notes, that form the GRiF Work Plan for endorsement by the SC; (iii) Technical quality enhancement of individual project proposals subject to Appraisal Framework with support from the Technical Committee; (iii) Trust fund implementation and management; and (iv) Managing relationships with external partners.

40. The GRiF Secretariat will be comprised of the Technical Manager, FCI/DRFIP and the Trust Fund Manager, CCG/GFDRR. In carrying out their responsibilities, the GRiF Secretariat will be supported by a multi-disciplinary Technical Committee (TC). This will ensure that the GRiF has adequate thematic as well as trust-fund expertise to ensure effective program delivery. Responsibilities of the GRiF Secretariat would
include, but not be limited to, leading on work planning, reporting, as well as coordinating donor dialogue on the GRiF.

- **The Trust Fund Manager**\(^ {20} \) will be responsible for program management and administration of the GRiF Secretariat. In this role, the Trust Fund Manager will oversee Secretariat’s expenditures, process the fiduciary approval of grants, manage relations on Trust Fund processes, coordinate the relationship with Transferees, and jointly manage work program planning, grant monitoring and reporting, and donor coordination with the Technical Manager. The Trust Fund Manager will take into account interests of donors and promote compliance with this manual.

- **The Technical Manager**\(^ {21} \) will be responsible for ensuring that the principles (and the associated appraisal matrix) are applied and for technical approval of grants, ensuring technical quality of grant applications, and jointly managing work program planning, reporting, and donor communications in coordination with the Trust Fund Manager.

- **Technical Committee (TC)** will be responsible for contributing to building the pipeline of the GRiF and for technical review of individual grant proposals financed by the GRiF. The TC will include focal points from different GPs and WB Units, who will represent the collective ideas and interests of their respective groups. The TC will also invite views of external technical experts\(^ {22} \). The TC will draw from multi-disciplinary team of experts to ensure risk financing expertise is complemented with expertise on risk reduction, social protection, fragility, vulnerability reduction, and preparedness.

### 4.1.1 Identification of Projects through Scoping

41. The GRiF Secretariat will lead the process for project identification from WB teams. Project identification will take place by engaging the TC, which will help build the pipeline for the GRiF. Every sector experiences adverse impacts from lack of prearranged financing to enable earlier and more reliable response and recovery to climate and disaster shocks and other crises when they strike. Therefore, the GRiF will be open for projects across the WB and projects will be identified across a range of different sectors (see Annex 2 for illustrative examples that could be included in the work plan).

42. The GRiF Secretariat will draft **the Scoping Plan**, which will identify a list of potential projects based on key areas of interest to donors and discussions with WB teams. Task Team Leaders of potential GRiF co-financing and technical assistance grant. The task team leader will need to demonstrate concurrence from relevant Practice Manager and TC GP Focal Point to ensure coordination for funding request from the GRiF. The task team leader will develop one-page **scoping notes** for inclusion in the Scoping Plan. Scoping

\(^{20}\) The Trustee Account will be held at CCG/GFDRR, the Trust Fund Manager.

\(^{21}\) The Technical Manager will be FCI/DRFIP.

\(^{22}\) Independent external technical experts may be nominated by the GRiF SC. Review by external technical experts will be limited to GRiF-funded activities only. External technical experts will not participate in technical review of appraisal of World Bank projects within which the GRiF grants will be imbedded. External reviewers’ comments will be shared with the donors after submission to the Technical Committee.
notes will include description of (i) Project objective; (ii) Level of economic development and vulnerability; (iii) Sustainability and exit strategy; (iv) Country ownership and readiness. The Scoping Plan will be reviewed and endorsed by the SC.

43. The GRiF Secretariat will award scoping awards of up to US$200,000 to task teams for projects endorsed by the SC in the Scoping Plan. If a strategic opportunity arises for funding a proposal that was not included in the Scoping Plan endorsed by the SC, the GRiF Secretariat will prepare an ‘amendment’ to the Work Plan and virtually share and request SC review and endorsement within 15 business days.

❖ **A Scoping Grant from the GRiF will be awarded to task teams before the project is in concept review phase.**

4.1.2 Preparation of Work Plan

44. Following endorsement by the SC, the GRiF Secretariat will work with the task teams who demonstrate positive scoping results to prepare a series of short-listed Grant Concept Notes (see template in Annex 3 to be endorsed by the SC), which will form the **GRiF Work Plan**. These Grant Concept Notes will contain the necessary information for strategic discussion-making by the SC on portfolio allocation (See template in Annex 3 to be endorsed by the SC).

45. The Work Plan will be presented during the Spring SC meeting for endorsement of projects per strategic and geographic priorities, and in line with the Principles outlined in Box 2 and Annex 1. In between SC meetings when there is a need to endorse Grant Concept Notes to meet World Bank project deadlines, the GRiF Secretariat will share Grant Concept Notes virtually with the SC for review and endorsement within 15 business days.

4.1.3 Technical Quality Enhancement and Approval of Co-financing and TA proposals

36. For Grant Concept Notes endorsed by the SC, the GRiF Secretariat will convene the relevant Technical Committee focal points (depending on the lead GP for the proposed grant) and invite views of external experts, for technical review of Grant Concept Notes, as well as of the Appraisal Framework filled out by the task teams. The TC will support the task teams through the GRiF Secretariat to: (i) enhance overall technical quality of the concept note as well as the Appraisal Framework; (ii) provide expert advice on necessary actions the task teams should take to adhere to the GRiF principles; (iii) ensure that the proposal is designed to integrate the minimum GRiF monitoring, reporting, and learning standards; and (iv) review WB project documents to ensure accurate reflection and visibility of GRiF funded activities. Upon completion of the technical review, the GRiF Secretariat will issue the grant award.

❖ **In case of co-finance and grants for technical assistance from the GRiF that complement WB lending operations, the grant must be awarded before the operation’s Quality Enhancement Review meeting in order to be integrated in the processing steps that lead up to presentation of the operation to the WB Board.**
37. **Global public goods and analytical work**: Potential proposals for global public goods will be prepared by task teams or the GRiF Secretariat and included as part of the Work Plan shared with the Steering Committee and endorsed by donors.
   - A Global public goods grant can be awarded independent of a project, or at any stage of the project cycle.

4.1.3 Implementation and Reporting

38. **Technical Support to implementation**: The GRiF Secretariat will support operationalization of the GRiF by providing technical support, led by the GRiF Technical Manager, when necessary and requested by task teams for implementation of projects being funded by the GRiF. This would include leading and supporting the dialogue with clients; quality enhancements of GRiF-funded projects implemented by different GPs and WB units; and coordination of activities with various other trust funds managed by FCI on risk financing initiatives.

39. **Annual Reporting**: Donors will receive reporting as agreed in the Administration Agreement between the WB and donors.

40. The GRiF Secretariat will prepare an Annual Report for the SC meeting, which will present results in line with the endorsed annual work plan and against the agreed results framework. Reporting will be guided by the program logic model (forthcoming) developed by a Monitoring, Evaluation, and Learning consultancy/firm with input from donors. It will include a summary of each appraisal matrix for projects approved by the GRIF secretariat that year. The GRIF results framework will integrate results areas for the InsuResilience Global Partnership Results identified in the Collaboration Agreement. The Annual Report will be shared with the InsuResilience Secretariat for aggregations for reporting on the Partnership’s goals.

41. The GRiF Secretariat will submit work plans and annual reports to the Steering Committee for review at least two weeks before scheduled Steering Committee meetings. Activities financed under the MDTF will be reported in a summary version to GFDRR’s Consultative Group as part of GFDRR’s annual report.

42. **Evaluation and Learning**: The GRiF Secretariat will develop an evaluation strategy for accountability and learning purposes to inform all relevant phases of the grant cycle. The evaluation strategy will be updated periodically, and amendments will be endorsed at the SC meeting. All reporting and monitoring and evaluation products should in principle be made open unless specifically agreed by the SC.

43. To ensure a strong Monitoring, Evaluation, and Learning (MEL) foundation for the program the GRiF Secretariat will recruit a Monitoring, Evaluation and Learning consultancy/firm.

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23 Potential partners for evaluations could include: The Development Impact Evaluation (DIME) at the WBG, J-PAL, Innovation for Poverty Action (IPA). Further support could be provided through the expertise of the WB-DFID London Hub
44. **Visibility**: The GRiF Secretariat will ensure appropriate visibility of the Program for grants financed through the GRiF. To the extent possible, the GRiF Secretariat will try and promote GRiF funded work through various partner platforms to offer greater visibility, in particular also through the InsuResilience Global Partnership.

45. All communications content, including feature stories, blogs, reports or other documentation – including at a conference, seminar, training, study tour; and press releases, interviews, etc. – related to a GRiF-funded project/activity will acknowledge GRiF and donor support in line with the Branding Guidelines (forthcoming). Appropriate use of the GRiF logo and the GRiF logo alongside the banner with partner logos (see Figure 1) will be detailed in the branding guidelines. This banner can be revisited in future as other partners join the GRiF.

![Figure 1: The GRiF Visibility Banner](image)

4.1.4 Engaging External Partners

**InsuResilience Global Partnership**

46. The GRiF Secretariat will play a convening and coordinating role for external partners in relation to any MDTF activities. This will take place in coordination with the overall convening and coordinating role of the Partnership and the InsuResilience Secretariat.

47. WB is fully committed to supporting the InsuResilience Global partnership. WB will also contribute to the InsuResilience Secretariat’s efforts on generating political support for the partnership. The WB will participate in and provide technical inputs to Working Groups on themes led by the Partnership.
48. WB will participate in the **High Level Consultative Group** (HLCG), which is the governing body of the InsuResilience Global Partnership, a political partnership created by G20 and V20 countries with more than 50 members from the V20 and G20 and other governments, international organizations, private sector, CSOs and academia. The HLCG will promote collaboration and knowledge sharing between the InsuResilience Global Partnership Forum and implementing partners in this space, including the Program Alliance, and provide strategic guidance to the InsuResilience Global Partnership.

49. **The Alliance** is a set of independent programs that agree to collaborate in helping to achieve the vision of the Partnership. The vision of the Partnership is to promote the use of climate and disaster risk financing and insurance solutions (“CDRFI”) to strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people. To date, the Alliance consists of (i) the GRiF, (ii) the Centre for Global Disaster Protection (CGDP); (iii) the InsuResilience Solutions Fund (BMZ/KfW), (iv) donors, and (v) the InsuResilience Secretariat.

50. Through a collaboration agreement, the Alliance partners agree to collaborate where possible to deliver a full package of services related to climate and disaster risk finance and insurance. The Alliance will be the primary platform for collaboration and information sharing across the different programs outlined here. More details on modes of cooperation amongst the Program Alliance can be found in the **Collaboration Agreement**, endorsed by the Alliance Partners.

51. The **Center for Global Disaster Protection (CGDP)** is implemented by WB and DFID. It draws together leading experts from the humanitarian, development and financial sectors in a joint effort. It provides advice, innovation and cutting-edge science to help build cheaper, faster and reliable finance in emergencies. To achieve this, it will invest in data, science and research; provide training, risk analyses and financial analytics to help developing countries better understand and make informed decisions about how to manage risks; and bring together experts from finance, science and humanitarian communities. The CGDP and DFID support the Disaster Protection Program and its DRFI hub in London through a single donor trust fund (TF072994), implemented by the FCI/DRFIP. The Disaster Protection Program was set up to provide technical assistance on risk data and analytics, strategy development, solutions design and transaction support. The strategy development is conducted by the WB supporting developing countries to form strategies and planning around their disaster risk financing options. The CGDP and the Disaster Protection Program could provide funds and expertise to explore and integrate new approaches and technology solutions, as well as specialized risk financing expertise to task teams through the WB DRFIP and its hub in London. It may also enable leveraging of emerging technologies and approaches for crisis risk finance. This will provide funds directly linked to piloting new approaches in activities funded by the GRiF. It will also invest in developing and deploying early stage technology and innovation for crisis risk financing through a well-structured innovation program.

52. The **InsuResilience Solutions Fund (ISF)** implemented by BMZ/KfW supports the development of financially sustainable climate risk products in developing countries and emerging markets adapted to their respective needs. It will provide partial grant funding and advice for the development of direct and
indirect climate risk insurance products and intends to catalyze joint initiatives of national (public) entities (e.g. national or regional government bodies, humanitarian organizations, development banks) and insurance companies. The fund provides financing for market preparatory activities and specific solution design in order to move climate risk insurance solutions from concept to implementation stage, ready for market placement and to scale-up already piloted activities. The ISF will provide advice and (partial) grant funding up to 2.5m EUR for the development of climate risk insurance products. By this, the private sector can be crowded in, the industry’s expertise can be leveraged, and demand and sustainability of innovative climate risk insurance products can be ensured. The GRiF will interact with the ISF as an Alliance partner as outlined in the Collaboration Agreement.

53. The InsuResilience Secretariat will serve an administrative and coordinating function within the Program Alliance. It will prepare and convene meetings of the Group. The Secretariat can act as channel for requests from countries, civil society organizations or the private sector. The InsuResilience Secretariat will be responsible for developing the communication strategy and branding of the InsuResilience Global Partnership to increase the visibility of the Partnership and develop guidance and frameworks as outlined in its Terms of Reference. The GRiF will interact with the InsuResilience Secretariat as an Alliance partner as outlined in the Collaboration Agreement.

Crowding-in the Private Sector

54. The GRiF aims to apply “Maximizing Finance for Development” principles to harness sustainable private sector solutions for risk financing. This includes building on the ongoing technical collaboration with the Insurance Development Forum (IDF), engaging insurance and reinsurance partners more proactively for solutions on the ground. This could include involving the insurance industry upstream for more capacity building efforts, and also downstream for delivering technical modeling for WB supported projects. The GRiF could support the start-up costs of new risk financing mechanisms that include risk transfer components. Financing can also be channeled toward overcoming barriers for risk transfer solutions and increasing sustainability of such instruments by temporarily co-financing premiums.

55. The GRiF seeks to crowd in sustainable private sector solutions that limit public debt and contingent liabilities of the governments. As some aspects of risk financing are inherently a public good, not all interventions are equally suited for sustainable and cost-efficient private sector interventions. For example, the cost of frequent but small-scale disasters is likely best managed through a budgetary mechanism. Funds, however, could be disbursed to beneficiaries utilizing innovative digital payment systems provided by private firms. On the other hand, when a government would need to hold a large amount of capital aside to be able to respond to severe disasters, financial markets can likely bring risk capital on better terms, as well as technical expertise and innovative financial solutions.

Engaging Civil Society

56. Civil Society organizations are key stakeholders in the design and implementation of GRiF activities. The GRiF aims to build on participatory approaches in the preparation of all grants and appropriately incorporate dimensions of gender, disability, age, and other social vulnerabilities while designing financial
instrument. The GRiF will seek to work with and support operational civil society organizations (CSO). This work is already ongoing through collaboration with the Start Network. More CSOs involvement in risk finance and insurance could follow suit.

57. Civil Society will be represented as a key contributing partner in the HLCG, which will be the primary venue for policy and political dialogue on advancing the role of climate and disaster risk finance and insurance and in strengthening global resilience between V20 and G20 countries and with the private sector, civil society and academia.

4.2 Managing Relationships with Transferees

58. The WB may transfer funds out to a Transferee, if (i) the Transferee’s fiduciary framework, including procurement, financial management, environment and social, anti-corruption, and program governance arrangements are acceptable to the WB at a corporate level; and (ii) it is so agreed between the World Bank and the donors in the administration agreements (AA). The World Bank would obtain reports from other entities and submit them to the Steering Committee. The World Bank would not be responsible for the use of funds.

59. For all funds implemented through transfer out arrangements the recipient partner will apply their own fiduciary controls and other safeguards24. Implementation of funds transferred out would not be supervised by the WB. Separate terms and arrangements would have to be discussed and agreed for activities financed through transfer out arrangements.

4.2.1 For projects implemented by Transferees

60. Once there is agreement among the SC on the proposed Transferee, the GRiF Secretariat will invite inputs from the Transferee to be included as an annex to the WB implemented GRiF Scoping Plan, prepared by the GRiF Secretariat25. For Transferees not pre-approved by DFI, there is currently discussion ongoing on the process of accreditation. One option (under discussion) is that an independent Third-Party Assessment may need to be undertaken to ensure that the Transferee is eligible for Transfers Out26.

61. Following endorsement of the Scoping Plan, the Transferee will be invited to prepare a detailed funding proposal, which will include similar details required by WB Grant Concept Notes, which will be submitted to the GRiF Secretariat. The GRiF Secretariat will not provide any Technical Review of the Transferee grant proposal, which will be shared with the SC.

24 The Transferee’s fiduciary framework, including procurement, financial management, environment and social, anti-corruption, and program governance arrangements will have to be acceptable to the World Bank. The Bank’s recipient-executed cost-recovery fees apply to transfer outs

25 Endorsement of the Annex for the Work Plan on Transfers Out will omit all WB participants.

26 WBG is undergoing a process of developing options and recommendations to clarify and standardize the Trust Fund (TF) Policy and Procedure (P&P) Framework on Transfers Out. More details on this will likely become available to other partners in December 2018.
62. The SC, omitting WB members, will review funding proposals from the potential Transferee per the principles outlined in Box 2 and may provide feedback on the proposal to the GRiF Secretariat. The GRiF Secretariat will relay the feedback to the Development partners with a request for revised proposal, which will then be resubmitted to the SC for approval. The WB will not be involved in the Steering Committee with regard to any decision-making for grants awarded to Transferees.

63. Once the funding is approved, the GRiF Secretariat will work with Legal and DFI to draft the Transferee Agreement outlining details of the Transfer Out arrangement.
### 5. Risks and Mitigation Measures

<table>
<thead>
<tr>
<th>Risk</th>
<th>Rating</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAKEHOLDER RISK</strong></td>
<td></td>
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</tr>
<tr>
<td>Low institutional support from the WB to pilot the new approach</td>
<td>Low</td>
<td>Given the increasing political and operational mandate to innovate and invest in crisis risk management (GCRP), engage with the private sector (MFD) there is a significant corporate mandate for the piloting proposed under the program. The availability of grant resources to support these agendas is critical. The GRiF Secretariat will actively follow these conversations to remain abreast of the political and operational priorities of the World Bank.</td>
</tr>
<tr>
<td>Lack of donor engagement and interest in participating in the scale</td>
<td>Low</td>
<td>The GRiF Secretariat will continue to engage existing and new donors to ensure support and interest in the program. The team will continue to regularly engage with BMZ and DFID who are currently MTDF donors. Further, the team will leverage G7, G20 and other donors with similar priorities, and incorporate GRiF into GFDRR’s overall fundraising strategy.</td>
</tr>
<tr>
<td>up of the program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low demand from TTLs for accessing funds from the GRiF because of</td>
<td>Moderate</td>
<td>As much as possible, efforts will be made to streamline the template for grant proposals to mirror information that TTLs produce as part of the project preparation to avoid additional burden on TTLs. Reporting requirements will also try and align with existing requirements in place through GFDRR systems. Process and procedures will be assessed after the first year.</td>
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<tr>
<td>additional application and reporting requirements</td>
<td></td>
<td></td>
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<tr>
<td>Low demand from target countries</td>
<td>Low</td>
<td>The pipeline is expected to be built in coordination with GPs through the TC and where there is a clear endorsement from the CMUs to ensure that the GRiF targets countries that demonstrate demand. This will</td>
</tr>
<tr>
<td>Demand in countries, but countries lack technical capacity for implementation</td>
<td>High</td>
<td>The principles require countries to have a level of operational readiness or strong commitment from the counterpart to build the technical capacity and readiness required. Technical assistance linked to co-financing will be made available to task teams for Bank-executed and/or Recipient executed activities to address capacity constraints. Additionally, embedding GRiF grants in WB projects provides an implementation timeline (3-5 years), which allows time for the technical ground work required during project implementation before a transaction takes place.</td>
</tr>
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</table>

| Perceived risk of WB stakeholders on GRiF resources competing with IDA, CRW, Cat DDOs etc. | Moderate | The team will work with DFI and other partners to correctly position funding from the GRiF, which is complementary to funds available through IDA, CRW, and the Cat DDO. TTLs applying for funding from the GRiF will demonstrate in their proposal how they plan to coordinate with other WB technical dialogue and operations to ensure complementarity with other instruments being prepared or requested by the Government. |

| IMPLEMENTING RISKS |

<p>| New and established sectoral partners demand for the GRiF may be lower than expected | Low | From the GRiF concept review process, there is demand for support by the GRiF. A Technical Committee has been proposed to ensure representation from different GPs and other WB Units and to help facilitate dialogue with TTLs. Increased outreach efforts will also be made by the Secretariat to ensure |
| Low capacity implementing partners selected | Moderate | Grants will be awarded with due diligence through clear selection criteria on technical capacity of implementing partners. The Program will leverage and build on the experience of GFDRR and other Bank teams managing trust funds to ensure sound selection. |
| Trust funds with transfers out do not have Bank oversight but are reported as part of WBs overall results framework. | Moderate | Due diligence will be done to ensure that funds are transferred to Transferees in line with WB policy. The SC, omitting WB members, will approve every proposal to ensure that funds that are transferred out are for activities that will contribute to the program’s overall framework. |
| There may be misalignment between perspectives of donors on transfer of funds with regard to ‘who’ the funds should be transferred to and also ‘how much should be transferred out. | Moderate | The team will closely engage with the donors and also DFI and LEG on this given that this is an evolving area of policy reform. Decisions made by donors on consensual basis. |
| Poor project design can affect implementation of grant activities since grants from the GRiF will be embedded in projects | Low | WB process for approving project design is rigorous with adequate technical reviews. In cases where relevant, the Technical Committee could request to review the overall project design through the project documents. Where relevant, in agreement with the project TTL, focal points or their designees could be suggested as peer reviewers for the PCN or Decision Meeting packages. |
| During implementation, government priorities may change, and government may choose not to | Moderate | The project team implementing the project would work alongside technical experts on risk financing to ensure ongoing communication |</p>
<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Probability</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further develop a risk financing instrument</td>
<td>High</td>
<td>With the government on the project rationale and priorities. The GRiF Secretariat (Trust Fund Manager and Technical Manager) will work closely with the donors and the project teams to have grants approved in a timely manner, in keeping with the project timelines. Clearly agreed and adhered to operating principles and processes between donors, WB, and implementing units will be key to ensure efficient project approval, implementation, and reporting.</td>
</tr>
<tr>
<td>Misalignment of timelines for project preparation and donor approvals for grant approvals</td>
<td>High</td>
<td>Donor disagreements regarding approval for grants or on priority countries. The GRiF Secretariat will work with donors to align and coordinate donor priorities through regular engagement and Steering Committee meetings.</td>
</tr>
<tr>
<td>Donor disagreements regarding approval for grants or on priority countries</td>
<td>Moderate</td>
<td>Grants approved are not technically sound because of range of expertise required for multi-GP implementation. The GRiF Secretariat will invite the relevant members of the Technical Committee as well as external experts as peer reviewers from different GPs to review grant proposals (as relevant) to ensure that sector specialist review grant proposals.</td>
</tr>
<tr>
<td>Project is not sustained after closing</td>
<td>Moderate</td>
<td>Proposed program of support should demonstrate a clear path to sustainability. A strategy needs to be developed for financing premiums in the medium term, should the country choose to continue paying premiums for insurance coverage. Some projects may be closed deliberately after a first pilot period.</td>
</tr>
<tr>
<td>Products developed may be inappropriate for the need of the country</td>
<td>Moderate</td>
<td>A disaster risk financing strategy should help the country to prioritize its financial needs and design a mix of financial instruments to meet those needs. Analytical work on the design of the product and its performance (probabilistic and scenario analysis) will be carried out to demonstrate the value for money of the proposed product.</td>
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<tr>
<td>Lack of coordination with private sector</td>
<td>Moderate</td>
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<td>------------------------------------------</td>
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<tr>
<td>The team plans to engage closely with private sector partners, such as the Insurance Development Forum (IDF), to leverage the technical expertise and financial capacity of the private sector. For its own operational activities, WB will act as a neutral adviser to the Government and promote open and fair competition when selecting risk carriers.</td>
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<table>
<thead>
<tr>
<th>Payouts from crisis risk finance instruments supported by the Program may not meet development objectives (for example if misused)</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis risk finance instruments, including insurance, should be complemented with appropriate contingency plans, auditing and institutional reform to ensure payouts are accompanied by informed action to recover effectively and reduce future risk. During project approval the grant proposal must show clear alignment with the principles, including development of contingency plans.</td>
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Technical assistance or financing is linked to a product that is later shown to provide poor value for money for the country and leads to negative outcomes. Potentially with external scrutiny and reputational risks.

Each grant would be designed in a way to enable and leverage scale for risk financing in countries to ensure value for money. Scoping activities in advance will also make sure that activities are country-owned with strong demand indicated through public and government consultations.

Financial arrangements will be explained using plain language and verifying client understanding; financial advice will be delivered with the highest standards of integrity, impartiality, and competence; the product’s risks and limitations must be explained in full so that the client can attest to the fact that they understand the financial solution and its associated rules, limitations and exclusions.

Further, through the lifecycle, there will be periodic assessments and restructuring as required to ensure that technical assistance and finance are generating desired results.
The WB Task team will work with the country to develop the project in line with the design agreed to upfront.

When appropriate for a potential project for GRiF financing, and as requested by client countries, technical assistance could be channeled to work on supporting the improvement of PFM systems in countries. However, it should be noted that such PFM reforms are part of a much broader and longer-term agenda.

<table>
<thead>
<tr>
<th>Lack of data can affect technical quality of product and models, leading to basis risk and not triggering payout as expected for parametric insurance</th>
<th>High</th>
<th>The GRiF expects to invest in data and analytics through global grants as well as country-specific grants linked to operations. The GRiF will also leverage the expertise of partners such as the Center for Global Disaster Protection and other expertise to fill in data gaps.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance deductible is high and disaster losses are not large enough to trigger any insurance payouts</td>
<td>High</td>
<td>The Secretariat will be requested to work with client to create a strong understanding for when insurance payouts will be triggered to manage expectations. Financial arrangements will be explained using plain language and verifying client understanding; financial advice will be delivered with the highest standards of integrity, impartiality, and competence; the product’s risks and limitations must be explained in full so that the client can attest to the fact that they understand the financial solution and its associated rules, limitations and exclusions. Insurance should be integrated in a comprehensive risk financing strategy, including other financial instruments to provide funding for less severe events.</td>
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<tr>
<td>Lack of understanding within the government about the product and what perils are covered</td>
<td>High</td>
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<tr>
<td>Due diligence will be done ahead of the time so that the product is designed for the perils the country expects to receive payouts for – based on analytics and evidence. Grant approval requires the proposal to demonstrate the ownership and understanding of the country of the proposed risk financing intervention and the fit of the project. Financial arrangements will be explained using plain language and verifying client understanding; financial advice will be delivered with the highest standards of integrity, impartiality, and competence; the product’s risks and limitations must be explained in full so that the client can attest to the fact that they understand the financial solution and its associated rules, limitations and exclusions.</td>
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<tr>
<th>Preferential treatment of specific risk carriers/products from clients/donor investors.</th>
<th>Moderate</th>
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<tbody>
<tr>
<td>Providers of subsidized financial instruments should be selected following a competitive, robust and transparent process with the aim of leveraging private sector in a way that provides most value for money (recognising that this might go beyond price) to the client and encourages a broad range of carriers into the market to ensure for future scalability, stability, and sustainability. An example is using a professional broker. The criteria for assessing bids should be open and transparent and meet best practice in the market. At the request of the country, regional risk pools or other (semi) public institutions could be considered on a preferential basis as long as they meet other criteria for value for money, transparency, and technical quality of the product.</td>
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Annex 1: Guiding Principles and Appraisal Framework for GRiF Grant Support

1. This note sets out the principles and appraisal framework for the use of grant financing under the Global Risk Financing Facility (GRiF) MDTF. It has been prepared as part of the ongoing discussions among development partners, including DFID and BMZ, on how to use grants, especially under the GRiF, to maximize the impact of disaster risk financing and insurance solutions on the financial resilience of developing countries against climate and disaster shocks and crises, and the benefits to vulnerable people from earlier action and faster recovery.

2. The note presents a set of guiding principles and appraisal criteria to guide resource allocation decisions for the GRiF at the portfolio level and appraise funding proposals for grant support to disaster risk finance and insurance instruments at the project/product level.

3. The use of grant financing to support disaster risk finance and insurance solutions is a complex, sensitive and evolving area of work, with a limited track record. Development partners should therefore adopt a flexible, evidence-based approach to implementation that enables adjustments over time to refine operational modalities and manage risks.

4. The types of investments covered under this note, and to be co-financed by GRiF grants, include, but are not limited to: (i) Start-up costs and operating costs for risk financing vehicles; (ii) Capitalization of risk financing vehicles; (iii) Cost of financial instruments, e.g., insurance premiums; (iv) Costs for implementation of pre-arranged funding linked to national delivery mechanisms.

5. The technical appraisal process will be led by the GRiF Secretariat, and specifically the Technical Manager and the Technical Committee, which will include external experts. The appraisal will be aligned with the Quality Enhancement Review process within the WB, in the case instruments are developed under WB lending operations. A project or product would not necessarily need to meet all criteria fully, but the appraisal process would need to provide justifications in the context of all the criteria.

6. The principles and criteria are important to both development partners providing funding to the GRiF as well as task teams applying for grants, however they apply in different ways.

7. To task teams, these principles and criteria should provide a guide to the most important potential risks and considerations in the development of a risk financing operation. They build on many years of operational experience in developing and designing risk finance programs. Addressing all sections in these criteria will support task teams to design and prepare a stronger operation, maximizing impact, pre-empting and addressing potential risks up front, and answering the most common questions or challenges to risk financing projects encountered.

8. To development partners, the principles and appraisal criteria provide an assurance that grant funding is used in line with the development objectives and quality standards envisioned when
establishing the GRiF. Following these criteria is a procedure to mitigate the most significant risks to the Bank and to Donor Partners which could arise from the co-funding of financial instruments. The additional effort by the Bank to ensure full alignment with these principles not only helps elevate the project quality, but also replaces the need for development partners to individually review and approve grants as part of their internal risk management processes.

9. Part A is a principle for consideration by development partners when agreeing to a workplan for the GRiF to determine which countries and regions should be prioritized. This is a decision taken before task teams begin scoping or apply for grant funding. Selection of a country under Part A can be viewed as the in-principle approval that a project which fulfils all other criteria is eligible for GRiF funding.

10. Part B is completed by the task team in consultation with the GRiF Secretariat. Development partners do not input into the completion of this section. The criteria under this section look at the wider country context, the project design, and the project preparation. This will be completed by the task team while preparing the grant application and should be ready at the Project Concept Note stage of the project. This will support the design of a sustainable and successful disaster risk finance project overall.

11. Part C is completed by the task team in consultation with the GRiF Secretariat. Development partners do not input into the completion of this section. This will be completed by the task team during the preparation phase of the project and should be ready at the Quality Enhancement Review stage of the project. This will support the design and preparation of technically sound financial products and processes to implement these products.

Part A: Portfolio Resource Allocation

The resource allocation on a portfolio basis (preparation of Work Plan) should follow established indicators based on the following principles, and expected minimum criteria:

A1. Level of economic development and vulnerability. Overall resource allocation and degree of grant financing should differentiate according to countries’ ability to pay. Priority should be given to the poorest and most vulnerable countries.

   ❖ IDA countries will be prioritized against IBRD countries, all other things being equal. Higher risk countries will be prioritized.

Part B. Project Appraisal: The process and system that the instrument is embedded in

B1. Sustainability and exit strategy. Proposed program of support should demonstrate a clear path to sustainability. Sustainability does not necessarily mean the country itself would be expected pay the

27 The GRiF Secretariat is comprised of the Technical Manager, FCI/DRFIP and the Trust Fund Manager, CCG/GFDRR. The Technical Manager is responsible to ensure that the GRiF principles (and the associated appraisal matrix) are applied and for technical approval of grants, ensuring technical quality of grant applications, and jointly managing work program planning and business development with the Trust Fund Manager.
premium in full, but a clear strategy needs to be demonstrated for somebody (e.g., donors, IDA) to pay for the product in the medium term. Subsidies would be set at the minimum level to make a project viable and, where appropriate, declining over time towards ultimately self-funding. Proposed financing support under one project should not extend beyond 3 years. This could potentially be extended through a new project, evaluated against these criteria.

- The country is willing and able to allocate sufficient resources toward financial protection.

**B2. Country ownership and readiness.** Strong country ownership of the instrument and process to ensure instruments are demand-driven and respond to the needs of local stakeholders. The country should demonstrate readiness to work on disaster risk financing and insurance solutions. Readiness to work on risk financing could include, but is not limited to, for example a DRF strategy, an adequate legal and regulatory framework and/or political commitment. Where the instrument relates to more fragile or conflict-affected states, in line with humanitarian principles, ownership should be as local as possible but as international as needed.

- The country has a disaster risk financing strategy or other explicit policy document in place demonstrating readiness and political support to work on DRF.

**B3. Comprehensive financial protection.** Financial solutions should be part of an integrated and comprehensive approach to reducing risks and building resilience for the long-term, including adopting risk layering strategies to comprehensively manage risks. Instruments should be anchored in a strategy that supports long-term fiscal stability and should be considered as part of an overall strategy for paying for disasters. Consideration should be given to potential perverse incentives that may be created through the structuring of subsidies.

- The project demonstrates how it is part of a comprehensive disaster risk financing and insurance strategy.

**B4. Participatory process.** The process to design the instrument and systems should aim for the inclusive, meaningful participation of all relevant stakeholders in the design, implementation and evaluation of instruments, especially communities, civil society and private sector, who can inform and champion these solutions.

- The project demonstrates how it will consult with civil society organization and private sector for its design and implementation.

**B5. Improvements in preparedness and resilience.** Grants from the GRiF should create incentives for disaster prevention, preparedness, and resilient reconstruction. Even in countries with a strong disaster preparedness system in place, the use of grants as subsidies should lead to clear improvements to the existing system. All projects supported by the GRiF should demonstrate clear additionality.

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28 Readiness on all this aspects should be seen as a goal for all countries, but the political commitment, strategy, as well as regulatory and legal framework may be ad-hoc provisions, while longer reforms are undertaken.

29 For example, subsidies should not promote an unsustainable or inappropriate risk financing instrument.
The project demonstrates how the GRiF grants will enable improved preparedness and resilience, either directly (in the project) or indirectly (through incentives).

B6. Capability, plans and systems. Financial arrangements should be linked explicitly to pre-agreed plans and pre-arranged disbursement channels to help post-disaster assistance reach affected populations and re-establish critical services and infrastructure rapidly and effectively, with the end goal of reducing the social and economic impacts of disasters.

- The project demonstrates that pre-agreed plans and/or distribution systems are in place or being developed to channel the funding to the targeted beneficiaries.

B7. Accountability and clear decision-making processes. Safeguards should be in place to ensure that any payouts from the financial instruments supported by the GRiF actually finance the response plan. This includes institutional and regulatory frameworks that clarify roles and responsibilities of stakeholders, manage risks of fraud and corruption, monitor and track the uses and impact of finance, and promote good governance and transparency to citizens. Finance should flow based on objective, evidence-based triggers, and the governance processes around this should be well documented and capacitated, clear, transparent and timely.

- The project demonstrates clear accountability rules and decision-making processes either in place or under development as part of the project.

B8. Target beneficiaries. The project should explicitly meet the needs of the most vulnerable people, with a focus on ensuring inclusive and equitable outcomes and a special consideration of gender issues. The design process should consider the appropriate delivery channel to maximise benefits for vulnerable people, including potential impacts of the choice of channel on inclusiveness, gender, conflict and violence and other social vulnerability dimensions where necessary.

- The project describes the target beneficiaries and steps taken to support targeting of funds.

Part C. Product Appraisal: The instrument itself and the data and models that underpin it

C1. High quality, open data and models. The data and model underpinning an instrument should be open to external review and meet agreed minimum standards to ensure reliability and remove information asymmetries between parties (e.g., the risk carrier, the client, the donor). Preferably, data and risk modelling would be done in an open and transparent way that crowds in the best science and drives innovation, raises the standard of understanding, and leaves a legacy of open data and information.

- The project demonstrates how data and risk modelling will be subject to external review and made publicly available.

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30 Up to USD 3.10 PPP per day for poor people and up to USD 15 PPP per day for vulnerable people. (See definition of poor and vulnerable people in the InsuResilience Global Partnership).
C2. Value for money and suitability of the product. All parties paying for pre-arranged financing should have access to adequate information and appropriate financial advice to assess value for money, impact and any risks of the product relative to expectations and needs of the client and relative to other potential feasible options that could be taken to achieve the stated objectives. This will be assessed in the context of the broader disaster risk financing and insurance strategy. Products should be priced based on sound actuarial principles that adequately account for the underlying risks and operating expenses. Any financial advice is delivered with the highest standards of integrity, impartiality, competence, and care.

- The project demonstrates the added value of the proposed product in the country’s disaster risk financing and insurance strategy (qualitatively and quantitatively).

C3. Communication of the product. Financial arrangements must be explained using plain language and verifying client understanding; financial advice is delivered with the highest standards of integrity, impartiality, and competence; the product’s risks and limitations must be explained in full.

- The project demonstrates clear understanding of the product by the client or actions taken to ensure the client understands the product and it is fully transparent to the client.

C4. Quality and reliability of the product. Instruments should perform as the providers have led the beneficiaries to expect and as set out in the key policy wording. Providers of financial instruments have the responsibility to consistently deliver transparent outcomes to the clients as providers have led the clients to expect, and to have a process in place to respond quickly if clients are not satisfied with the product (e.g. reviewing any cases of basis risk events quickly and openly). The provider should have a system in place to regularly review the reliability of the product and make any improvements where necessary.

- The project demonstrates how the quality and reliability of the product will be monitored.

C5. Competitive procurement process and non-preferential treatment. Providers of financial instruments should be selected following a competitive, robust and transparent process that leverages private sector in a way that provides most value for money (recognizing that this might go beyond price) to the client and encourages a broad range of carriers to participate in the market to ensure for future scalability, stability, and sustainability. The criteria for assessing bids should be open and transparent and meet best practice in the market.

- The project demonstrates how the placement of the financial product will follow a competitive and transparent process.

As a minimum, appraisal of an instrument against these criteria under part C. could take the form of a statement of assurance provided by an impartial technical entity using a methodology approved by the donor. A summary of the statement of assurance should be openly shared with all stakeholders.

Operationalization of the Principles

The above-mentioned principles inform a color-coded appraisal framework that will be used to review, enhance, and endorse co-financing proposals. The table below presents this appraisal framework. The
objective in all cases should be to strive for achieving a GREEN rating for all indicators through the lifetime of projects, through the grant finance and supporting technical assistance provided through the GRiF. If any indicators remain a RED and the GRiF Secretariat continues with grant approval and implementation, the GRiF Secretariat and the project team will inform the SC with a justification of that continued implementation. Donor nominated technical reviewers will contribute to this appraisal process. The assessment against the principles will be shared with donors as part of the program’s annual report, and a summary including the final ratings against each criterion will be made publicly available. The SC will monitor progress accordingly in its regular meeting.
# The GRiF Appraisal Framework

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Criteria</th>
<th>Description</th>
<th>Scoring</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B</strong> Project Appraisal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1. Sustainability and exit strategy</td>
<td>The country is willing and able to allocate sufficient resources toward financial protection.</td>
<td>GREEN: Clear exit strategy for donor support in place with high likelihood of sustainability within 5 years AMBER: Basic plan in place for future allocation of resources towards financial protection and declining subsidy. RED: No exit strategy and very low likelihood of sustainability.</td>
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<td></td>
</tr>
<tr>
<td>B2. Country Ownership and Readiness</td>
<td>The country has the required documents in place demonstrating readiness and political support to work on DRF, e.g. DRF strategy, adequate legal and regulatory framework.</td>
<td>GREEN: Country has a DRF strategy or equivalent other explicit policy document in place supporting DRF, including inclusive stakeholder participation. AMBER: Country is working on a DRF strategy or comparable document with appropriate stakeholder engagement. RED: Country does not plan to work on a DRF strategy or undertake other DRF reforms.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3. Comprehensive financial protection</td>
<td>Financial solutions should be part of an integrated and comprehensive financial protection strategy.</td>
<td>GREEN: The project is part of an integrated financial protection strategy AMBER: The project contributes toward an integrated financial protection strategy RED: The project is not part of an integrated financial protection strategy.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4. Participatory process</td>
<td>Appropriate stakeholder engagement is undertaken with communities, civil society organizations and private sector</td>
<td>GREEN: Stakeholders from the country, the civil society, etc. have been consulted on for e.g. design, implementation and evaluation of instruments AMBER: Stakeholders are being consulted RED: Stakeholders have not been consulted.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5. Improvements in preparedness and resilience</td>
<td>The project demonstrates how the GRiF contributions will enable improved preparedness and</td>
<td>GREEN: Clear incentives or investments for additionality agreed and under preparation. AMBER: Incentives or investments for additionality discussed and likely.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31 An integrated financial protection strategy is one that promotes comprehensive financial planning, so countries can prearrange finance for hazards with different frequencies and intensities.
| B6. | Capability, plans and systems | The project demonstrates that pre-agreed plans and/or distribution systems are in place or being developed to channel the funding to the targeted beneficiaries. | RED: Incentives or investments for additionality not discussed or rejected. | GREEN: Contingency plans and pre-arranged disbursement channels are in place and ready to be scaled up in case of a disaster and linked to DRFI instruments. AMBER: Contingency plans and pre-arranged disbursement channels are being developed and intention to link to DRFI instruments. RED: No contingency plans nor pre-arranged disbursement channels are in place. |
| B7. | Accountability and clear decision-making processes | The project demonstrates clear accountability rules and decision-making processes either in place or under development as part of the project. | GREEN: Accountability rules are in place and disbursement triggers are objective and evidence-based. AMBER: Accountability rules and objective disbursement triggers are under development. RED: Clear accountability rules and objective disbursement triggers neither exist nor are under development. |
| B.8 | Target beneficiaries | The project explicitly targets benefits to vulnerable people and steps taken to support targeting of funds, with a special consideration of gender issues. | GREEN: The project explicitly targets the most vulnerable people and incorporates dimension of social vulnerability (e.g., gender, age, disability) AMBER: The project does not specifically target the most vulnerable but does target assets or services that will have direct benefits to the poorest and considers dimensions of social vulnerability (e.g., gender, age, disability). RED: The project does not target the most vulnerable and does not incorporate or consider dimensions of social vulnerability (e.g., gender, age, disability). |
| C. Product Appraisal | | | | |
| C2. | Value for money (VFM) and suitability of the product | The project demonstrates the added value of the proposed product/strategy in the country’s disaster risk financing strategy against their objectives and relative to the alternatives (qualitatively and quantitatively). | RED: Data and model used for the development of the instrument are confidential and proprietary. | GREEN: VFM\textsuperscript{32} analysis demonstrates high benefit/cost ratio of the product for the beneficiaries and relative to alternatives
AMBER: VFM analysis shows limited benefit/cost ratio of the product for the beneficiaries and relative to the alternatives
RED: VFM analysis demonstrates poor benefit/cost ratio of the product for the beneficiaries and relative to alternatives |
|---|---|---|---|
| C3. | Communication of the product | The project demonstrates clear understanding of the product by the client or actions taken to ensure the client understands the product and it is fully transparent to the client. | GREEN: The client demonstrates full understanding of the instrument, including its benefits and limitations
AMBER: The client demonstrates partial understanding of the instrument.
RED: Client does not demonstrate understanding or instrument provider has not explained the benefits or limitations. |
| C4. | Quality and reliability of the product | The project demonstrates how the quality and reliability of the product will be monitored. | GREEN: Explicit process exists or is under implementation to monitor the product and address any failure to consistently deliver transparent outcomes to the client as providers have led the client to expect.
AMBER: Explicit process to monitor the product and address any failure to consistently deliver transparent outcomes to the client as providers have led the client to expect is proposed.
RED: No follow-on process to monitor the product and address any failure to consistently deliver transparent outcomes to the client as providers have led the client to expect is planned. |
| C5. | Procurement process and non-preferential treatment | The project demonstrates how far the placement of the financial product will follow a competitive and transparent process. | GREEN: Selection of risk carriers and intermediaries is competitive and transparent, without any preferential treatment. |

\textsuperscript{32} VFM and its levels (high, limited or poor) will be defined in due course, with inputs from the technical committee.
| AMBER: The government commits to a transparent process and adequate risk mitigation strategies are in place. |
| RED: The government does not commit to a competitive or transparent process, without any preferential treatment or inadequate risk mitigation. |
## Annex 2: Illustrative Projects funded by the GRiF

<table>
<thead>
<tr>
<th>Development Challenge for sector</th>
<th>Type of project/Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emergency response and recovery to sudden onset shocks</strong></td>
<td>Following a shock, governments require immediate liquidity for emergency response and to maintain basic public services that safeguard the livelihoods of the most vulnerable. However, access to short-term liquidity is often a challenge.</td>
</tr>
<tr>
<td></td>
<td>Philippines Parametric Catastrophe Risk Insurance Program: Leveraging international markets to provide US$206 million in parametric insurance protection against severe earthquakes and typhoons for public assets and 25 provinces, premium from budget, building on $500 million WB’s line of credit (Cat DDO) <strong>The GRiF could:</strong> subsidize start-up costs (TA and transaction costs)</td>
</tr>
<tr>
<td><strong>Delivering financial support to affected households during or following crises</strong></td>
<td>Climate shocks and other crises tend to have the greatest impact on the poorest households, who have limited assets and limited capacity to absorb shocks. Furthermore, women and girls often bear the brunt of impacts. Mechanism to deliver rapid assistance during and after a crisis is essential to protect the welfare of poor and vulnerable households.</td>
</tr>
<tr>
<td></td>
<td>Uganda Social Protection Project, Third Northern Uganda Social Action Fund: Component on shock-responsive cash for work program to provide rapid assistance directly to most vulnerable households on the early signs of a drought. <strong>The GRiF could:</strong> provide co-financing in the form of a grant that complements the contingent component of the lending operation</td>
</tr>
<tr>
<td><strong>Continuity of critical public services</strong></td>
<td>Damage to public assets such as public buildings, transport (roads, bridges, rail, ports, airport), energy generation, and waste water treatment represent a significant cost to governments. Shocks also interrupt critical public services such as electricity, water, education, or healthcare.</td>
</tr>
<tr>
<td></td>
<td>Public Asset Insurance in Indonesia: following a national decree, a pilot for a national insurance program for public assets is under development <strong>The GRiF could:</strong> subsidize start-up costs (modeling fees, insurance arrangements) and in the longer-term support operating costs for a self-insurance scheme if Indonesia seeks to retain a first layer of loss and only transfer excess risks to the international market.</td>
</tr>
<tr>
<td><strong>Financial Sector Development</strong></td>
<td>A strong domestic financial sector is essential for rapid disaster response and recovery. Increased insurance penetration helps countries minimize the negative economic impact of disasters. Resilient payments infrastructure enables funds to flow rapidly to affected areas. Increasing access to finance enables governments to channel assistance directly to affected households.</td>
</tr>
<tr>
<td></td>
<td>Morocco Integrated Risk Management Program: Supporting catastrophe risk insurance law implementation through establishing a solidarity fund for non-insured low-income households and supporting the development of the domestic insurance market. <strong>The GRiF could:</strong> provide co-financing for capital, support of first loss, operating costs.</td>
</tr>
</tbody>
</table>
Annex 3: Grant Concept Note – Template

Grant Concept Note Template

**PROPOSAL NAME**

<table>
<thead>
<tr>
<th><strong>PROJECT SUMMARY (NO MORE THAN ONE PAGE)</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Type</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Duration of Project</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Country Status</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Decision Meeting Date</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Overall Risk of Project (SORT Rating)</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Likelihood of setting up proposed instrument (H/M/L)</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Type of intervention supported</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Perils covered</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Other relevant programs (World Bank &amp; other agencies)</td>
<td>Lorem Ipsum</td>
</tr>
<tr>
<td>Total Project Amount (including GRiF resources)</td>
<td>US$XX million</td>
</tr>
<tr>
<td>— Total GRiF Grant Amount</td>
<td>—US$XX million</td>
</tr>
<tr>
<td>— Counterpart Matching to GRiF Grant</td>
<td>—US$ XX million</td>
</tr>
</tbody>
</table>

**GRiF GRANT INFORMATION**

| **Component 1:**                          | US$XX million |
| **Component 2:**                          | US$XX million |
| **Component 3:**                          | US$XX million |
| Potential beneficiaries reached through GRiF funds | Xx people |

**SUPPORT TO INNOVATIVE FINANCIAL SOLUTIONS**

**Moving beyond traditional humanitarian financing / Maximizing Finance for Development (how this could leverage private sector)**

XX

**Engagement with Regional Risk Pools (how this could engage ARC/CCRIF/SEADRIF etc.)**

XX
ONE PAGE SUGGESTED LIMIT FOR SECTIONS 1 TO 4

1. Summary (2 paragraphs)

Para 1: Overall grant objective and one sentence description of project components.

Para 2: How this project will directly advance the country toward a comprehensive financial resilience approach and encourage greater sustainability of financial solutions in the country.

2. Country context

(1 para) Explaining country’s social and economic vulnerabilities.

3. Sectoral context and Perils to be covered under GRiF Grant

(1 para) Explaining the relevant sectoral context that demonstrates rational for Perils to be covered.

4. Development Objective of the GRiF grant

(1 para) Explaining Development Objective of GRiF Grant demonstrating relevance to GRiF’s overall objective.

ONE-TWO SUGGESTED PAGE LIMIT FOR SECTION 5.

5. GRiF Grant Concept

(1 page) High-level overview of activities to be implemented under different components.

ONE-TWO SUGGESTED PAGE LIMIT FOR SECTION 6-8.

6. Link to Key Programs

(1 para) Summarize main programs that this work links to. Explain how this project is linked to and/or leverage ongoing relevant projects and risk financing initiatives (such as regional risk pools, contingent finance mechanisms or others)

7. Consultation with other key stakeholders

(1-2 para) Please explain how consultation is being/will be undertaken with key stakeholders (e.g., local communities, civil society organizations, private sector, relevant donors in country, including Program Alliance partners) and how participation of relevant stakeholders, especially communities, civil society and private sector, who can inform and champion solutions.

8. Sustainability and Readiness Assessment

(1 para) Summarize how the GRiF grant intends to improve comprehensive financial solutions, create incentives for preparedness, and push the country toward a sustainable path of financial resilience.

9. Overall Risk (1 para) Summarize any key risks envisioned during grant implementation.

33 The GRIF Appraisal Framework will be included as an annex to the Grant Concept Note template (included in Annex 1 of this document)