

WISSEN WAS WIRKT



# Central Project Evaluation

Support of the political and regulatory framework  
conditions of pro-poor insurance markets in Asia

PN 2015.2010.5

## Evaluation Report

On behalf of GIZ by *Mainlevel Consulting AG*

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The Evaluation Unit commissioned external independent evaluators to conduct the evaluation. The evaluation report was written by these external evaluators. All opinions and assessments expressed in the report are those of the authors.

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## Abbreviations

ADB	Asian Development Bank
A2ii	Access to Insurance Initiative
BMZ	German Federal Ministry for Economic Cooperation and Development
BSP	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
CISP	Cooperative Insurance System of the Philippines
CLIMBS	Coop Life Mutual Benefit Services (cooperative insurance)
CLIS	Cebuana Lluillier Insurance Solutions
DoF	Department of Finance
DRR	Disaster Risk Reduction
FinLit	Finance Literacy
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IAIS	International Association of Insurance Supervisors
IC	Insurance Commission
ISA	Insurance Supervision Authority (Viet Nam)
MEFIN	Mutual Exchange Forum on Inclusive Microinsurance
MI	Microinsurance
MIRS	Microinsurance Reporting System
NTF	National Task Force for RFPI Project in Viet Nam
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
OJK	Otoritas Jasa Keuangan
PLIA	Philippine Life Insurers Association
PIRA	Philippine Insurers and Reinsurers Association
PPD	Private-Public Dialogue
RIA	Regulatory Impact Assessment
RSC	Regional Steering Committee
RWG	Regional Working Group
ToR	Terms of Reference
TPB	Theory of Planned Behaviour
TWG	Technical Working Groups
TYM	Tao Yeu Mai (name of microfinance group in Vietnam Women's Union)
VWU	Vietnam Women's Union



## The Project at Glance

Indonesia, Nepal, Mongolia, Pakistan, Philippines, Sri Lanka, Vietnam:

*Support of the political and regulatory framework conditions of pro-poor insurance markets in Asia'*

Project number	2015.2010.5
CRS Code(s) (Creditor Reporting System Code)	Financial intermediaries in the formal sector
Project objective	Regulatory frameworks and effective supervisory practices are implemented to promote inclusive insurance markets in the region.
Project term	01.01.2016 – 31.12.2018
Budget	EUR 3,959,691.50
Commissioning party	BMZ
Lead executing agency	GIZ
Implementing organisations (in the partner country)	Insurance Commission – Philippines, Otoritas Jasa Keuangan (Financial Services Authority – Indonesia), Financial Regulatory Commission – Mongolia, Securities and Exchange Commission of Pakistan, Beema Samiti – Nepal, Insurance Supervisory Authority – Viet Nam, Insurance Regulatory Commission of Sri Lanka
Other development organisations involved	Asian Development Bank (ADB)
Final target group(s)	Low-income households and MSMEs and informal sectors

## 1. Preliminary remarks

1. This evaluation report complies with the requirements of the Report Writing Guidelines for GIZ Central Project Evaluations, the Quality Assessment Table (to evaluate the quality of this report), the Annotated Evaluation Report and the Terms of Reference (ToR).
2. It is based on the consultants' assessment of the implementation of the project and was prepared in consultation with key stakeholders at project, institutional and country level.
3. It was agreed by the project and the evaluation team during the inception mission (conducted in Manila from 18 to 23 November) and the evaluation mission (conducted in Hanoi, Manila and Jakarta from 1 to 14 April) that a more user-friendly approach should be considered towards reporting; having a more executive-style report, shorter in length and including information on 'where we are' and 'what has been achieved and why', following a kind of a 'bullet point approach', in order to avoid long and often difficult to read narrative sections, keeping the reports digestible. The evaluation team also decided to number each section and paragraph for easy reference, commenting and allowing for a quicker overview of the main findings, activities and the way forward.

## 2. Evaluation objectives and questions

4. The Evaluation Unit of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has commissioned the independent consultancy Mainlevel Consulting AG to conduct the evaluation of the GIZ project 'Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia'. The purpose of the evaluation is threefold. Firstly, it aims to provide accountability. Secondly, it aims to explain why and how different aspects of the intervention do or do not work. And thirdly, the study's findings are expected to contribute to the planning process, since a mission for the planning of the next phase of intervention took place in the follow-up to the field phase of this evaluation.
5. In accordance with the ToR and GIZ's evaluation guidelines, this is a final evaluation and aims to comply with the five standard evaluation criteria as defined by the OECD/DAC to ensure comparability by GIZ: relevance, efficiency, effectiveness, impact and sustainability. Aspects of coherence, complementarity and coordination are included in the other criteria.
6. Specific evaluation dimensions and analytical questions are derived from this framework as required by GIZ. These evaluation dimensions and analytical questions are the basis for all GIZ central project evaluations and can be found in the evaluation matrix (Annex 1). In addition, the contributions to Agenda 2030 and its principles (universality, holistic approach, leave no one behind, multi-stakeholder partnerships) are taken into account, as are cross-cutting issues such as gender, the environment, conflict sensitivity and human rights. Aspects regarding the quality of implementation are also included in all OECD/DAC criteria.
7. No additional questions have been raised by other stakeholders or GIZ's Sectoral Unit (FMB).

## 3. Object of the evaluation

8. This chapter i) summarises the evaluation object, ii) presents the results model used as the methodological basis for this evaluation, iii) describes its hypothesis and provides some additional information on the results models as required by GIZ.

### 3.1 Definition of the evaluation object

9. The main object of evaluation is the technical cooperation measure (TC measure) entitled 'Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia' and identified by the project number PN: 2015.2010.5 (henceforth: the project).
10. **Political, sectoral conditions and general context:** Economic advances in many Asian countries are marred by the effects of climate change, e.g. prolonged heavy rainfall resulting in flooding and crop

damage, or long dry spells resulting in decreased planting cycles. Asian countries located around the Pacific Ring of Fire perennially face the threat of earthquakes that result in massive loss of life and damage to property. Asians are reared from childhood to have a resilient attitude toward the effects of natural calamities (*Int\_08T MEFIN website*). This resilience is the default response to damage directly and indirectly arising from natural catastrophes. Over the last 10 years, disaster risk reduction (DRR) has come to the fore in Asian public and private sector discussions. Insurance is recognised by DRR project developers and implementers as a means of risk transfer. Insurance as a disaster risk transfer mechanism has yet to be institutionalised through regulatory frameworks and promotion of its benefits. Besides risks from force majeure, there are imminent risks, especially among the economically challenged who have very little disposable income to address ‘thieves in the night’ such as sudden death of a family member or debilitating illness (e.g. stroke and heart attack, which are known to be the number 1 killer in most Asian countries, according to health surveys over the last 50 years). Insurance as a risk transfer mechanism among the economically challenged Asian population has great potential to save families and individuals from further debilitating impacts in the aftermath of natural catastrophes and imminent risks among the economically challenged (*Int\_10B, Int\_07R*). While commercial life and non-life insurance exists in Asia, ‘inclusive’ insurance products that cater to the economically challenged are not widespread in many Asian countries. While there is demand, the mainstream suppliers of insurance seem not to be willing to enter the market for pro-poor insurance due to the perceived high risk of payment defaults and high volume of claims. There being no apparent suppliers, there are not many reasons for regulatory frameworks. On the business side, there is in fact a market for ‘inclusive’ insurance products. Developing this market could be facilitated by the establishment of regulatory frameworks and exchange of practices at the supervisory level (insurance regulators) and at the business development level (insurance suppliers) (*BMZ progress report 2017*). Governments of participating countries have imposed no restrictions that inhibit the development of ‘inclusive’ products catering to the economically challenged members of society. There are government procedures to be followed, such as the need for microinsurance (MI) decrees to go through national assemblies, as in Viet Nam, so timing with meetings of national bodies is key. Given the above-mentioned factors, the project predominantly works in four areas: (1) building networks and knowledge among regulatory authorities; (2) application of demand-driven instruments for regulators; (3) establishment of a public-private dialogue (PPD) mechanism in the region; and (4) exchange of information within the insurance industry (*ToR*).

- 11. Timescale:** The project term ran from 1 January 2016 to 31 December 2018.
- 12. Funding:** The project is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is implemented by GIZ. The evaluation covers the funding period from 1 January 2016 to 31 December 2018 with an overall budget of EUR 3,959,691.50.
- 13. Regional focus:** The project is being implemented in Indonesia, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka and Viet Nam. Project experiences in all these countries were considered in the evaluation as much as possible. In consultation with the project team, on-site data gathering took place in Indonesia, the Philippines and Viet Nam – countries where the follow-up project (PN 2018.2057.0) will be implemented. Additional criteria for selecting these countries included their status of implementation in terms of MI and varying contexts. While the Philippines often serves a role model when it comes to MI, Viet Nam only recently became pro-active in this sector. Indonesia, on the other hand, provides a different cultural background compared to Viet Nam and the Philippines, based on the principles of Islamic, or Sharia, law and guided by Islamic economics.
- 14. Cross-cutting issues:** None of the countries participating in the project appeared to have severe conflicts that were relevant to the project context at the time of the inception report. However, environmental issues and concerns prevail. The assigned identifiers (*Kennungen*) served as an additional reference point for the analysis, particularly in the following areas: participatory development and good governance (PD/GG-1); climate change adaptation (KLA-1); rural development (LE-1); gender (GG1).
- 15. Levels of intervention:** The project’s levels of intervention are (1) regulation (regulatory bodies in each participating country and enabling the development or enhancement of MI regulation) and capacity building in MI for supervisors in the regulatory bodies, (2) private sector MI providers (capacity building in developing the microinsurance business model).



## The project's role within the stakeholder structure

16. The project – with ADB as partner – initiated the formalisation and strengthening of the Mutual Exchange Forum on Inclusive Microinsurance (MEFIN), a peer network of insurance regulators that promotes effective and efficient exchange of relevant knowledge and experience. MEFIN was formed by the project in 2013 with regulators from Thailand, Indonesia, Mongolia, Nepal, Philippines, Pakistan (since 2016) and Viet Nam who pledged to support inclusive insurance as a strategy for poverty reduction in the region. Through this peer network, regulation and supervision are expected to benefit the poor.
17. **Direct target group:** The project works closely with the insurance regulators in Indonesia, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka and Viet Nam through a Regional Steering Committee (RSC). Composed of regulators, the RSC advises the Technical Working Groups (TWGs) which were formed to address the following key topics: Regulation and Supervision, Business Models, Knowledge Management, Capacity Building, and Disaster Risks. The TWGs are constituted by regulators and representatives of insurance industry associations. The RSC and the TWGs are supported by a Secretariat composed of technical staff of the project (*MEFIN website*).
18. **Indirect project target groups:** The project's indirect target group (final beneficiaries) are economically challenged members of society who lack access to affordable and simple MI products (as contrasted to mainstream insurance products with high prices and lengthy insurance policies). Regulators and private insurers are the direct target group (see impact chapter for statistics relating to the market segment).

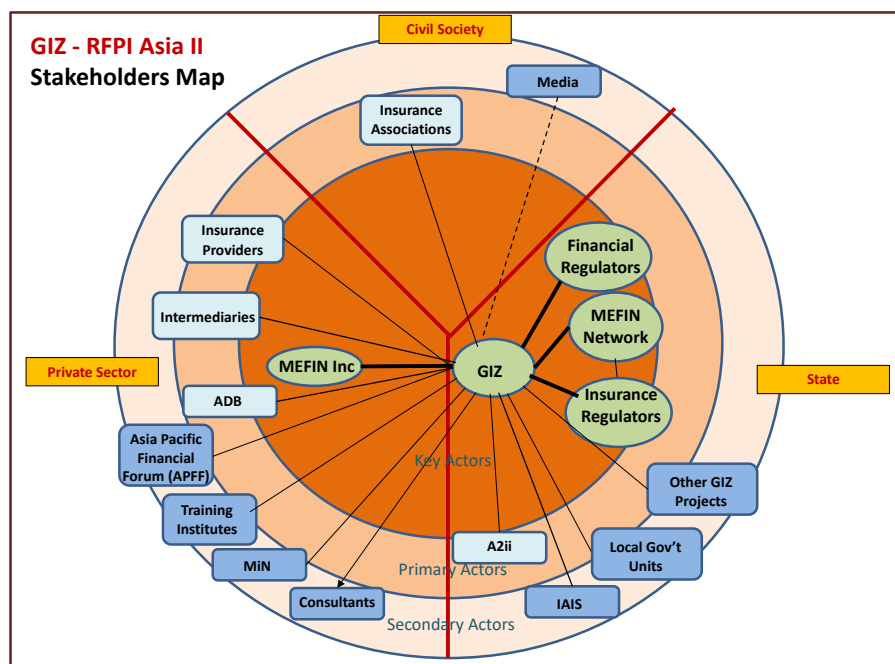


Figure 1: GIZ RFPI Asia II - Stakeholders Map

## 3.2 Results model including hypotheses

### Introduction

19. A results model defines all possible results within the project, change hypotheses including multi-dimensional causalities, system boundaries, assumptions and risks, indicators and external factors of relevance to the project.
20. A main added value of basing the evaluation on a results model is the enhanced visibility of causalities beyond linear and mono-dimensional relationships between different results on different results levels (e.g. outputs, outcomes and impact). A results model draws more complex causalities between results within the same results categories (e.g. behavioural changes) and between different results categories (e.g. services, behavioural changes and benefits). For further information see the inception report.

## The project's results model

21. The project's results model is presented in the following figure. It has been discussed intensively with the project team.

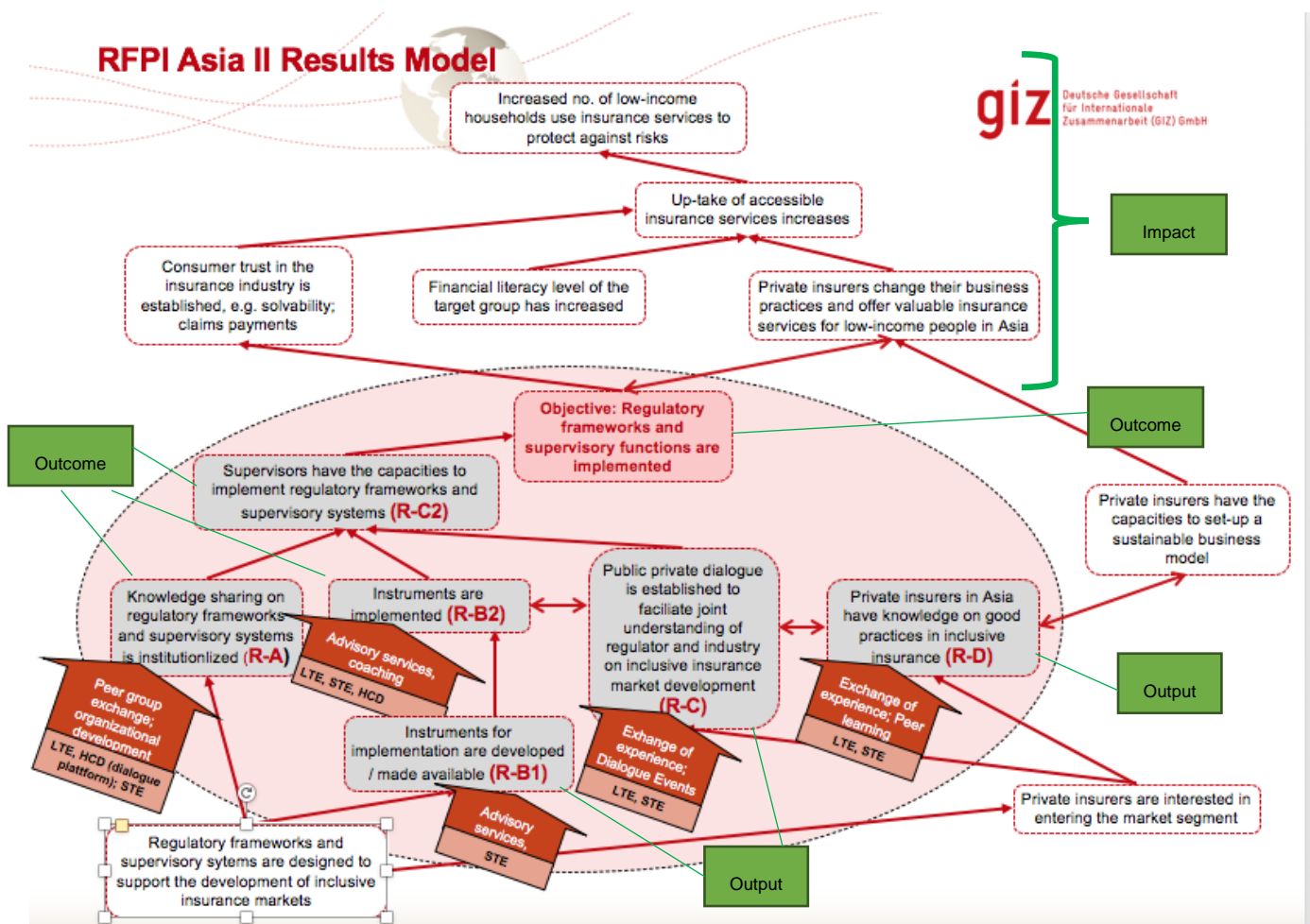


Figure 2: Results model

## Hypothesis underlying the (current) project concept

22. **R-A to R-C2:** Knowledge sharing is institutionalised through the establishment and formalisation of the MEFIN network as agreed by the regulators themselves. Through MEFIN, knowledge sharing is regularised through dialogues and facilitated by the establishment of the network's website where regulatory best practices and business models are made accessible. Through institutionalised knowledge sharing, regulators can confidently learn from the practices and experiences of other jurisdictions in implementing regulatory frameworks and supervisory systems, thus contributing to the building up of individual and institutional capacities. (Some regulatory frameworks and supervisory systems were developed during RFPI I, the predecessor of RFPI II.)
23. **R-B1 to R-B2:** Instruments needed by MEFIN member countries are either accessed from existing sources (e.g. IAIS, A2ii) or developed by the project and MEFIN. As they are needs-based and demand-oriented, the instruments are adopted/implemented by members with appropriate guidance and support from the project. They include tools for self-assessment, regulatory impact assessment (RIA), disaster risk insurance diagnosis, financial literacy campaigns and microinsurance reporting.
24. **R-B2 to R-C:** Experience in the use of instruments is shared during PPDs and via other platforms such as webinars and the MEFIN website to serve as a guide for future users/implementers. The participation of both regulators and industry players in the dialogues indicates their interest in sharing their best practices and experiences and in learning from others as well.

25. **R-C to R-B2:** Issues discussed or raised during PPDs that are related to the instruments are fed back for purposes such as improvement of implementation.
26. **R-B2 to R-C2:** Sharing experience in the use of instruments helps build the capacities of supervisors to implement regulatory frameworks and supervisory systems in their respective jurisdictions. It also helps in building supervisors' capacity to enhance existing regulations or formulate new ones.
27. **R-C to R-C2:** PPDs enrich and expand regulators' knowledge of inclusive insurance industry regulation and supervision, thus enhancing their capacity to implement.
28. **R-C to R-D:** Through PPDs, private insurers learn and get updates on best practices in inclusive insurance, particularly on innovative business models and their respective enabling policies and regulations.
29. **R-D to R-C:** Private insurers share their own business models during PPDs for possible improvement based on comments and suggestions or for adoption by regulators and fellow insurers. This practice indicates industry players' openness to innovations and dissemination of best practices in the region.
30. **R-C2 to Outcome:** Equipped with regulations, appropriate instruments and relevant knowledge/learning and through regular regional dialogues with private insurers, regulators implement regulatory frameworks and perform supervisory functions efficiently and effectively in their respective jurisdictions. Regional dialogues open avenues for country-level dialogues which can contribute to effective and efficient promotion of inclusive insurance markets.

## 4. Evaluability, evaluation design and process

### 4.3 Data availability and quality

31. Although the availability and reliability of quantitative and qualitative data in the MI sector have improved in recent years, as have the means and resources for data collection, transparent and disaggregated data (by sex, age, socio-economic status, etc.) remain hard to come by and even basic demographic data from regulators, insurers and policy holders are often unavailable. The evaluation team therefore suggested a mixed-methods approach to tackle the above-mentioned challenges and to ensure the validity and robustness of data, combining various data collection methods to allow for robust triangulation. The evaluation relied on four main data sources: internal documentation provided by the project team, secondary data identified by the evaluation team, first-hand interviews conducted by the evaluation team, and an online survey targeting final beneficiaries (consumers) aimed at analysing the determinants of their future behaviour.
32. The internal documentation included the proposals, annual reports, regulatory impact assessments (RIAs), minutes of meetings, protocols and presentations. In addition, it included a range of internal documents, such as stakeholder maps and results models. All monitoring data collected by the project and its stakeholders were reviewed to improve understanding of the project concept, results hypotheses, objectives and indicators. The data were also analysed in a disaggregated manner (e.g. by area of implementation) to provide insights on what worked in which country and/or for which target group. Finally, internal cost data were consulted for the efficiency analysis. The full list of these documents can be found in Annex 2.
33. The secondary data identified by the project team centred around publications on the MEFIN website and international publications on financial inclusion, inclusive insurance and digitalisation. A full overview of these documents can be found in the list of references in Annex 2.
34. The interviews were conducted with project staff, regulators, ministries, insurance associations and private insurers. Interview partners were chosen in consultation with the GIZ project team prior to the evaluation mission in April. They were selected on the basis of their ability to provide relevant information about the project and the sector in which the project is operating. Two focus group discussions (association in Viet Nam and insurance provider in Indonesia) were additionally conducted.
35. The evaluation team also conducted an online survey because the ToR of this central project evaluation envisaged travel to three countries only, whereas six countries are participating in the regional project. An online survey is cost-efficient (less travel and less need for interviewers), can cover a greater number of

participants and provides easier access to beneficiaries in remote locations. The online survey focused particularly on assessing personal attitudes, subjective norms and perceived behavioural control of indirect beneficiaries (see also impact chapter).

Stakeholder group	Numbers of interviewed / surveyed persons
GIZ	5
Consumers	14
Ministry of Finance / Department of Finance	3
Associations	3
Regulators	7
Insurance providers	6

36. **Selection of countries visited:** The follow-on project (PN 2018.2057.0) will focus on just three countries: Philippines, Indonesia and Viet Nam. As the project team had expressed great interest in not only gaining a retrospective view of what went well and what did not in all six countries but also in providing space for information on critical learning insights for future activities in the remaining three countries in the follow-on project, the evaluation team recommended that the field visits be conducted in these three countries. Additional criteria for selecting these countries included their implementation status in terms of inclusive insurance and varying contexts (see above).
37. The evaluation team also made use of the project's monitoring data, which track progress against the indicators from the project proposal. The tool used for measuring changes in key indicators is the standard WOM-Excel tool developed by GIZ. It contains all categories necessary for a results-based management system (e.g. baseline, yearly status update, sources for verification, time and frequency of data collection, responsible person, costs, relevance for markers). The evaluation team can confirm that the importance of M&E for managing and steering the project efficiently and effectively is acknowledged by all interview partners at project level. The monitoring system is supplemented with a specific system for monitoring the implementation of the project's operational plan. For each indicator and activity, there is a written description of how, when, by whom and how often this information is collected. Looking at the quality of project monitoring, the evaluation team found that the indicators are mostly SMART and include a baseline. The evaluation team also found the information from the project monitoring, including the baseline data, to be reliable, as it is in line with information provided by partners and external stakeholders during the interviews conducted in the evaluation mission. Based on the feedback received by the project, no baseline study was conducted. However, given that much information was already available in the predecessor project and many indicator values basically started at 0, there was no need to collect baseline data.
38. Overall, the evaluation team considers the data on which this evaluation is based to be of good quality, in the sense that ample documentation on processes supported by the evaluation was available. At the same time, given the complexity of the evaluation, the time allotted for analysis was limited. Even though the project provided ample documentation, much of it could only be properly put in context by the evaluation team through the kick-off meeting with the project team in Manila. The project is highly complex and could,

by the project team's own accounts, easily constitute separate projects given the number of countries (FGD\_01M, FGD\_01T).

39. The evaluation team did not use partner data for monitoring, as the partner's results-oriented monitoring is still a work in progress (Microinsurance Reporting System (MIRS)) and many countries do not use the MIRS instrument developed by the MEFIN network (see also effectiveness chapter).

#### 4.4 Evaluation design and methods used

40. In line with the ToR, the evaluation team adopted a theory-based approach that relied on the project's Theory of Change as a basis for the analysis. Specifically, it implemented a contribution analysis related to the OECD/DAC criteria of effectiveness and impact. A contribution analysis examines the extent to which observed (positive or negative) results can be attributed to the project (Mayne 2001). Contribution analysis differs from other forms of theory-based evaluation insofar as it not only analyses the hypotheses of the Theory of Change but also seeks to identify possible alternative explanations for observed impacts. Contribution analysis does not seek to prove that one factor 'caused' the intended impact but analyses the extent to which the project has contributed to the observed impacts. Data from various sources are collected to analyse the causal hypotheses between inputs, outputs, outcomes and impacts formulated in the Theory of Change. Contribution analysis thus seeks to construct a credible 'performance story' to show whether the project was a relevant factor, possibly together with other factors, leading to change (*ibid*). Context factors that play a role in achieving (or not achieving) the project's objective are explicitly taken into account in contribution analysis.
41. Contribution analysis falls into the category of the generative / mechanisms approach to causal inference. This approach relies on identifying the 'causal mechanisms' that generate the desirable effects. In order to use this approach, the existence of one case with good-quality data sources is sufficient. The approach is based on an existing theory for the project in question which allows the evaluator to understand the factors that cause the observed effect. As a result, this approach permits an in-depth understanding of the case and its context, providing a detailed explanation of both (Stern *et al.*, 2012). The evaluation team chose this approach over other approaches to causal inference, such as the experiment / counterfactual approach, the regulatory approach or the multiple causation approach. An experiment / counterfactual approach was not deemed feasible because the project targets seven countries, for which it would hardly be feasible to identify a unit of comparison. A regulatory approach was deemed largely unsuitable because for most of the causal hypotheses of the Theory of Change, the number of direct beneficiaries (e.g. staff of partner institutions) is limited. It would thus have been almost impossible to draw conclusions on cause-effect relationships on the basis of a high number of observed cases for these causal hypotheses. Lastly, a multiple causation approach to causal inference was not deemed feasible due to the complexity of the project.
42. The methods used in the evaluation included an analysis of internal documentation, secondary data and interviews conducted by the evaluation team. A systematic approach was used for document analysis. In the inception phase, the project proposal and the results models were used to understand what the project intends to achieve and how. The progress reports were used to understand progress towards the project's objective and the contextual factors that affect progress. In addition, stakeholder maps were consulted to gain an understanding of the role of different actors involved. Since the stakeholder maps were not accompanied by a narrative, however, they could only be fully comprehended when they were explained by the project team during the evaluation mission. This proved useful to better understand the context in which the project is operating. The internal documentation was continuously revisited during the evaluation mission and in the analysis phase and was triangulated and complemented with information from other sources. This was especially important because the project proposal and reporting do not fully capture the project's complexity.
43. The strength of the internal documentation lies in the fact that it provides information that can be directly related to the project's results model and the quality of the implementation process. Internal documentation, however, comes with a potential bias, since most of the internal documentation is prepared for the commissioning party (BMZ), and there may be an incentive to focus on successes rather than weaknesses. This bias was compensated for by also consulting external evaluations and secondary data such as the RIAs. In the context of this evaluation, the strength of interviews was that they provided



detailed information on the quality of processes but also on political context factors that were highly relevant for achieving results. Depending on the type of stakeholders, some interview partners may also have a certain bias against addressing weaknesses in the project. The evaluation team found the project team itself to be rather open in talking about both strengths and weaknesses. Some of the partners were rather prone to focus on strengths only. It was useful, in this context, to take other stakeholders' perceptions into account in order to gain a balanced perspective.

44. To obtain valid and reliable information, the evaluation team aimed for systematic data triangulation (taking into account the perspectives of different stakeholders on the same aspect) and / or method triangulation (using various methods of data collection to collect information on the same aspect) whenever possible. It was not always possible to do both for every aspect. Possibilities for data triangulation were limited for some evaluation aspects because only the project team and the relevant partner with whom the project is cooperating in a given area knew specifics about the project. Possibilities for method triangulation were limited for some evaluation aspects because not all aspects of the project are covered in internal documentation, and secondary data do not cover project specifics. However, either method or data triangulation proved possible for most aspects analysed by the evaluation team. The evaluation matrix in Annex 1 and the chapter that presents the evaluation findings give the sources and methods of data collection for each finding to make transparent how the evaluation team came to its conclusions.
45. In addition to data and method triangulation, the evaluation team carried out researcher triangulation. The local and international evaluators regularly exchanged on their analysis of evaluation results during the evaluation mission. The analysis of evaluation results was carried out systematically in accordance with the evaluation matrix in Annex 1. This evaluation matrix was developed by GIZ's Corporate Unit Evaluation and details evaluation dimensions, analysis questions and indicators for each criterion. It was further enriched in the inception mission with evaluation indicators and data sources. During the evaluation mission, the evaluation team documented results in interview minutes. The final report was drafted by the international evaluator. The local evaluator reviewed the draft report before it was finalised, which further consolidated the researcher triangulation.
46. For the assessment of the efficiency criterion, the evaluation team made use of the efficiency tool, a 'follow the money' analysis tool introduced by GIZ's Corporate Unit Evaluation to improve tracking of spending, to put it in relation to the outputs of the intervention and hence to have a basis for an informed discussion about resource allocation within the project. For this purpose, the AV was requested to provide the latest cost commitments report, an overview of staff involved relative to the different outputs and the latest monitoring results prior to the field study. All this information was then transferred into the efficiency tool by the evaluation team.

## 4.5 Evaluation process

47. The evaluation included an inception phase, a data collection phase and an analysis and reporting phase. The inception phase lasted from October to December 2018 and included the clarification of roles in the evaluation team, informational interviews with GIZ's Corporate Unit Evaluation and the project team, a desk study and the preparation of the inception report. The data collection phase mainly revolved around the field mission in Hanoi, Manila and Jakarta, which was carried out from 1 to 14 April 2019. The analysis and reporting phase started at the end of the field mission. The final report was submitted to GIZ in June 2019.
48. Overall, the evaluation team considers that the evaluation process went smoothly. As described in the previous chapters, relevant documentation was available for analysis, and the evaluation team managed to talk to almost all relevant interview partners. The evaluation process was, however, characterised by some minor challenges as follows: the evaluation could not live up to GIZ's initial aspirations to involve the partners in the inception phase. The project team decided against sharing the inception report with the partners, as it was deemed too technical. The evaluation team concurred with this view. The format for the inception report requires the evaluation team to address a number of technical aspects, ranging from an assessment of a project's adherence to GIZ internal standards, to the discussion of different evaluation theories. This makes the inception report potentially difficult for a lay readership to digest. In the case of this project, a further aspect that made it difficult to share the inception report is that no one at partner level is aware of the full complexity of the project. The project works with numerous partners and each partner is

typically only aware of the parts of the project that concern him or her. Partners are also not aware of the results model and the indicators associated with it.

## 5. Assessment of the project according to OECD/DAC criteria

### 5.1 Relevance

#### Evaluation dimension 1: alignment with relevant strategic reference frameworks

49. Among other things, the evaluation aimed to analyse whether the project concept (see results model and results matrix) is in line with relevant strategic reference frameworks, e.g. the priorities set by the German Federal Ministry for Economic Cooperation and Development (BMZ) and national strategies of the involved countries (Indonesia, Philippines, Mongolia, Pakistan, Viet Nam and Sri Lanka). As indicated in the evaluation matrix, the 'relevance' criterion was mainly assessed through the analyses of secondary data available at project level, network level and in official publications.
50. The major strategic reference frameworks for this project are the BMZ's New Asia Policy, each country's National Financial Inclusion Strategy (NFIS) and the Maya Declaration (*BMZ New Asia, NFIS, AFI Global*). Additional strategic documents and macro data from microinsurance sector stakeholders (regulatory bodies, policy-makers, insurers, etc.) or other international organisations that have established international standards in or actively support(ed) the financial sector were also taken into account (*AXCO, PWC Insurance Report Feb. 2019, KPMG Insurance Reports, CGAP, IMF and the Alliance for Financial Inclusion*).
51. The Maya Declaration is an agreement among 90 countries (representing 75% of the world's unbanked population) to make measurable commitments in four broad areas to advance financial inclusion, which is a common goal among the seven countries that are partners of the project (see evaluation dimension 2: needs of target group below). These commitments are: (i) create an enabling environment to harness new technology that increases access to and lowers the costs of financial services; (ii) implement a proportional framework that advances synergies in financial inclusion, integrity and stability; (iii) integrate consumer protection and empowerment as a key pillar of financial inclusion; and (iv) utilise data for informed policy-making and tracking results.<sup>1</sup>
52. The Consultative Group to Assist the Poor (CGAP) and the Alliance for Financial Inclusion promote knowledge sharing and provide leadership in financial inclusion. International standard-setting bodies, i.e. the Financial Action Task Force, Basel Committee on Banking Supervision, Committee on Payment and Settlement Systems, International Association of Insurance Supervisors and International Association of Deposit Insurers are developing and implementing international standards and regulatory frameworks in the financial sector and in relation to financial inclusion. These efforts also show that financial inclusion is a serious issue on the global policy agenda<sup>2</sup> to which the project is positively contributing and in which it appears to be well-embedded (*CGAP 2019*).
53. In addition, a variety of donors support financial inclusion efforts very actively, such as the United States Agency for International Development (USAID) and the UK Department for International Development (DFID); multilaterals, such as the United Nations and the World Bank; regional banks, such as the African Development Bank and the Asian Development Bank; and development finance institutions (DFIs), such as the International Finance Corporation (IFC) and KfW. Donors also support financial service providers and their innovations through direct investment and technical assistance. CGAP's annual survey tracking international funding trends showed \$37 billion in funder commitments to financial inclusion in 2016, an historic high that also indicates the importance given to financial inclusion and thus shows the importance of the project and its alignment with international priorities.<sup>3</sup>
54. Inclusive insurance automatically requires interactions and synergies with other sectors, such as the finance sector, and indeed, the project cooperates with actors from other sectors, such as the Department of Finance (DoF) (Philippines) and the Ministry of Finance (Viet Nam). It is also safe to say that the project

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<sup>1</sup> [https://www.afi-global.org/sites/default/files/publications/afi\\_maya\\_quick\\_guide\\_withoutannex\\_i\\_and\\_ii.pdf](https://www.afi-global.org/sites/default/files/publications/afi_maya_quick_guide_withoutannex_i_and_ii.pdf), June 2019

<sup>2</sup> [https://www.afi-global.org/sites/default/files/publications/afi\\_maya\\_quick\\_guide\\_withoutannex\\_i\\_and\\_ii.pdf](https://www.afi-global.org/sites/default/files/publications/afi_maya_quick_guide_withoutannex_i_and_ii.pdf), June 2019

<sup>3</sup> <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2018/09/18/Financial-Inclusion-in-Asia-Pacific-46115>, June 2019

concept considers the environmental dimension by developing business models that take into account issues such as climate change (e.g. disaster risk insurance), the economic dimension (e.g. by contributing to financial inclusion and increasing awareness of more economic farming techniques) and the social dimension (e.g. by targeting poor households and vulnerable groups such as farmers in remote areas who have limited access to knowledge and financial services) (for more information on the sustainability dimensions see also the impact chapter and sustainability chapter) (*MEFIN website, BMZ progress report 2017*). In fact, vulnerable groups need many kinds of financial products and services, and a broad and growing range of actors in different sectors now aim to reach them with savings, insurance, transfers, payment and credit services. Traditional providers of such services are banks (state-owned and private), microfinance institutions, credit unions and cooperatives. Other entities are increasingly using technology to develop new delivery methods involving non-financial service providers in order to bring these services to the poor in rural or remote areas which traditional banks cannot reach easily. These providers include mobile network operators, FinTechs, retail networks and postal networks. These delivery channels are elaborated in the RFPI business models for inclusive insurance.<sup>4</sup>

55. Furthermore, it can be stated that the project concept is fully in line with the BMZ strategy on Asia. According to this document, many Asian countries have achieved impressive growth rates and successes in poverty reduction. As mentioned previously, this dynamism has to be maintained in order to make economic growth more sustainable, achieve broad-scale benefits and raise awareness of the importance of demand-driven financial services, including the requisite quality infrastructure, for poverty reduction. Furthermore, the growth of innovative and competitive small and medium-sized enterprises must be continued through financial inclusion. BMZ additionally advocates all measures for disaster preparedness and management and supports the creation of economic and employment prospect for people in their home countries (*BMZ's New Asia Policy 2015*).
56. The United Nations Sustainable Development Goals (SDGs) represent shared aspirations of countries and development actors that go well beyond poverty alleviation. They incorporate the need to promote prosperity and people's wellbeing, reduce inequality and protect the environment. While the SDGs do not identify financial inclusion as an independent objective, they acknowledge that it is crucial to achieving many of them. Financial inclusion is explicitly mentioned in seven of the SDGs and there are four financial inclusion indicators to track progress. Greater access to financial services is a key enabler and is considered to play an important role in progress towards SDGs 1, 3, 5, 10, 11, 13 and 16 (*CGAP 2019*).<sup>5</sup>
57. In Asia, the project concept also appears to complement efforts by other organisations in the sector. In fact, many countries regard financial inclusion as an important part of their strategies to achieve inclusive growth (see NFIS). Regional discussions on financial inclusion have intensified in recent years. For example, Asian-Pacific Economic Cooperation (APEC) has even created its own forum for dealing with financial inclusion issues. The Association of Southeast Asian Nations (ASEAN) Framework for Equitable Economic Development focuses on the promotion of financial literacy, among other things. The Asian Development Bank has approved over 200 projects (amounting to more than \$2.7 billion) to support microfinance in countries in Asia and the Pacific (*ADB 2014 - Financial Inclusion in Asia*).

## Evaluation dimension 2: needs of target groups

58. As mentioned above, financial inclusion is a common goal among the seven project partner countries. Nowadays, there is general agreement that financial services are fundamental to addressing some of the core problems, such as poverty and inequality, faced by vulnerable groups and poor households (the project's target groups) and achieving a wide array of development goals (see above). Numerous studies have shown that access to bank accounts and access to financial services have a measurable positive impact on poverty (*AFI 2019*). Policy-makers in Asia increasingly recognise that financial exclusion is a risk to political, social and financial stability and may impede economic advancement and that financial inclusion presents an opportunity to improve lives.<sup>6</sup> Therefore, the project embodies the essence of inclusion by promoting risk protection to mitigate shocks and manage expenses related to unexpected

<sup>4</sup> <https://www.gpfi.org/>, June 2019

<sup>5</sup> Achieving the Sustainable Development Goals: The Role of Financial Inclusion, CGAP, 2016; available on [cgap.org](http://cgap.org)

<sup>6</sup> <https://www.afi-global.org>, June 2019



events such as medical emergencies, death in the family, theft or natural disasters and improve poor families' overall welfare. The project intends to increase outreach by encouraging insurance providers to offer innovative products that bypass barriers to access in financial products and services, such as insurance and bank accounts. The project promotes insurance/risk protection through the regulatory and market pathways, thereby expanding the suite of financial products that are tailored to the needs of low-income groups.

**59.** The project concept is very much geared to the core needs of the project's target groups:

- Regulators benefit, for instance, by learning from other jurisdictions' practices and experiences in implementing regulatory frameworks and supervisory systems, which contributes to the development of individual and institutional capacities. Regulators also benefit from sharing experience in the use of instruments to implement regulatory frameworks and supervisory systems in their respective jurisdictions and to enhance existing regulations or formulate new ones;
- Insurance providers benefit, for instance, from sharing experience in the use of instruments via public-private dialogues (PPDs) and other platforms such as webinars and the MEFIN website (e.g. self-assessment, regulatory impact assessment, disaster risk insurance diagnosis, financial literacy campaigns and microinsurance reporting) and updates on best practices in inclusive insurance, particularly on innovative business models and their respective enabling policies and regulations;
- Low-income and informal-sector target groups benefit, for instance, from tailor-made insurance services and increased financial literacy.

**60.** On the one hand, according to the evaluators, the project concept does not sufficiently reflect the different needs and concerns of women and men, especially given that the project received the identifier GG1, requiring a specific gender indicator at outcome level. The Theory of Change, its hypotheses and their respective indicators are not disaggregated by gender and do not consider the different perspectives of women and men. On the other hand, it is encouraging to note that the project, in practice, does take into account gender aspects through the selection of stakeholders and the provision of services for women. For instance, the project supported the development of two business models intended mainly to cater to the needs of women, which are documented in the following two factsheets: (a) Vietnam: Delivering Microinsurance to Women by Viet Nam's Women's Union: The Role of Regulation in Pilot Testing; and (b) Pakistan: Delivering Health Based Plan for Women and Their Families Through a Non-Government Organization (*Int\_08T*, *MEFIN website*, *BMZ progress report 2017*).

**61.** The project particularly addresses disadvantaged groups, contributing to poverty alleviation by bringing financial products and services within reach of low-income groups. For example, households without access to any form of social safety net can thus obtain insurance, which helps them manage financial shortfalls and emergencies, thereby building resilience. However, researchers are continuing their work to identify the ways in which financial inclusion affects poor people's lives, including the potential for negative impacts such as abusive lending, lack of transparency and over-indebtedness, and ways to limit and manage these risks (*CGAP 2019*).

**62.** At first glance, the intended impacts do not appear realistic. The project operates in seven Asian countries (which did not all join MEFIN at the same time) with different cultural backgrounds, (economic and religious) conditions and levels of complexity in policy reforms (*Int\_13P*, *FGD\_01M*). The structure of the project is complex, the budget available to contribute to the overarching development results in seven countries considered small, and the project is implemented in a context of weak institutional capacities (*FGD\_01M*, *FGD\_01T*). GIZ staff members are only available in the Philippines (project's head office) and Viet Nam (only one member of staff) (and temporarily one project officer in Mongolia) and most of the cooperation with partners is limited to remote support and a few events per year. Given the positive contribution to the intended impacts in only a few countries (see impact chapter), it is the evaluators' perception that the number of countries is too high given the time, budget and partner capacities but the concept appears well-designed to meet the needs of the target groups.

### **Evaluation dimension 3: project concept and project objective**

**63.** Given the achievements at the outcome level, the project objective can certainly be said to be realistic and relevant in terms of creating an enabling policy environment, developing regulations and business models and using knowledge exchange platforms, etc. Ultimately, success is measured at the regulators' level through regulatory reforms using the concept of proportionality and business models. Regulators support MEFIN by becoming members of the RSC or any of the TWGs, participate in meetings and PPDs where

they share their respective practices and experiences and participate in the weekly consultation calls. The same applies to the output level. Given the high achievement rates at output level, it is assumed that activities and instruments were well-designed to achieve the outputs, which in turn contributed to the project objective. As shown above, the hypotheses underlying the results logic are indeed plausible and coherent. It is evident that the results logic is based on strong experience gained with the predecessor project. The main instruments used were contracted national and international consultants for conducting workshops and facilitating the PPDs (*FGD\_01T, FGD\_01M, FGD\_04P*). However, it should also be mentioned that the high achievement rates were possible because targets were not set for each country separately but for all countries as a whole, meaning that some so-called ‘performers’ could compensate for ‘non-performers’.

64. The project objective is also realistic and relevant because in basically all MEFIN countries the insurance sector is not an unknown sector, i.e. commercial life and non-life insurance do exist in Asia. However, ‘inclusive’ insurance products that cater to the economically challenged are not widespread in many Asian countries. While there is demand, the mainstream suppliers of insurance often seem to be hesitant to enter the market for pro-poor insurance due to the perceived high risk of payment defaults and high volume of claims. There being no apparent suppliers, there are not many reasons for regulatory frameworks. However, on the business side, there is in fact a market for ‘inclusive’ insurance products. Developing this market could be facilitated by the establishment of regulatory frameworks and exchange of practices at the supervisory level (insurance regulators) and at the business development level (insurance suppliers) (*BMZ progress report 2017*).
65. The system boundary is defined based on the scope of control of the project, i.e. results outside the system boundary are beyond the exclusive responsibility of the project and are affected by other factors, stakeholders and interventions in the country concerned. In sum, all results relating to final beneficiaries, i.e. consumers and policy-holders, who can only be targeted indirectly through this project, are outside the system boundary. Furthermore, the extent to which insurers ultimately change their business practices and offer other insurance services does not lie fully within the project’s sphere of responsibility given the limited outreach; it is thus located outside the system boundary.
66. Although risks are not explicitly considered by the project concept, inclusive insurance – by its very nature – addresses risks. Besides risks from force majeure, there are imminent risks, especially among the economically challenged who have very little disposable income to address ‘thieves in the night’ such as sudden death of a family member or debilitating illness (e.g. stroke and heart attack which are known to be the number 1 killer in most Asian countries, according to health surveys over the last 50 years). Insurance as a risk transfer mechanism among the economically challenged Asian population has great potential to save families and individuals from further debilitating impacts in the aftermath of natural catastrophes and imminent risks among the economically challenged (*Int\_10B, Int\_07R*).
67. Through the introduction of regulatory impact assessment (RIA) tools in each country (see effectiveness chapter for more information on the RIAs), the strategic orientation of the project allowed scope for addressing changes in the overall project context. Besides being a decision-making tool that systematically and consistently examines selected potential impacts arising from government action, the RIA guides regulators and the project on possible adjustments to existing regulations. Therefore, through implementing the RIA instrument and publishing the results on the MEFIN website, changes in the overall project context can be taken into account effectively (*FGD\_10R, FGD\_23C, FGD\_12Z, MEFIN website*).
68. The complexity of the context is handled through the formation of the MEFIN network which was formalised through the project in February 2016 (*BMZ progress report 2017*). The achievements in handling the complexity can be attributed to a number of supporting factors, such as the continuing strong networking with regulators and private industry as indicated by the successes of PPDs, creating trust among the MEFIN stakeholders, identifying role models and champions, etc. (*FGD\_04P, FGD\_01T, BMZ progress report 2017*).

#### **Evaluation dimension 4: project concept adapted to changes**

69. The evaluation team found no significant changes in the project context, implementation or methodology as the project worked in the four areas indicated in the project description in the offer to the BMZ (*BMZ offer*). There was therefore no need to update the project concept. However, very recently, new emphasis has been placed on digitalisation in response to the demand for more innovation and facilitation of access

to insurance services. The most efficient way to roll out insurance coverage throughout rural Asia is through the development of digitalised MI programmes. The digital implementation of these programmes allows insurance companies to cut costs and offer cheaper premiums. At the same time, the use of digital media helps to promote insurance awareness and increase financial literacy.

70. In addition, it should be pointed out that governments of participating countries have imposed no restrictions that inhibit the development of 'inclusive' products catering to the economically challenged members of society. There are government procedures to be followed, such as the need for microinsurance (MI) decrees to go through national assemblies, as in Viet Nam, so timing with meetings of national bodies is key (*Int\_17D*).

#### **Overall assessment of relevance**

71. The evaluation team concludes that the project concept fits into the relevant strategic reference frameworks and is well-embedded in the global priorities on financial inclusion and thus awards it 30 out of 30 points in this dimension. As outlined in this chapter, the project is in line with BMZ New Asia strategies, NFISs and other international standards on financial inclusion.
72. Regarding the suitability of the strategy to match core needs of the target group, the intervention is considered highly relevant in terms of working towards financial inclusion, which addresses core needs of both the government and the general population, and core problems faced by the vulnerable groups and poor households (e.g. poverty and inequality). However, the project concept does not appear to sufficiently reflect the different needs and concerns of women and men, especially given that it received the identifier GG1 requiring a specific gender indicator at outcome level. On the other hand, it is encouraging to note that the project, in practice, does take into account gender aspects through the selection of stakeholders and the provision of services for women. Overall, the evaluation team awards 28 out of 30 points for the suitability of the strategy because the project addresses core needs of the immediate target groups (regulators and private insurers) and it is plausible that it contributes to changes at the level of the final beneficiaries (poor households and vulnerable groups).
73. The evaluation team concludes that the project is adequately designed to achieve the chosen project objective and awards 18 out of 20 points in this dimension. Full marks are not awarded because high achievement rates for the outcome and impact indicators resulted mainly from the fact that targets were not set for each country separately but for all countries as a whole, meaning that some so-called 'performers' could compensate for 'non-performers'.
74. Finally, the adaptation of the conceptual design to changes is assessed as successful, especially given that no significant changes occurred during project implementation. In general, it is safe to say that the project team adapted to evolving partner needs and preferences. The evaluation team therefore awards 20 out of 20 points in this dimension.
75. The overall score for the assessment criterion 'relevance' adds up to 96 out of 100 points: very successful.

Criterion	Assessment dimension	Score & Rating
Relevance	The project concept* is in line with the relevant strategic reference frameworks.	30 out of 30 points
	The project concept* matches the needs of the target group(s).	28 out of 30 points
	The project concept* is adequately designed to achieve the chosen project objective.	18 out of 20 points
	The project concept* was adapted to changes in line with requirements and re-adapted where applicable.	20 out of 20 points
Overall Score and Rating: <b>VERY SUCCESSFUL</b>		Score: 96 out of 100 points

## 5.2 Effectiveness

### Evaluation basis

76. The extent to which the project has achieved its desired objectives and the degree to which all its measures have genuinely contributed to its objectives were assessed in the criterion 'effectiveness'. For that reason, the fulfilment of outcome and output indicators was assessed, as was the contribution the project made to these indicators. This assessment also covered both intended and unintended results, i.e. the occurrence of additional, not formally agreed results.
77. As a first step, the evaluation team therefore assessed to what extent the agreed project objective (outcome) has been achieved, measured against the objective indicators. This included a comparison between the current status and the targets of the outcome indicators by gathering data on regulators' perceptions (regarding implementation of regulatory frameworks, collaboration with the MEFIN network, etc.) and insurance companies' views (regarding business models, financial literacy, knowledge exchange).
78. A second important step (when assessing the project's effectiveness) was to analyse to what extent the activities and results (outputs and outcomes) of the project contributed substantially to the achievement of the project objective (outcome measured by its indicators). In order to do so and to gain a better understanding of the actual causal links in the project, it was crucial to focus on the hypotheses underlying the results model (see Section 3.2) and to confront the hypotheses with reality.
79. Primary data on the fulfilment of the indicators were gathered in interviews and focus group discussions with regulators, insurance companies and associations. Most of the secondary data used came from the well-maintained monitoring system, internal documents (e.g. minutes of meetings, protocols and ppt presentations), progress reports and above all from the well-structured MEFIN website.
80. The evaluation team considers it important to point out that given the set-up of this evaluation (e.g. ToR: only three countries to be visited, number of days, etc.) the following findings cannot claim to provide a detailed picture of the MI situation in each country involved in the project. Primary data were gathered solely in the Philippines, Viet Nam and Indonesia. However, indicator targets are not disaggregated by country but are formulated as absolute numbers for the project as a whole. The evaluation team therefore did not perceive it necessary to hold discussions with all stakeholders in each country to assess the

indicators' fulfilment. When it comes to the contribution to the indicators, additional visits to other countries would have enriched the findings below. However, the evaluation team had the chance to discuss the roles of GIZ / RFPI and the MEFIN network with many interview partners at different levels, which in general provided a good picture of the potential contribution. The evaluation team therefore perceives the evidence of the findings below as plausible.

### Evaluation dimension 1: extent to which the indicators at outcome and output level are fulfilled

*Extent to which the indicators at outcome level are fulfilled and initial findings on the contribution*

81. The following information provides an overview of the achievement of the project's objective based on the indicators from the results matrix. It can be stated that all indicators at module level have been (over-)achieved.

82. **Objective:** 'The project objective at module level is that regulatory framework and supervision practices for the promotion of inclusive insurance markets are implemented.'

**Indicator 1 at module level:** 'Five insurance regulators in Asia can document 15 cases in which regional project results (learning experiences) have been applied in their respective countries.' (Target: 15; actual value: 18)

- a) The achievement rate for indicator 1 at module level is 120%.
- b) The achievements for this indicator reflect the application of lessons learned from regional activities, especially the PPDs. They can be attributed to the format of the dialogue, which focuses on common concerns or topics affecting both the regulators and the private companies and uses best practices and innovative business models as cases for discussions (*BMZ progress report*).
- c) Based on the documents analysed and interviews conducted, 18 application cases in five countries can be highlighted (e.g. *BMZ progress report 2017*; *MEFIN website*, *FGD\_01T*, *FGD\_04P*, *FGD\_10R*, *FGD\_23C*, *FGD\_12Z*, *FGD\_13M*, *FGD\_01S*, *FGD\_18C*, *Int\_17D*). It is safe to say that most of the target member countries have already applied their learning in their respective jurisdictions (*FGD\_13M*, *FGD\_01S*, *FGD\_18C*, *FGD\_10R*, *FGD\_23C*, *FGD\_12Z*, *Int\_17D*). The cases are listed above. In the following, a few examples (the first three in the box above) are presented to provide a better picture of the achievements.

- 1) Microinsurance awareness / Financial Literacy (Indonesia)
- 2) Product distribution/marketing – guidelines (Indonesia)
- 3) Training of Microinsurance Agents - guidelines (Indonesia)
- 4) Product development and distribution (Mongolia)
- 5) Regulation specific for mortgage insurance (Mongolia)
- 6) Creating a position responsible for inclusive insurance market development (Mongolia)
- 7) Financial Literacy (Mongolia)
- 8) Revised definition of inclusive insurance (Mongolia)
- 9) Product development and distribution (Nepal)
- 10) MicroHealth and Disaster Risk Insurance (Nepal)
- 11) Amendments on the MI Directives (Nepal)
- 12) A chapter on Microinsurance in the draft Pakistan Insurance Act of 2017 (Pakistan)
- 13) A focal person designated to handle MI in SECP (Pakistan)
- 14) Technology Based Distribution Channels (Pakistan)
- 15) Capacity building using knowledge on best international practices on inclusive insurance (Pakistan)
- 16) Agri Insurance Decree (Vietnam)
- 17) MI Decree (for approval) – particularly on product bundling (Vietnam)
- 18) Financial literacy (Vietnam)

#### Example 1: Microinsurance Awareness / Financial Literacy

In order to develop MI in Indonesia, the government, through the Indonesian Financial Service Authority (Otoritas Jasa Keuangan – OJK), developed and launched its Grand Design on the Development of Microinsurance. The development of the Grand Design was supported by the project. As part of the Grand Design, OJK embarked on a National Strategy for Financial Literacy during the same year in partnership with the insurance industry. Subsequently, a first roadshow on national education and socialisation of microinsurance took place in 16 provinces. Over about three months, nine insurance companies (four general, three life, two takaful), together with OJK, met with communities composed of farmers, housewives, fishermen and members of cooperatives. The roadshow included sharing sessions about MI and dialogues with members of the public on their understanding of risk mitigation (*Factsheet: Piloting a village-based model in Indonesia*).

#### Example 2: Product Distribution/Marketing – Guidelines



To have more focused strategies for the insurance sector, Otoritas Jasa Keuangan (OJK) launched the Grand Design for the Development of Indonesia's MI Market jointly with the insurance associations in October 2013. The Grand Design defines MI in terms of its scope, limits and eligible market participants. It encourages innovation in product design and distribution. It elaborates the value chain of MI delivery in the concept of SMEs, i.e. microinsurance should be Sederhana (Simple), Mudah (Easy), Ekonomis (Affordable) and Segera (Fast) (*Factsheet: SiPINTAR, Indonesia*).

### Example 3: Training of Microinsurance Agents – Guidelines

ACA (a local private non-life insurer with 60 years of experience in Indonesia's insurance market) recognises that the pawnshop officers in rural areas are closer to customers and can therefore take up more roles in claims handling. After gaining a good insight during the field visit to Cebuana Lhuillier pawnshops in the Philippines on July 2016 (a similar model of microinsurance distribution through pawnshops), ACA is now considering other options to speed up claims payment via branches of Pegadaian (a state-owned entity with 115 years of service) (*Factsheet: SiPINTAR, Indonesia*).

**Indicator 2 at module level:** 'Members of the Peer Network can document on the basis of one of the three regulatory impact dimensions (i) market development, (ii) development of institutions, (iii) client value that their regulatory framework and supervision have resulted in measurable changes (based on a set of indicators).' (Target: 3; actual value: 7)

d) The achievement rate for indicator 2 at module level is 233%.

e) During the evaluation mission, the evaluation team found a total of seven items of documentation from the following members who conducted the regulatory impact assessments (RIAs) in their countries (see reports: *Regulatory Impact Assessments; MEFIN website*). An RIA for MI is meant to measure the results and impacts of policy and regulatory reforms relating to inclusive insurance. RIA measures three regulatory impact dimensions: (1) market development, (2) development of institutions, and (3) client value (*MEFIN website*).

- 1) Philippines: RIA 2015.
- 2) Pakistan: RIA in 2016
- 3) Mongolia: RIA in 2017
- 4) Nepal: RIA in 2017
- 5) Pakistan: Post-RIA 2017
- 6) Philippines: Post-RIA 2017
- 7) Indonesia: RIA 2018

The RIA instrument developed by the project has the following quantitative indicators for the regulatory impact dimension. The results of the country RIAs are summarised in the RIA reports for each country (see MEFIN website, RIA Matrices).

Quantitative Indicators for Market Development	Qualitative Indicators for Institutional Development	Quantitative Indicator for Client Value
<ul style="list-style-type: none"> <li>Number of insurers engaged in MI</li> <li>Number of intermediaries licensed</li> <li>Number of products approved</li> <li>Amount of MI coverage (number of lives and properties insured)</li> <li>Number of lives covered (MI Mutual Benefit Associations and Life Companies)</li> <li>Number of non-life insurers'</li> </ul>	<ul style="list-style-type: none"> <li>Diversity of business models</li> <li>Scale of formalisation</li> <li>Supporting services and platforms</li> <li>Insurance Commission capacitated and restructured in terms of MI</li> <li>Other authorities and development agencies engaged</li> </ul>	<ul style="list-style-type: none"> <li>Claims / Loss Ratio in MI</li> </ul>

f) Based on the RIA results and according to interview partners, RIA is considered a very effective decision-making tool. It is based on a method of systematically and consistently examining selected potential impacts arising from government action in the three regulatory impact dimensions (*FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, FGD\_13R, FGD\_07B, Int\_17D, FGD\_01T*). For example, in the RIA Nepal (2017), 14 conclusions about the state of MI in Nepal were drawn in the report and also discussed during the RIA Multi-Stakeholders' Dialogue workshop in Nepal. The statements were based around five key strategies for Nepal's Comprehensive Framework to Microinsurance Development. These five key strategies relate to (1) policy and regulation, (2)

private sector participation, (3) formalisation, (4) financial literacy, and (5) consumer protection (RIA Nepal).

**Indicator 3 at module level:** 'Five insurance associations from five Asian countries confirm that the existing regulatory frameworks have promoted 25 innovative business models for insurance targeted to the low-income sector and micro enterprises.' (Target: 25; actual value: 27)

- g) The achievement rate for indicator 3 at module level is 108%.
- h) It can be clearly stated that the existence of supportive regulatory frameworks promotes the development of innovative business models for the low-income sector and micro enterprises. This was confirmed by all insurance associations (FGD\_13R, FGD\_07B, Int\_10N). These references are the business models which were documented through factsheets accessible on the MEFIN website. Indeed, the analysis of secondary data and supporting interviews revealed 27 references: 23 references to business models that were developed by members of insurance associations and four business models that were developed by organisations which are not members of insurance associations. All business models were developed and documented with the regulators' support (see 24 factsheets; MEFIN infograph July 2018; MEFIN website).

*Extent to which the indicators at output level are fulfilled and initial findings on the contribution*

83. The following information provides an overview of the achievement of the project's outputs according to the indicators for the results matrix as the basis for assessing the contribution to the project's objective. It can be stated that all indicators at output level have been (over-)achieved. According to the evaluators, additional indicators are not needed to reflect the outputs adequately.

**84. Output A is formulated as follows:** 'A network of regional insurance regulators is operational.'

**Indicator 1 at project output A level:** 'The regulatory institutions' peer network, consisting of five and more regulators, has adopted its statutes.' (Target: 1; actual value: 1)

- a) The achievement rate for indicator 1 at output A level is 100%.
- b) One statute was established and operationalised after the formalisation, approval and registration of MEFIN Inc. on 4 July 2017 with the support of the Securities and Exchange Commission of the Philippines.

**Indicator 2 at project output A level:** 'Five regulatory working groups (RWGs) of the network of the insurance regulators implement their work plans with significant support from the regulatory institutions.' (Target: 5; actual value: 5)

- c) The achievement rate for indicator 2 at output A level is 100%.
- d) The project works closely with the insurance regulators of Indonesia, Mongolia, Nepal, Pakistan, Philippines and Viet Nam through a Regional Steering Committee (RSC). The RSC advises the Technical Working Groups (TWGs) which are formed to work on various topics such as regulation and supervision, business models, knowledge management, capacity building, and disaster risk reduction. The TWGs are constituted by regulators and representatives of insurance industry associations. The RSC and TWGs are supported by a Secretariat composed of the technical staff of the project. The RSC and the TWG are functional groups within MEFIN and steer discussions to build knowledge relating to emerging practices in inclusive microinsurance (FGD\_01T, MEFIN website).
- e) With these structures, the core activity is the implementation of the RIAs. From the results of the RIAs, the regulatory authorities, insurance associations and insurers participate in face-to-face MEFIN meetings, conferences, PPDs and webinars (Tuesdays with MEFIN) towards the development of pro-poor insurance markets. It was repeatedly confirmed that the network's TWGs implement their work plans with significant support from the regulatory institutions (FGD\_01T, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, Int\_17D, Int\_10B, Int\_10N). The success of this set-up even led to a conference session to share the MEFIN model in the Africa region ('Promoting Cross-Country Knowledge Exchange and Regulatory Dialogue'), which was held in Lusaka, Zambia, on 5 November 2018, prior to the 14th International Microinsurance Conference, jointly organised by the MEFIN Network, MEFIN Inc. and RFPI Asia and hosted by the Munich Re Foundation and the Microinsurance Network (FGD\_01T, FGD\_04P).

**85. Output B is formulated as follows:** ‘Instruments for the execution of regulatory and supervisory tasks are introduced in line with international standards.’

**Indicator 1 at project output B level:** ‘X instruments that are demanded by the regulatory institutions are placed at their disposal, such as: analytical instrument for consumer protection issues, checklist for regulatory review, method and guidelines for regulatory impact assessment, strategies for the sectoral development of selected sub-topics (financial literacy, regulatory framework), the regulatory institutions’ experiences with the performance indicators.’ (Target: 6; actual value: 7)

- 1) Self-Assessment (SA)
- 2) Regulatory Impact Assessment (RIA)
- 3) Disaster Risk Insurance Manual (DRIM) or Diagnostic Toolkit for Insurance Against Natural Catastrophes for MSMEs in the Agricultural and Mining Sectors
- 4) Philippine experience with RIA
- 5) DRIM for Microfinance Institutions
- 6) Financial Literacy Campaign Kit (FLiCK)
- 7) Microinsurance Reporting System (MIRS)

RIA

- a) The achievement rate for indicator 1 at output B level is 117%.
- b) The evaluation team found that seven instruments have been developed and implemented (see *webinar presentations, e.g. MIRS, BMZ progress report 2017; minutes RCS meetings, etc.*) Among the seven instruments, the use and usefulness of the in particular were strongly confirmed in field interviews with regulators in the Philippines and Indonesia (FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C). It is, however, not yet used in Viet Nam as the Microinsurance Decree has yet to be passed by the National Assembly, i.e. a state-approved regulatory framework is not yet in place in Viet Nam. The Vietnam Women’s Union (VWU) is currently piloting MI using the Microinsurance Fund through its microcredit operations via its microfinance organisation, the Tinh Thuong Microfinance Institution (TYM), in 12 provinces of Viet Nam (Int\_08T).
- c) The Financial Literacy Campaign Kit (FLiCK) and the Microinsurance Reporting System (MIRS) (IC, FGD\_13M, FGD\_01S, FGD\_18C, Int\_13P) and DRIM (IC, FGD\_13M, FGD\_01S, FGD\_18C) were mentioned as other instruments being used by regulators in the Philippines, Viet Nam and Indonesia. With regard to Viet Nam, it was mentioned that it would be helpful if the developer of the MIRS, who resides in Viet Nam, could give more technical assistance on the use of MIRS (Int\_13P).

**Indicator 2 at project output B level:** ‘An overview of experience gained with the application of six demand-driven instruments is published by five different regulators, each producing a single publication.’ (Target: 6; actual value: 12)

- d) The achievement rate for indicator 2 at output B level is 200%.
- e) Reports on RIAs (Indonesia, Mongolia, Nepal, Philippines), FLiCK (Viet Nam) and DRIM (Mongolia, Nepal, Pakistan, Philippines, Viet Nam) are available on the MEFIN website.

**86. Output C is formulated as follows:** ‘Regulatory institutions use the insights gained from the regional public-private dialogue with representatives of the national insurance industry for their national agendas.’

**Indicator 1 at project output C level:** ‘Two insurers in each country share their experiences with business practices at the bi-annual regional dialogue events.’ (Target: 6 events; actual value: 6)

- f) The achievement rate for indicator 1 at output C level is 100%.
- g) Achievements (in the area of output) are supported by the following six events at which two insurers in each country shared their experiences with business practices (see MEFIN website; minutes of meetings):
  - 1) 1st MEFIN Public-Private Dialogue (PPD1) in Manila in July 2016
  - 2) PPD2 in Hanoi in March 2017
  - 3) PPD3 in in Ulaanbaatar in September 2017
  - 4) PPD4 in Manila in January 2018
  - 5) PPD5 in Colombo in March 2018
  - 6) PPD6 / 1st Inclusive Insurance Conference in Bangkok in Oct 2018
- h) In this regard, private insurers confirmed that MEFIN is a unique achievement and considered very important for knowledge sharing and creating momentum and awareness (Int\_10N). It was also



mentioned that some companies are motivated to participate in MEFIN partly in order to export their products to other countries and thus increase their market share. MI is to some extent considered an investment to create business opportunities and attract new clients who might become wealthy in the future (*Int\_10B*).

**Indicator 2 at project output C level:** *‘Five insurance regulators confirm that they have introduced 67% (2 out of 3) of the best practices discussed in the public-private dialogue into the national agenda.’ (Target: 6; actual value: 12).*

- i) The achievement rate for indicator 2 at output C level is 100%.
- j) Based on the feedback provided to the evaluation team and the analysis of all publications on MEFIN’s website, six out of six regulators introduced two out of three best practices. The best practices presented include the following (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, publications on success stories, MEFIN website, etc.*):

#### **2016**

- 1) Philippines: proportionality in product development, distribution and regulation
- 2) Indonesia: proportionality in product development and distribution (2016)
- 3) Pakistan: proportional regulation
- 4) Mongolia: proportional regulation
- 5) Viet Nam: proportionality in distribution

#### **2017**

- 1) Pakistan: MicroHealth, DRI and MSMEs
- 2) Nepal: MicroHealth and DRI
- 3) Indonesia: MSMEs and DRI
- 4) Philippines: MSMEs

#### **2018**

- 1) Viet Nam: Agri insurance (Agri Insurance Decree approved)
- 2) Mongolia: CRI (as lead of a national team, FRC plans to propose to A2ii a workshop on CRI product development)
- 3) Nepal: CRI (BS initiated discussions with Ministry of Home Affairs, Ministry of Finance and Central Bank)
- 4) Philippines: DRI (IC is currently reviewing existing laws and Implementing Rules and Regulations on DRI)

**87. Output D is formulated as follows:** ‘Information about regional and international best practices regarding inclusive insurance is provided to the insurance industry in Asia.’

**Indicator 1 at project output D level:** ‘20 best practices (such as product design, distribution, marketing, dispute, partnerships) for insurers and intermediaries are documented in factsheet format.’ (Target: 20 factsheets; actual value: 24)

- a) The achievement rate for indicator 1 at output D level is 120%.
- b) According to the evaluators, well-designed factsheets have been developed, providing detailed information on the activities, instruments and business models in the project. There are currently 24 factsheets available on the website (see box, right).

**Indicator 2 at project output D level:** ‘A web platform for knowledge exchange by the insurance industry and the dissemination of knowledge is put in place.’ (Target: 1; actual value: 1)

- c) A web platform for knowledge exchange by the insurance industry and the dissemination of knowledge is in place. The MEFIN website ([www.mefin.org](http://www.mefin.org)) was launched during the MEFIN RSC and TWG meetings in July 2016. All of the factsheets listed above, except for No. 7, are available on the MEFIN website under ‘Publications’. According to the evaluators, the website is well-structured and organised and provides a very good basis for knowledge sharing.

- 1) Delivering Microinsurance in the Philippines through Cooperatives
- 2) Delivering Microinsurance in the Philippines through Pawnshops
- 3) Delivering Microinsurance in the Philippines through Rural Banks
- 4) Philippines: MicroHealth financing and healthcare delivery – A cooperation of commercial company and network of healthcare facilities
- 5) Philippines: MicroHealth insurance through a cooperative Health Maintenance Organization
- 6) Philippines: Promoting Microinsurance Through Online Communities
- 7) Philippines: MSME Protection Against Natural Catastrophes and Climate Change – pending publication
- 8) Mongolia: Inclusive Insurance Schemes by Ulaanbaatar City Insurance
- 9) Mongolia: Ger, House and Fence Insurance Scheme by Monre Insurance
- 10) Indonesia: Allianz's SEKOCI, Responding to the „Client Value“ Challenge
- 11) Indonesia: SIPINTAR, an Asuransiku (microinsurance) and Emasku (microinvestment) Hybrid Product
- 12) Indonesia: Synergy in Public-Private Partnership in Implementing the National Strategy for Financial Inclusion: A Case of Microinsurance Penetration in East Nusa Tenggara Province
- 13) Indonesia: Piloting a Village-based Model in Distributing Microinsurance at Tiku Selatan Village – Tanjung Mutira Sub-District, Agam District, West Sumatra Province
- 14) Nepal: Endowment and Term Microinsurance Products
- 15) Nepal: Implementing Microinsurance Standard Products
- 16) Nepal: Microinsurance Pool to Increase Client Penetration and Jointly Manage Risks
- 17) Nepal: Shikhar Insurance, Strengthening Nepal's Agricultural Sector through Responsive, Innovative, and Affordable Insurance Products
- 18) Pakistan: Delivering Health Based Plan for Women and Their Families Through a Non-Government Organization
- 19) Pakistan: Delivering Affordable Life Insurance Solutions Through Mobile Phones
- 20) Pakistan: Making Life and Health Insurance Accessible for Middle and Low-End Retailers
- 21) Vietnam: Delivering Microinsurance to Women by Viet Nam Women's Union: The Role of Regulation in Pilot Testing
- 22) Vietnam: Delivering Microinsurance Through the Vietnam Community Finance Resource Center: Regulation in Pilot Testing
- 23) Sri Lanka: Ceylinco General Insurance, Trailblazer in Providing Insurance Access to the Diverse Needs of Sri Lankans
- 24) Mongolia: Enhanced Condominium Inclusive Insurance Product Utilizes Mobile Distribution Channel

**88. Other facts and achievements in the areas of regulation and regulatory initiatives:** In the area of regulation and regulatory initiatives, the following have been enabled in each country (which will also take centre stage in the further analysis and evaluation):

#### Indonesia

- 2017 Microinsurance Products and Marketing Channel Regulation
- Awareness campaign conducted in partnership with commercial insurers

#### Mongolia

- Awareness campaign conducted in partnership with commercial insurers
- Issuance of Regulation on Mortgage Insurance
- Revisions to FRC Regulation 407 to include innovative distribution channels

#### Nepal

- Establishment of a risk pool for microinsurance
- Creation of a microinsurance community of regulators and private sector

#### Pakistan

- 2014 Microinsurance Regulation
- Corporate Insurance Agents and Technology-Based Distribution Channels
- 2017 Revisions to the Microinsurance Regulation

#### Philippines

- 2016 MicroHealth
- 2016 Regulations on Distribution Channel

#### Vietnam

- 2018 Agriculture Insurance
- 2018 Microinsurance Decree (as draft – awaiting approval from the government)

## Evaluation dimension 2: contribution analyses

### Selected pathways in brief

89. As mentioned above, a second important step in the effectiveness assessment is to evaluate to what extent the project activities and results (outputs and outcomes) contributed substantially to the achievement of the project objective (outcome measured against its indicators), in particular based on pathways selected by both the project team and the evaluation team in the inception mission for further in-depth analyses: hypothesis **R-C to R-C2** (output level), **R-A to R-C2** (output level) and hypothesis **R-C2 to Outcome** (output-outcome). The following sections complement the above findings on the fulfilment of the output indicators and their contribution to the project's overall objective. The box below summarises the results hypothesis mentioned in Section 3.2.

**R-C to R-C2:** PPDs enrich and expand regulators' knowledge of inclusive insurance industry regulation and supervision, thus enhancing their implementation capacity.

**R-A to R-C2:** Knowledge sharing is institutionalised through the establishment and formalisation of the MEFIN network as agreed by the regulators themselves. Through MEFIN, knowledge sharing is regularised through dialogues and facilitated by the establishment of the network's website where best practices relating to regulations and business models are made accessible. Through institutionalised knowledge sharing, regulators can confidently learn from the practices and experiences of other jurisdictions in implementing regulatory frameworks and supervisory systems, thus contributing to the development of individual and institutional capacities. (*Some regulatory frameworks and supervisory systems were developed during RFPI I, the predecessor of RFPI II*).

**R-C2 to Outcome:** Equipped with regulations, appropriate instruments and relevant knowledge/learning, and through regular regional dialogues with private insurers, regulators implement regulatory frameworks and perform supervisory functions efficiently and effectively in their respective jurisdictions. Regional dialogues open avenues for country-level dialogues which can contribute to effective and efficient promotion of inclusive insurance markets.

### Additional remarks on the pathway R-C to R-C2

90. It is safe to say that PPDs are generally very much appreciated by all stakeholders (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, Int\_17D*). PPDs are perceived to be a well-structured forum that covers relevant topics, leading to a joint understanding of regulatory requirements and the industry and thus supporting inclusive insurance market development (*FGD\_13R, FGD\_07B, Int\_25P*). All interviewed supervisors confirmed that PPDs enrich and expand their knowledge by providing a forum for sharing experience and success and failure stories (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, Int\_17D*). In addition, supervisors mentioned that PPDs help generate momentum for certain topics and increase all participants' awareness (not only at the supervisors' level but also at the level of private industry) (*Int\_10N, FGD\_10R, FGD\_23C, FGD\_12Z*). There is the perception that PPDs must be continued in the future, also given that PPDs are considered a highly effective means of exchanging information and building trust, especially because much information is shared in informal settings (*Int\_10B, Int\_25P, FGD\_01T, FGD\_04P, Int\_10N*).
91. However, based on the interviews conducted, there seems to be room for improvement when it comes the quality of inputs and concepts presented in the PPDs. Although the PPDs are generally well-regarded and seen as helpful, the evaluation team also received the feedback that concepts and contributions presented in the PPDs should be checked more thoroughly beforehand in terms of quality (*Int\_25P, FGD\_13M, FGD\_01S, FGD\_18C*). It was suggested that in future, GIZ should filter more intensively by focusing more on proven concepts rather than on ideas or pilots (*FGD\_13M, FGD\_01S, FGD\_18C*). To avoid the risk of declining interest in the PPDs in the long run, there appears to be the need to find a mechanism that both i) maintains the open character of the PPDs, i.e. PPDs as a great opportunity to test business models and above all to verbalise ideas in a confidential environment (*Int\_10N*), and ii) increases the professionalism of the contributions (to be) presented in the PPDs (*Int\_25P*). All publications on the PPDs that can be found on the MEFIN website show, however, the high level of professionalism in terms of knowledge sharing, educational value and detail (*MEFIN website*).

92. In conclusion, it can thus be stated that output R-C (established PPDs) has indeed made a contribution to RC-2 (joint understanding and capacity increase). On the basis of interviews and the analysis of the PPD publications alone, however, it is difficult to make robust judgements about the extent to which the PPDs genuinely contributed to increasing supervisors' capacities to implement regulatory frameworks and supervisory systems. Given that interview partners identified some room for improvement in terms of the quality of technical inputs provided in the PPDs, there is the assumption that capacities could perhaps have been increased a little more in a different setting and with a prior filtering process for inputs presented in the PPDs (*FGD\_13M, FGD\_01S, FGD\_18C, Int\_17D*). At the same time, however, the evaluators would like to point out that capacity increase is not the only positive result of the PPDs. Obviously, PPDs additionally helped to increase trust, collaboration and an open mindset towards MI and new models and concepts.

*Additional remarks on the pathway R-A to R-C2*

93. Based on the interviews conducted and an in-depth analysis of the publications on the MEFIN website, the evaluation team can confirm that knowledge sharing is indeed institutionalised through the establishment and formalisation of the MEFIN network (as agreed by the regulators themselves), the PPDs, webinars (Tuesdays with MEFIN) and through access to the MEFIN network's website, where best practices relating to regulations and business models are made accessible. As mentioned by several stakeholders, knowledge sharing is understood more broadly than might first appear. In fact, the support provided by MEFIN is not only limited to transmitting knowledge. Jointly with all partner countries, concepts for new business models and instruments were developed and made available using a holistic capacity development approach based on systems thinking, building on the increased willingness of governments and targeting individuals, organisations and society as a whole (*FGD\_10R, FGD\_23C, FGD\_12Z, MEFIN website*). The project qualifies government representatives to develop joint insurance concepts. They analyse various options and integrate them as complementary instruments into a comprehensive and coherent approach which also includes training for private insurance providers focusing on product development, distribution and digitally enabled payment platforms for innovative policies. Overseeing these newly created digital payment and distribution technologies and customer protection is the responsibility of insurance supervisory authorities. Their regulatory capacities are indeed strengthened and peer learning improved via the MEFIN network (*FGD\_10R, FGD\_23C, FGD\_12Z, MEFIN website*).
94. As highlighted above, the RIAs can be considered another essential institutionalised instrument that also supports knowledge sharing (*FGD\_01T*). RIAs are one of the most crucial decision-making tools whose results are published on the MEFIN website (*MEFIN website*). Besides systematically and consistently examining selected potential impacts arising from government action, the RIA provides guidance for regulators on possible adjustments to existing regulations. Therefore, through implementing the RIA instrument and publishing the results on the MEFIN website, supervisors confirmed the increased capacities to implement regulatory frameworks and supervisory systems (R-C2) (*FGD\_10R, FGD\_23C, FGD\_12Z*).
95. Many interview partners confirmed that regular publications in combination with PPDs and the webinars have indeed contributed to increasing supervisors' capacities to implement regulatory frameworks (*FGD\_13M, FGD\_01S, FGD\_18C, Int\_17D*). The factsheets (as institutionalised knowledge sharing instruments) are particularly appreciated by most of the interview partners, mainly due to their accessible content and user-friendly layout.

**Example of how knowledge sharing is institutionalised:** During the field interviews, the business models mentioned most frequently were those coming from the Philippines (*Int\_08T, Int\_25P, Int\_10N*), particularly the Cebuana Lluillier business model. Partly due to its knowledge of distribution of MI through (Cebuana Lluillier) pawnshops, a private insurer in Indonesia created microinvestment (sales of 1 gram of gold) bundled with microinsurance products. This product is distributed through the network of Pegadaian pawnshops across Indonesia. This business model is an example of the application of acquired knowledge (from the PPD and factsheets) about best practices in other MEFIN members and customised to the context, in this case coupled with a product (being able to purchase gold on affordable terms and conditions) that is attractive to the market.

96. With regard to the webinars (as a crucial instrument for knowledge sharing to increase supervisors' capacities), interviewed MEFIN stakeholders confirmed the usefulness of this instrument, which is cost-

effective and easy to implement and use (*FGD\_13M, FGD\_01S, FGD\_18C, Int\_10N, Int\_25P, FGD\_10R, FGD\_23C, FGD\_12Z*). Both regulators and insurers confirmed that they learned a lot and gathered much helpful knowledge (*Int\_10N, Int\_07R*). However, interviews in Viet Nam also revealed that some stakeholders could not yet participate in the webinars for technological reasons. Apparently, Skype is not allowed in some organisations, with the result that some have been unable to benefit from this knowledge sharing (*Int\_17D*). This is certainly not the main reason for Viet Nam lagging behind the MEFIN countries to some extent when it comes to MI (no official regulatory framework, no much collaboration with private insurers, etc.). Nevertheless, a certain lack of momentum for MI may perhaps be attributed to the non-participation in the regular webinars, confirmed by an interview partner in Viet Nam (*Int\_17D*). Given that there are many different (open source) communication platforms on the internet that can be used at no cost, it would make sense to consider other communication platforms as well (such as *gotomeeting*).

97. Another aspect that was frequently mentioned and hampers the success of the webinars as capacity building platforms was the language barrier. It appears to be difficult to pass on information properly if webinar participants have limited English language skills (*FGD\_10R, FGD\_23C, FGD\_12Z*). Although these barriers weaken the causal pathway R-A to R-C2, it appears difficult to find solutions to this challenge in a regional project. According to the evaluators, limited English skills do not present a bottleneck in the three countries visited (Philippines, Indonesia and Viet Nam), which are also the partner countries for the follow-on project (RFPI II).
98. Furthermore, interviewed stakeholders mentioned that although the webinars are generally considered useful, there is apparently no active participation given the limited time and room for discussion (*FGD\_13R, FGD\_07B, Int\_25P, Int\_07R*). Several interview partners complained that webinars are mostly delivered in a traditional classroom-style format (*Int\_10N, FGD\_13M, FGD\_01S, FGD\_18C*). To strengthen the causal pathway R-A to R-C2, the evaluators believe that a mechanism is needed that allows lively discussions in the webinars to further strengthen participants' capacities. Given the importance of webinars for knowledge exchange and capacity increase, it was also surprising to hear in the interviews that there is apparently no evaluation/feedback form for participants to complete after the webinars as a means of assessing the sessions' usefulness and quality (*FGD\_10R, FGD\_23C, FGD\_12Z*). This is an aspect that the evaluation team would strongly recommend be considered for the future.
99. In conclusion, it can thus be stated that output R-A (institutionalised knowledge sharing) has indeed made a contribution to RC-2 (joint understanding and capacity increase). Given that interview partners identified some room for improvement in the implementation of the webinars, it is assumed that in future the impact of webinars can be increased, especially given that the follow-on project will focus on just three countries (and not seven).

#### *Additional remarks on the pathway R-C2 to outcome*

100. The strength of the pathway R-C2 to the project objective cannot be analysed robustly on the basis of individual perceptions from three countries alone. However, it is safe to say that with the project's support, regulators implement their regulatory frameworks and perform their supervisory functions efficiently and effectively overall in their respective jurisdictions through new regulations, appropriate instruments and relevant knowledge/learning (i.e. increased capacities) (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z*) and through regular regional dialogues with private insurers (*Int\_10B, Int\_10N, Int\_07R*). Regional dialogues have indeed opened avenues for country-level dialogues which have contributed to effective and efficient promotion of inclusive insurance solutions (*Int\_07R, Int\_10B*), especially targeted at the low-income and informal sectors (*Int\_07R, Int\_10B*), in the main four working areas: (1) creation of networks and knowledge exchange between regulatory authorities; (2) application of demand-driven instruments for regulators; (3) establishment of a PPD mechanism in the region; and (4) exchange of information in the insurance industry (*ToR*).
101. However, when it comes to the application of demand-driven instruments for regulators, the evaluation team learned that most of the instruments are used in the Philippines but not so much in the other countries, the main reason being different contexts (in Indonesia) (*FGD\_13M, FGD\_01S, FGD\_18C*) and different levels of knowledge in terms of drafting a legal framework for MI, how to conduct market surveys, and appropriate MI advocacy (in Viet Nam) (*Int\_17D*). Although the development of many instruments appears to have been supply-driven and not demand-oriented, the evaluation team also learned that instruments were developed in response to both current and future needs of partners. Of the seven instruments, two were used extensively during the project's lifetime, one was subjected to country-level



testing and adaptation and one was developed in response to the need of MFIs, while two were approved for implementation a few months before the project ended. The Philippine experience of RIA was shared with partners as a model and guide. In future, from the evaluators' perspective it appears to be more effective if stakeholders are more involved in the development of new instruments (*FGD\_13M, FGD\_01S, FGD\_18C*). At the same time, the evaluation team would like to point out that in general, it appears difficult to always find a common denominator given the differences between countries.

#### *Counterfactual analysis and other factors*

- 102.** The question 'what would have happened without the project' is very difficult to answer, especially given that the number of days for this CPE and the evaluation mission (only three out of seven countries could be visited) did not allow for a sophisticated counterfactual analysis (see also the impact chapter). It should thus be noted that the explanatory power of this analysis is limited and based on individual perceptions and the evaluators' observations.
- 103.** However, it can be stated that the project has indeed made a strong contribution to engaging and sensitising private insurers. Without the project, many champions and private insurers who currently serve as role models in the MEFIN network would not be part of this network at all (*Int\_10B, Int\_07R*). The evaluation team was not able to find out whether even more private insurers could have been engaged; however, as highlighted above, given the small budget for seven countries, it is the evaluators' perception that it is astonishing what GIZ has achieved in terms of atmosphere, culture and trust. As mentioned by almost all interview partners (regulators, associations and insurers), they appreciate(d) GIZ's engagement and coordinating role; this contributes to frequent dialogues between regulators and industry players which positively affected regulation, supervision and business model development, as well as cost-efficient access to instruments, lessons learned and best practices (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z*). Without the project, it is safe to say that this momentum of exchange and trust would have not been established.
- 104.** It is also difficult to assess whether the project's objective would have been achieved without the project. There are indications that a few countries (e.g. Indonesia) would have implemented regulatory frameworks and supervisory functions even without the project, given that they receive strong and regular support from other donors (e.g. the World Bank) and given that Indonesia – although confirming the benefits gained from the learning experiences in PPDs and webinars – often decided to do things differently than recommended by the project (e.g. use of the MIR system) (*FGD\_13M, FGD\_01S, FGD\_18C*).

#### **Evaluation dimension 3: additional and unintended effects**

- 105.** The terms of reference for this CPE also require assessment of unintended changes produced by the project. Given the feedback provided by stakeholders and based on the evaluators' observations, it appears that no negative results have been produced by the project. On the positive side, many aspects have been mentioned already in more detail above but are also defined as preconditions in both the impact chapter and the sustainability chapter. At the output and outcome levels, the following positive aspects (not entirely unintended but worth mentioning) can be summarised: the MEFIN members' very high level of trust, willingness and commitment to promote inclusive insurance solutions especially for the low-income and the informal sectors have been successfully translated into business models that provide affordable microinsurance products. According to the evaluators, it is astonishing what the project achieved at output and outcome level in terms of atmosphere and motivation but also in terms of coordination of seven countries (with the support of PPDs, weekly webinars, publications, weekly calls and workshops, marketing materials, etc.), given the number of countries and stakeholders involved and the relative low budget for a regional project. The evaluation team found evidence that the outputs contributed not only to the implementation of regulatory frameworks and supervisory systems but also to strong cooperation between the project and the insurance providers, insurance associations and regulators, and that this cooperation was characterised by trust, courtesy and the ambition to make change happen. It was repeatedly mentioned that GIZ's polite behaviour, openness to requests and effective coordinating role created a momentum that will last and may well serve as a basis for further developments in the MI sector (*Int\_10N, FGD\_10R, FGD\_23C, FGD\_12Z*).
- 106.** As mentioned above, a monitoring system at project level is in place and well-maintained (see Section 4.3). Furthermore, the evaluation team can confirm that the importance of M&E is acknowledged and risk mitigation measures are in place even for unintended negative results at the output and outcome level

(project monitoring system) although no specific risks are formulated. There are regular interviews and Skype conference calls with stakeholders (especially regulators) to assess new trends and developments and to facilitate a prompt response or intervention if needed (*FGD\_01T, FGD\_04P, FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, Mai*). Given the close connections to the MEFIN countries, there does not appear to be any need for the use of conventional KOMPASS tools. In addition to maintaining close contact, according to the evaluators, the above-mentioned RIAs are to be considered a risk mitigation tool for unintended negative results at the output and outcome level: besides being a decision-making tool that systematically and consistently examines selected potential impacts arising from government action, RIAs guide regulators on possible adjustments to existing regulations and provide the project with information on how to provide optimal support (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z*). As a rule, each RIA complements the monitoring of intended and unintended results and is perceived as fully adequate given the budget and size of the project. There is also a perception that RIAs help to prevent over-indebtedness and abusive lending (caused by lack of transparency) by providing certain standards through the regulatory frameworks. By adhering to the principles of the regulatory frameworks, risks are mitigated because the principles require payments to be processed within a few days (max. 10 days) (*FGD\_10R, FGD\_23C, FGD\_12Z*). In addition, the risk of lacking transparency is mitigated through the use of plain language in insurance policies that can be easily understood by everyone, contributing to more trust and resulting in increased uptake (*see MEFIN website, RIAs*). Furthermore, interviewed insurance companies and insurance associations confirmed that by following the principles of the regulatory frameworks, they automatically needed to adapt their business practices (e.g. quick payment, affordability, accessibility, simplicity of requirements, plain language) to address the actual needs of MSMEs, vulnerable groups, farmers and women (*Int\_10N, Int\_10B*).

- 107.** Potential unintended positive results at outcome level do not appear to be explicitly monitored. As already highlighted, according to the evaluators, webinars and even the MEFIN website should be assessed regularly in terms of appreciation, user-friendliness and quality and regularly updated to take account of stakeholders' feedback.

### Overall assessment of effectiveness

- 108.** Given that all three indicators at outcome level were exceeded (M1: 120%, M2: 233%, M3: 108%), it is safe to say that the project has achieved its outcome on time. No additional indicators were needed to address the project objective. The evaluation team therefore awards 40 out of 40 points in this dimension.
- 109.** For the contribution made by activities and outputs to the project objective, the evaluation team awards 26 out of 30 points in this dimension. In terms of the output indicators, it can be stated that the indicators for output A and C have been achieved and the indicators for output B and D exceeded. The contribution analyses provided evidence that the activities and outputs contributed to the project objective. For instance, all interviewed partners confirmed that knowledge sharing is indeed institutionalised through the establishment and formalisation of the MEFIN network (as agreed by the regulators themselves), the PPDs, webinars (Tuesdays with MEFIN) and through access to the MEFIN network's website, where best practices relating to regulations and business models are made accessible. In addition, all interviewed supervisors confirmed the usefulness of PPDs and webinars for enriching and expanding their knowledge. The full score is not awarded because there appears to be some room for improvement in terms of i) the quality of technical inputs provided in the PPDs, ii) the limited access to webinars (due to technological issues), iii) limited scope for discussions during the webinars, iv) the lack of any assessment of the usefulness and quality of the webinars and v) the failure to use some of the instruments developed by the MEFIN network.
- 110.** Given the feedback provided by stakeholders and based on the evaluators' observations, it appears that no negative results have been produced by the project. At output and outcome level, the following positive aspects can be summarised: the MEFIN members' very high level of trust, willingness and commitment to promote inclusive insurance solutions, especially for the low-income and the informal sectors, have been successfully translated into business models that provide affordable microinsurance products. However, potential unintended positive results at outcome level do not appear to be explicitly monitored and exploited. The evaluation team awards 29 out of 30 points in this dimension.
- 111.** The overall score for the assessment criterion 'effectiveness' adds up to 94 out of 100 points: very successful.

Effectiveness	The project achieved the objective (outcome) on time in accordance with the project objective's indicators.	40 out of 40 points
	The project activities and outputs contributed substantially to the achievement of the project objective (outcome).	25 out of 30 points
	No project-related negative results have occurred – and if any negative results occurred, the project responded adequately.	29 out of 30 points
	The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.	
Overall Score and Rating: <b>VERY SUCCESSFUL</b>		Score: 94 out of 100 points

### 5.3 Impact

#### Evaluation basis

- 112.** Within the scope of this impact criterion, the evaluation team assessed whether intended overarching development results have occurred or are foreseen that are displayed outside the system boundary. This also included a brief assessment of the assigned identifiers (*Kennungen*) as an additional reference point for intended impacts, particularly in the following areas: 1) participatory development and good governance (PD/GG-1); (2) gender equality (GG-1); (3) climate change adaptation (KLA-1); (4) rural development (LE-1).
- 113.** The evaluators also assessed the extent to which the intervention contributes (or contributed) to the achievement of overarching development results. In this regard, the assessment relates to the contribution to results in the results models outside the system boundary and to the implementation of international development agendas (SDGs). It was also assessed to what extent and how the general population, as the ultimate target group, is affected by the intervention. With regard to the ultimate target group (consumers of MI), however, there is an attribution gap between the module objective and the general population, which is not considered in any indicators in the indicator system. Moreover, primary data at population level were difficult to collect within the framework of this study, which draws more on secondary sources and relies on interview partners from regulators, insurance associations and private insurers. The explanatory power of the analysis with regard to impact at population level is therefore limited.
- 114.** Finally, the assessment of the impact criterion included an analysis of unintended results, i.e. if project-related negative results have occurred – and if so, to what extent the project responded adequately. It also looked at the extent to which positive unintended results were monitored and used as additional opportunities.



**115.** According to the evaluators, for a fair grading, the impact assessment always needs to be put into context (see also the sustainability criterion). For instance, in general it is more challenging for a small-budget project to contribute to an impact at goal or target group level than is the case for a big-budget project. At the same time, the potential to contribute to impacts at goal level also depends on the proximity to partners and the number of partners and countries involved. For instance, it is more demanding to create an impact in seven countries than in one country. The evaluators' assessment takes the set-up and budget of this project into account.

**116.** The findings below are based on feedback gathered in the three countries visited and on secondary data provided by the project and the project's own research data. This assessment does not claim to provide a full picture of all seven countries involved in the project but aims to show the potential for impact.

### **Evaluation dimension 1: overarching development results**

*Changes at the impact level (private insurers): private insurers change their business practices and offer valuable insurance services*

**117.** It can be stated that inclusive insurance solutions, especially for the low-income and the informal sectors, have been successfully translated into business models that provide affordable microinsurance products. These products are now accessible through various channels, e.g. traditional insurers with microinsurance product offerings (all countries), microcredit social organisations like the TYM in Vietnam, rural banks (PH), cooperatives (PH), microinsurance mutual benefit associations (PH), Sharia associations (INDO), pawnshops (PH and INDO), online channels (PH and INDO), mobile network operators (PH and INDO), taxi network operators (INDO) and convenience stores (INDO) (*Int\_10N, FGD\_10R, FGD\_23C, FGD\_12Z, Int\_10B, Int\_25P, FGD\_01T, FGD\_04P, MEFIN website*). However, this does not apply to all countries in the same way. In some countries like Viet Nam, there are still no private insurers participating in the MEFIN activities (*Int\_17D*) because it appears that there is a preference to work with social organisations that are close to the political party, such as the Vietnam Women's Union.

**118.** The proportion of insurers engaged in MI varies (sources: country RIAs):

- Sri Lanka (3 out of 35);
- Indonesia (95 out of 140);
- Mongolia (2 out of 17);
- Nepal (36 out of 36); (100% because the Insurance Board (IB) Nepal obliges all insurance companies in Nepal to have at least 5% of their portfolio as MI, effective July 2016)
- Pakistan (17 out of 50);
- Viet Nam (3 out of 35)<sup>7</sup>;
- Philippines (17 out of 85).

*Additional findings at the impact level: determinants of final beneficiaries' behavioural intentions*

**119.** Beyond simply assessing whether the MI provided is appreciated by poor households, this evaluation took a closer look at what drives the consumers' intention to purchase MI products. The online survey therefore included questions on consumers' intention, which followed the Theory of Planned Behaviour introduced in the inception report (see inception report). The box below provides basic information on the Theory of Planned Behaviour.

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<sup>7</sup> As stated in the Prime Minister's decision paper on MI, only three social organisations are allowed to engage in MI. Some commercial insurers, like ManuLife, provide MI products but only as a corporate social responsibility activity. In the draft Microinsurance Decree, only socio-political organisations will be allowed to provide MI.

### Theory of Planned Behaviour:

In the evaluators' opinion, a methodical challenge for this evaluation at impact level was to build a bridge between consumers' subjective perceptions and the intention of these stakeholders to purchase MI products. The evaluation team therefore believed that motivation and behaviour should be given a prominent place in this evaluation. The evaluation team considered the Theory of Planned Behaviour (TPB) to be an appropriate methodological addendum to the application of the OECD/DAC criteria and the contribution analysis. The TPB was developed in the 1990s by Icek Ajzen and has established itself in recent decades as the dominant framework for explaining and predicting behaviour in country-wide reform processes. It is mainly concerned with the extent to which one can predict and explain a person's behaviour towards a desired change (e.g. purchasing MI products) if one knows a person's attitude towards this change and the determinants that influence this attitude. The TPB is undoubtedly a very robust theory that has been successfully tested and applied empirically in numerous change processes and in various contexts, countries and sectors (Ajzen 1991; Pavlou & Fygenson 2006; Kautonen et al. 2017)<sup>8</sup>. According to this theory, intention is the best determinant of behaviour (predictor). The intention is influenced by three factors: 1. attitude towards behaviour, 2. subjective norms, 3. perceived behaviour control, which are briefly explained in the following table:

	1) personal attitude towards behaviour	2) subjective norm	3) perceived behavioural control
<b>A national actor will perform a behaviour if...</b>	... he/she assesses the behaviour and the expected consequences positively.	... he/she believes that stakeholders/colleagues/people of importance would also advocate the performance of this behaviour.	... the performance of the planned behaviour is not perceived as too difficult.
If the person evaluates all three determinants positively, the probability is high that the intention is positive and the behaviour is performed.			

**120.** The following figure shows the result of the analysis of the answers to the TPB questions on consumers' intention to purchase MI products.

<sup>8</sup> Ajzen, I. 1991: The theory of planned behavior, in: Organizational behavior and human decision processes, 50(2), 179-211; Pavlou, P.A. & Mendel, F. 2006: Understanding and Predicting Electronic Commerce Adoption: An Extension of the Theory of Planned Behavior, MIS Quarterly 30(1), 115-143; Kautonen, T, van Gelderen, M., Fink, M. 2017: Robustness of the Theory of Planned Behavior in Predicting Entrepreneurial Intentions and Actions, in: Entrepreneurship Theory and Practice 39(3), 655-674.

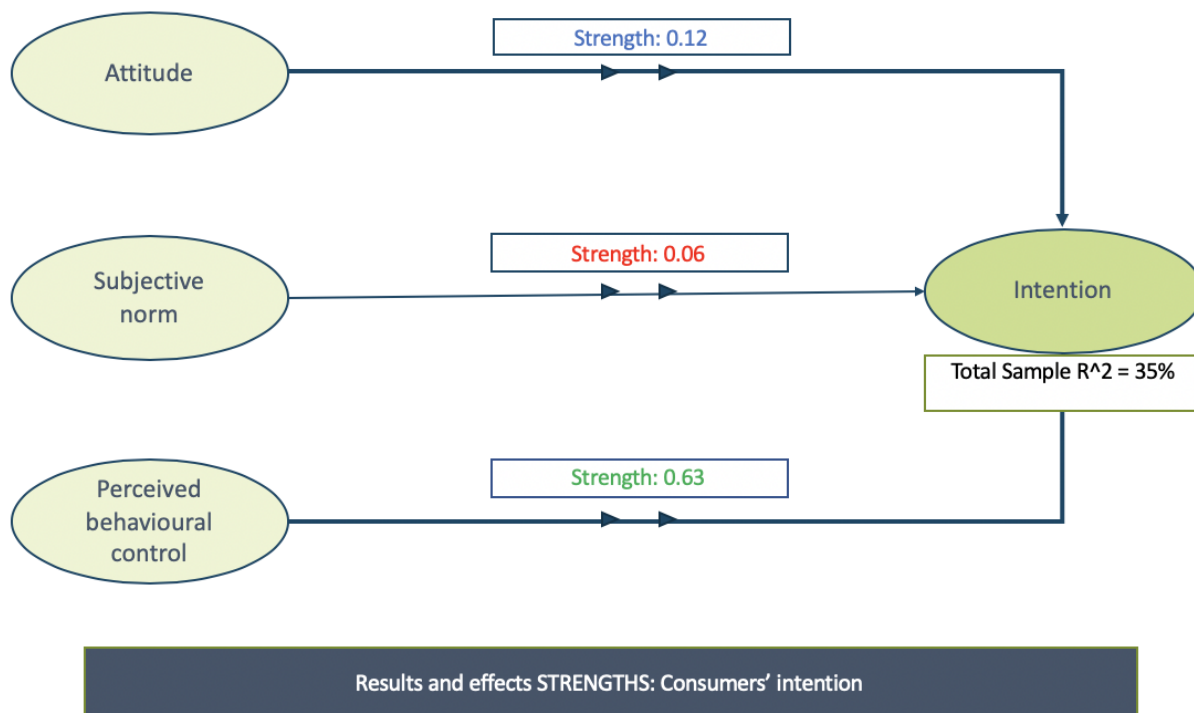


Figure 3: Results of the Theory of Planned Behaviour

- 121.** In total, 14 female consumers from the Philippines participated in the survey. A total of 35% (expressed by  $R^2$ ) of the intention of these consumers to purchase MI products can be statistically explained by the Theory of Planned Behaviour. All factors (attitude, subjective norm and perceived behavioural control) have a positive effect on consumers' intention to purchase MI products.
- 122.** Perceived behavioural control has the strongest effect of all factors (.63). This means that practical limitations (lack of funds, knowledge, financial literacy, access, etc.) have a strong effect on the consumers' intention to purchase MI products. To keep the intention high or to increase the intention of (additional) consumers, it appears necessary in phase 3 of the project to additionally focus on measures that will facilitate the purchase of MI products, i.e. on factors that will make the purchase more 'effortless'.
- 123.** Attitude (.12). has a positive but not a very strong effect on the consumers' intention, suggesting that measures affecting consumers' personal attitudes (e.g. personal motivation because of the expected benefits for their own lives) are not as relevant as addressing practical limitations. According to the statistical results, measures that contribute to positive expectations (such as awareness campaigns on the benefits of MI) thus appear to be less powerful than solutions that directly facilitate the purchase of MI products (e.g. purchase of MI products via a mobile app).
- 124.** Subjective norm has – overall – the smallest effect (0.06) on consumers' intention to purchase MI products. This means that the opinions and attitudes of persons who are important to the consumers (e.g. family members) do not have a strong effect on consumers' intention. According to these statistical results, it does not appear necessary for the project to additionally focus in phase 3 on measures that positively affect the attitudes of the consumers' families and/or communities.
- 125.** However, it should be noted that the sample size is quite small, and information could only be gathered in the Philippines, so these results are not representative for all MEFIN countries. However, given the interesting findings described above, the evaluation team strongly recommends conducting another survey based on the TBP in phase 3 in order to develop target-oriented measures which are likely to have a strong impact on consumers' intentions.

- 126.** The MEFIN members' commitment to promote inclusive insurance solutions, especially for the low-income and informal sectors, has been successfully translated into business models that provide affordable microinsurance products (see effectiveness chapter). These products are accessible through various channels. It can be stated that most of the products were designed for MSMEs, women, farmers and poor households, thus allowing for a strong poverty orientation (MSA). Most of the interviewed stakeholders emphasised the high motivation to address vulnerable groups, such as village dwellers or (HIV-affected) women, through health or life MI, for instance (*Int\_08T, FGD\_01T, FGD\_04P, BMZ progress report 2017, MEFIN website*). As expressed by most of the interview partners, the project does indeed place a strong emphasis on the 'leave no one behind' (LNOB) principle by offering products that are targeted at vulnerable groups, easy to understand and support 'often left behind' people regardless of their backgrounds, assisting them to fulfil their potential and lead decent, dignified and protected lives in a healthy environment (*Int\_08T, Int\_10B*).
- 127.** Furthermore, the project takes its identifier into account by supporting participatory development and good governance (PD/GG-1). For instance, the multi-stakeholder dialogue which is conducted after each RIA serves as a forum for consensus among the regulators and the other stakeholders on the necessary improvements in regulation and supervision and in market development (*BMZ progress report 2017, MEFIN website*). In addition, each TWG comprises actors from the public and private sector, allowing collaboration on equal terms (*Int\_10N, FGD\_13M, FGD\_01S, FGD\_18C*) and participatory development of MI products.
- 128.** In terms of gender equality, the project received the identifier GG-1. Indeed, gender is an important secondary objective of the project and is also considered in the selection of MEFIN stakeholders and the provision of services for women. For instance, the project supported the development of two (2) business models intended mainly to cater to the needs of women. They were documented in two (2) factsheets: (a) Vietnam: Delivering Microinsurance to Women by Viet Nam's Women's Union: The Role of Regulation in Pilot Testing; and (b) Pakistan: Delivering Health Based Plan for Women and Their Families Through a Non-Government Organization (*Int\_08T, MEFIN website, BMZ progress report 2017*). Another important lesson learned is that financial literacy programmes should be tailored to women's specific needs for risk protection. The financial sector is recognising increasingly that women's client profile is different from men's due to their gender-diverse life cycle needs and associated risks resulting from cultural norms, socio-economic patterns and biological differences. Addressing these needs of female client segments presents a market opportunity for insurers and intermediaries. To seize this opportunity the project contributed to gender-differentiated product and distribution strategies and provided focused support for awareness and financial literacy campaigns (*Int\_08T, Study Report Vietnam 2018*).
- 129.** In terms of climate change adaptation, the project received the identifier KLA-1. The Diagnostic Toolkit for Insurance Against Natural Catastrophes for MSMEs developed by MEFIN (supported by the project) promotes natural catastrophe (NatCat) insurance for MSMEs, especially in the agriculture and mining sectors. The toolkit, also called the Disaster Risk Insurance Manual (DRIM), was successfully tested for its application for microfinance institutions through training workshops in Viet Nam, Nepal, Mongolia and Pakistan. Recently, the project launched climate risk insurance (CRI), recognising that the partner countries Indonesia, Philippines and Viet Nam are increasingly affected by climate change (*World Risk Report 2017*). Jointly with these three partner countries, concepts for climate risk insurance (CRI) were developed and made available using a holistic capacity development approach based on systems thinking. It builds on the increased willingness of governments and populations to hedge against extreme weather events and targets individuals, organisations and society as a whole (*MEFIN website*).
- 130.** With the agricultural sector as their main source of employment, the participating countries are home to large numbers of extremely poor and poverty-endangered households (*MEFIN website*). In terms of rural development, the project therefore received the identifier LE-1. Developing inclusive insurance products and increasing microentrepreneurs' and poor farming households' access to them are priorities for the insurance companies participating in MEFIN. This is exemplified in the business models the companies have developed to address the microhealth, micro enterprise and disaster risk insurance needs of rural populations in agricultural and mining areas (*MEFIN website, BMZ progress report 2017*).

## Evaluation dimension 2: contribution

### General remarks on the contribution to the overarching development results

- 131.** The evaluation team considers it important to point out that this project's contribution to overarching development results appears to be limited by its design. The project operates in seven Asian countries with different cultural backgrounds and (economic and religious) conditions (*Int\_13P, FGD\_01T*). It was repeatedly mentioned during the evaluation mission that it is 'hard to find a common denominator among the countries' (*Int\_13P*). Furthermore, the budget available to contribute to the overarching development results in seven countries is considered very small (*FGD\_01T*). GIZ staff members are only available in the Philippines (project's head office) and Viet Nam (only one member of staff) and most of the cooperation with partners is limited to remote support and a few get-together events per year. Thus, at first glance the limited (physical) proximity to partners, the low budget and the dependence on the partners' motivation and willingness in the long run to make change happen in the MI market appear to make it difficult to substantially contribute to overarching development results. However, according to the evaluators, it is astonishing to what extent the project has indeed contributed to the results at impact level given the limitations of the project set-up (as described below). In addition, considering that a third phase of RFPI II has already been approved, the project will certainly continue to contribute to overarching development results.
- 132.** According to the results model (see Section 3.2), the only result within the system boundary of the project that is to make a contribution to the overarching development results is the project objective '*regulatory framework and supervision practices for the promotion of inclusive insurance markets are implemented*', in particular to 'private insurers change their business practices and offer valuable insurance services' and 'increased consumer trust'. In particular, the way in which indicator 3 for the project objective is formulated and fulfilled shows that the project objective has indeed made a contribution to the overarching development results.

*Indicator 3 for the project objective: 'Five insurance associations from five Asian countries confirm that the existing regulatory frameworks have promoted 25 innovative business models for insurance targeted at the low-income sector and micro enterprises.' (Target: 25; actual value: 27)*

- 133.** It was repeatedly mentioned in interviews and focus group discussions that based on past experience, adhering to the principles of the regulatory frameworks greatly increases consumer trust, especially given that payments are processed much more quickly (often within a few days and within 10 days max. according to the regulatory frameworks implemented) (*FGD\_10R, FGD\_23C, FGD\_12Z*). In addition, the purchase of insurance products became much easier through the regulatory frameworks, for instance through the use of plain language in insurance policies that can be easily understood by everyone, contributing to more trust; this is also evidenced through increased uptake (see *MEFIN website, RIAs*). Furthermore, interviewed insurance companies and insurance associations confirmed that through the introduction of new business models, following the principles of the regulatory frameworks, private insurers automatically needed to adapt their business practices (e.g. quick payment, affordability, accessibility, simplicity of requirements, plain language) to address the actual needs of MSMEs, vulnerable groups, farmers and women (*Int\_10N, Int\_10B*). During the evaluation mission, however, the evaluation team found evidence not only that the regulatory
- 134.** During the evaluation mission, however, the evaluation team found evidence not only that the regulatory frameworks in place made a positive contribution to the overarching development results (as anticipated by the results model) but also that the strong cooperation between the project and the insurance providers, insurance associations and regulators was characterised by trust, courtesy and the ambition to make change happen. In fact, many activities initiated by the insurance providers have been strongly supported by GIZ (*Int\_10N, FGD\_10R, FGD\_23C, FGD\_12Z*). More details are provided in this chapter.
- 135.** The findings on the contributions to overarching development results below are based on anecdotal perceptions of these results and secondary data, which nevertheless show that the project makes a significant contribution to overarching development results.

### Contribution to changed business practice



**136.** It is safe to say that not only the regulatory frameworks in place but as a result of GIZ's engagement also the MEFIN members' commitment to promote inclusive insurance solutions especially for the low-income and the informal sectors led to the development of affordable MI products which required a change of business practices to meet the needs of the poor and 'often left behind' target group. These products are now accessible through various channels (e.g. mobile phone network operators (MNOs), banks, microfinance institutions (MFIs) and utility companies) (*MEFIN website, FGD\_18C, FGD\_13R, FGD\_07B*). All interviewed insurance providers in the Philippines and Indonesia confirmed that without MEFIN, it is likely that they would have changed their business practice (following the principles of the regulatory frameworks) only at a later stage or not at all. The motivation to participate was mainly due to GIZ's outstanding reputation, especially in the Philippines (*Int\_10B, Int\_07R*), and its efforts to convince champions of insurers to come on board and advance inclusive insurance that serves as a role model for many other companies in the MI sector (*Int\_10N, Int\_10B*).

**137.** As also mentioned by several insurers, the basis for changing business practices is the trust (or anticipation) that different business practices will lead to more profit or other benefits for the insurers (*Int\_25P, Int\_10B, Int\_07R*). This trust can be built by two main factors to which the project successfully contributed and which led to changed business practices (*FGD\_01T, FGD\_04P, Int\_10N, Int\_10B*):

- a. Role models and successful cases of different business practices leading to more clients and visibility: Insurers, associations and regulators from both Viet Nam and Indonesia confirmed that the Philippines serves as a great role model and that it is very valuable and encouraging to see what has been achieved there (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_13R, FGD\_07B, FGD\_10R, FGD\_23C, FGD\_12Z, Int\_25P, Int\_10N, Int\_08T*). The approaches adopted in the Philippines appear to open other countries' eyes to what is feasible in terms of MI. Some other countries have only recently launched MI products and confirm that they are keen to avoid the same mistakes (*Int\_08T, Int\_17D*). As one interview partner stated: 'Appreciation becomes visible when other countries copy.' This would certainly seem to be the case in the Philippines (*FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C*). Furthermore, a few insurers appear to serve as role models when it comes to increasing the visibility of the company via MI (*Int\_10B*). MI services are often considered a CSR initiative and awarded with visibility and recognition by potential consumers (*Int\_07R, Int\_10B*). There appears to be great appreciation of the companies which are successfully engaged in MI (*Int\_07R, FGD\_13R, FGD\_07B, FGD\_10R, FGD\_23C, FGD\_12Z*). In general, role models coming from the private sector appear to be quite important in changing the business practices of future private insurers, especially given that the private sector is still quite insecure about MI as not much data are available for the MI sector (*FGD\_07BEL, FGD\_09I*).
- b. Personal connections among insurers and between insurers and regulators: As confirmed by most of the interview partners, trust through personal connections leads to an increased willingness and motivation to listen to other success or failure stories with an open mind (*Int\_10N, Int\_08T*). The PPDs also appear to be a very good platform for creating trust in an environment away from daily work and stress, offering an opportunity to exchange also on a personal level. This personal exchange is very much appreciated by all interviewed partners who participated in a PPD. The first PPD in July 2016 focused on the concept of proportionality in regulations and business models and successfully strengthened cooperation and increased the private sector's participation in developing the inclusive insurance market. The positive experience of this first PPD set the tone and atmosphere that determined the following PPDs, which further increased the participation of both government and private players, especially in the thematic areas of health, agriculture, disaster risk and MSMEs (*BMZ progress report, FGD\_01T, FGD\_04P*). It was repeatedly mentioned that the PPDs allow cooperation and exchange on equal terms between the public and private sector. The evaluation team received the feedback that in the past regulators often used highly technical language, which would have made it difficult to convince MI consumers. The exchange with the private sector and the willingness to listen to private insurers' experiences and expertise helped regulators develop as role models, encouraging future private insurers to change their business practices in the long run (*Int\_10N*).

**138.** Another aspect that was mentioned frequently in interviews was that documentation in the MI sector is generally weak. MEFIN helped increase awareness of the importance of documentation and provided practical examples of how to document experiences and relevant data more effectively (*Int\_25P, Int\_10N*).

Although the evaluation team has no evidence of improved documentation at the insurers' level, it appears very credible that MEFIN positively affected the documentation culture among MEFIN participants (as a business practice), considering the feedback received in all interviews but also the high quality of the MEFIN website, which is very well-structured and informative (showcasing activities, achievements, partnerships, products, etc.).

#### *Contribution to consumer trust*

- 139.** As confirmed by the interviewed insurance providers, adhering to the principles of the regulatory frameworks increases consumer trust (almost) automatically through quick payments, product affordability, accessibility, simplicity of requirements, and plain language (*Int\_10B, Int\_25P, Int\_10N*). However, it became clear in the interviews that in the end, creating consumer trust is the responsibility of insurers, as they have direct contact to this target group (*FGD\_10R, FGD\_23C, FGD\_12Z*). To make a strong contribution to this overarching development result, it therefore appears to be of utmost importance to engage and sensitise private insurers as much as possible (*Int\_10N, FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z*). In this regard, it can be stated that without the project, many champions and private insurers would not be part of the MEFIN network (*Int\_10B, Int\_07R*). According to the evaluators, this contribution must be assessed very positively given the small budget and limited opportunities to provide (material or financial) incentives (*Int\_10N, Int\_07R*).
- 140.** Although the regulatory frameworks have indeed made (and continue to make) a contribution to consumer trust, it was frequently mentioned that for private insurers there are no constraints on or limitations to 'overperforming', e.g. there are no restrictions on paying within five days rather than 10 (following the principles of the regulatory frameworks), which would certainly increase consumer trust in MI and the insurance providers (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13R, FGD\_07B, Int\_10B*). This shows how crucial the role and behaviour of private insurers are in developing consumer trust. Any measure or incentive that contributes to the willingness and motivation to 'overperform', therefore, will additionally contribute positively to consumer trust (*FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C*). In this regard, however, the evaluation team has not found any evidence for incentivising insurers 'to go this extra mile' (*FGD\_13M, FGD\_01S, FGD\_18C, FGD\_13R, FGD\_07B*). However, this does not necessarily mean that these incentives do not exist. In addition, given the high motivation expressed by the interviewed MEFIN stakeholders and bearing in mind that consumer trust is in the interests of the whole MEFIN network (otherwise stakeholders would not be part of MEFIN (*Int\_10B, FGD\_13R, FGD\_07B*)), it is also safe to say that each stakeholder made a contribution to a greater or lesser extent (*Int\_08T, Int\_10B, FGD\_01T, FGD\_04P*).
- 141.** Furthermore, the evaluation team received the feedback that some names and titles of business models and products are perceived – to some extent – to be 'counterproductive' and apparently do not contribute to consumer trust (*Int\_07R*). Given the need for simplicity of requirements and especially the focus on clear and convincing language, it was frequently mentioned that, for instance, 'climate risk insurance' does not sound appealing and has a negative connotation while other insurance services are formulated in a more neutral (e.g. health, life) or more attractive way; examples are SEKOCI, Bahasa Indonesia, meaning 'lifeboat', and TYM, which in Vietnamese means 'I love you' – which apparently appeals to Vietnamese women. It is not the aim of this evaluation report to assess names and titles of all business models, products, instruments and publications in detail. The main message is that in the view of some interview partners, there is room for improvement when it comes to wording and naming, given the importance of language and semantics in the MI sector (even if this only has a minor impact on consumer trust) (*Int\_07R, Int\_10N, Int\_08T*).
- 142.** The awareness campaigns supported and initiated by GIZ – although not explicitly covered by a causal pathway in the results model – also increased consumer trust within the project framework, e.g. by promoting MI awareness. A total of 4,000 local government units were reached in one year, which for Cebuana translated to an increase of 1.5 million policies per month and 118 million policies per year (*Int\_13P, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C*). It was repeatedly mentioned by insurance providers that GIZ greatly increased the quality of their campaigns, although they had been originally initiated by the insurance providers themselves. It was stated that GIZ always showed willingness to provide support (*Int\_13P*), particularly by developing target group-oriented marketing materials and summarising complex issues in user-friendly and convincing language in flyers, banners,

video clips, etc. (*Int\_13P, Int\_07R*). It goes without saying that successful awareness campaigns (as the name suggests) increase awareness and contribute to consumer trust.

#### *Contribution to increased financial literacy*

- 143.** Financial literacy is seen as an important prerequisite for unlocking barriers to financial inclusion. Various studies have shown that there is a significant correlation between financial inclusion and financial education (*OECD / World Bank 2012, 2013 and 2014*). However, many Asian countries do not have a formal national strategy for financial education, nor have they assessed the financial literacy of their populations (*Study report Nepal 2018, MEFIN website*). This is why it appears surprising that in the results model no causal pathway was identified that leads to this crucial overarching development result to which the project as a whole is supposed to contribute. At first glance, it appears obvious that given the project's limited budget, its contribution to financial literacy is also limited. However, the project found smart and creative ways to involve 'champions' as multipliers to advance financial literacy, as described below. This is why the evaluation strongly recommends adding additional pathways to the results model.
- 144.** It is safe to say that over the years the project has gathered significant experience in the area of financial literacy, in particular insurance literacy and insurance awareness (*Int\_08T*). An important lesson learned was the need to tailor financial literacy programmes to the specific needs of the target group (e.g. vulnerable groups, poor households and MSMEs) (*Int\_08T*). All three countries visited confirmed that the awareness and financial literacy campaigns contributed positively to an increased level of financial literacy (*ISA, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, FGD\_13R, FGD\_07B*). For instance, in the Philippines, financial literacy campaigns started much earlier than in many other Asian countries, hence the visibly stronger impact on the level of financial literacy here (*FGD\_07BEL, FGD\_09I*). However, financial literacy initiatives have been successfully implemented in other countries too. In Viet Nam, for instance, it was reported that there is an increased level of financial literacy among women in rural areas because women have been successfully taught in targeted workshops that insurance protection is not only for individuals but for the whole family. This addressed their sense of responsibility towards their families (*Int\_08T*).
- 145.** As mentioned above, GIZ successfully supported private insurers in implementing awareness programmes by developing user-friendly and effective instruments for promoting MI (e.g. flyers), especially in the area of microhealth, life and accident insurance (*Int\_13P*). This contribution is not really reflected in the results model, perhaps because it was already part of the first phase of RFPI. However, given that this support was repeatedly highlighted by the interviewed private insurers, consideration should be given to including awareness and financial literacy campaigns in the results model, especially given that there is a need to conduct such campaigns on an ongoing basis (*FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, Int\_13P*). The evaluation team has been informed that GIZ started supporting awareness campaigns back in 2009, initially with DOF, IC and ADB. GIZ's programme manager met the Vice President of Cebuana a little later and they agreed to cooperate and signed a MoU. Together, they implemented one of the first awareness campaigns to promote MI in the Philippines (*Int\_13P*).
- 146.** As a result of the successful awareness campaigns in the past, some private insurers are still actively engaged in increasing financial literacy and consumer trust independently of the project and GIZ. Initiatives such as MI on Wheels to promote MI in the homes of the target groups, along with intensive media engagement and field work, made a significant contribution (<https://www.cebuanalhuillier.com/microinsurance/>) (*Int\_13P*). Other insurers also cooperate intensively with MFI to increase awareness and financial literacy (*Int\_25P*).
- 147.** In Indonesia, the evaluation team has been informed that the World Bank is the largest donor to financial literacy and is noted for its strong involvement in the MI sector. In Indonesia, for instance, financial literacy is already addressed in schools as part of the curriculum. The aim is to make aspects of financial literacy / consumer trust / awareness part of the curriculum in all schools by 2020 (*FGD\_13M, FGD\_01S, FGD\_18C*).

#### *Contribution to increased access to insurance services*

- 148.** As postulated by the results model, consumer protection and financial literacy are key to increasing responsible access to financial services. It was stated by most of the interview partners that consumer



protection has been strengthened, ensuring that households have access to clear and transparent information about the costs, risks and benefits of financial products (*Int\_13P, Int\_10N, Int\_07R, FGD\_13R, FGD\_07B*). The pathway from financial literacy and increased access to insurance service certainly holds true in reality in the visited countries as financial literacy has equipped consumers with the tools needed to make complex financial decisions. Together, consumer protection and financial literacy build public confidence in financial institutions, thus encouraging savings and long-term investments that promote depth in the financial system (*MEFIN website, FGD\_07BEL, FGD\_09I, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C*).

- 149.** However, given that progress relies on a comprehensive approach by financial services providers, government, regulators, technology and communications services to adapt and respond to market needs and considering that the attribution gap is bigger compared to the link to the above-mentioned overarching development results, it is difficult to talk here about actual contribution. In fact, all players need to find creative solutions to tackle challenges and harness opportunities to enable and improve financial inclusion in a digital age in Asia and the Pacific (*Study report Nepal 2018, MEFIN website*).

#### *Counterfactual analysis*

- 150.** The question ‘what would have happened without the project’ is very difficult to answer, especially given that the number of days for this CPE and the evaluation mission (only three out of seven countries could be visited) did not allow for a sophisticated counterfactual analysis. It should therefore be noted that the explanatory power of the findings below is limited and based on individual perceptions and the evaluators’ observations.
- 151.** However, it is safe to say that the project has indeed made a strong contribution to engaging and sensitising private insurers. As mentioned above, it can be stated that without the project, many champions and private insurers who currently serve as role models in the MEFIN network would not be part of this network at all (*Int\_13P, Int\_07R*). Nevertheless, some interviewed insurers also confirmed that although they appreciate the MEFIN network’s efforts, they do not actively promote or support the MEFIN network or attend its activities due to the limited time and resources available (*Int\_07R*) (see sustainability chapter for more information). However, although not all insurers show the same level of engagement and motivation, it is still a great achievement to have several (including several large) private insurers participating in the MEFIN network (*Int\_07R, Int\_25P*), which may have a positive impact on other insurers’ business practices, consumer trust and access to new insurance products.

#### *Influencing the general conditions*

- 152.** Given the limited scope of the evaluation, the number of countries involved in the project and the limited numbers of working days for the evaluation mission, it is almost impossible to assess robustly to what extent the impact of the project has been positively or negatively influenced by the general conditions in the host countries, other policy areas, strategies or interests. As noted in relation to previous sections, the explanatory power of the findings below is limited and based on individual perceptions and the evaluators’ observations.
- 153.** As highlighted above, according to the evaluators’ analysis the project has indeed made a contribution to increased financial literacy, especially in the countries visited. In particular, financial literacy appears to be more advanced in the Philippines and Indonesia than in other participating countries. However, during the field visit to Indonesia, interview partners drew attention to the fact that the increase in financial literacy in recent years was mainly achieved with substantial support from the World Bank, which was very much appreciated (*FGD\_13M, FGD\_01S, FGD\_18C, Int\_10N*). It is very likely that other achievements are also positively influenced by other development interventions and donors. However, in the evaluation period, the evaluators found no indications of any additional significant factor that influenced the overarching development results at impact level negatively or positively.

*Active and systematic contribution to widespread impact (four dimensions: relevance, quality, quantity, sustainability; scaling-up approaches: vertical, horizontal, functional or combined)*

- 154.** Most of the measurable contributions at impact level have been described already in the previous sections in this chapter. Several other contributions with impact on sustainability are discussed in the sustainability chapter. Contributions to the quality and quantity dimensions and the relevance of ‘widespread impact’ at

impact level cannot be identified robustly by this evaluation given the set-up of the project and the evaluation itself. Even anecdotal evidence was difficult to gather at this level.

- 155.** However, when it comes to horizontal and vertical scaling-up, it can be stated that the PPDs and webinars made a major contribution to changed business practices and changed perceptions/awareness with positive trickle-down (regulators to insurers) or trickle-up effects (insurers to regulators) (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z*). As highlighted before, PPDs and webinars and the topics addressed by them were very much appreciated (*FGD\_10R, FGD\_23C, FGD\_12Z*). Some companies even participated in various PPDs (e.g. WCG in Mongolia and Sri Lanka), which is an indicator of appreciation (*Int\_07R*). Many times, it was confirmed that GIZ is the driving force in setting up the PPDs and webinars and thus made a major contribution to this impact (*FGD\_13R, FGD\_07B*).

### Evaluation dimension 3 (unintended results)

#### *Positive or negative unintended results at impact level*

- 156.** It was repeatedly mentioned that the project's leading role in the MI sub-stream of the ABAC / APFF (APEC Business Advisory Council / Asia-Pacific Financial Forum), the private sector counterpart of APEC, is a very positive result, albeit not formally agreed/planned, leading to the drafting of the Financial Inclusion Roadmap. This Roadmap promotes inclusive insurance and is actively supported by regulations and supervisory systems for the economically challenged, specifically low-income groups, and micro enterprises, also contributing to initiatives in gender equality, responses to climate change risks and Agenda 2030's SDG on poverty reduction. The Roadmap has been endorsed already by the Finance Ministers' Process last year (2018 APEC Papua New Guinea) for implementation by the APEC emerging economies (*FGD\_01T, FGD\_04P*).

- 157.** Other unintended results were not observed at the impact level.

#### *Handling of risks and unintended results at the impact level*

- 158.** Given that the involvement in seven countries entails risks by its very nature, the assessment of the project's risk analysis and handling provides a mixed picture. On the one hand, the evaluators have not found evidence that the project follows a specific strategy to address any risks. On the other hand, it has to be highlighted that the project maintains very close contact to all MEFIN members (through regular calls, webinars, PPDs and other ad hoc events), which keeps them aware and updated about trends and new developments, allowing them to intervene quickly if needed (see also effectiveness chapter). The project sought to apply its technical advisory capacity flexibly so as to mitigate the risks as much as possible on an ad hoc basis (*Int\_13P, Int\_19P, FGD\_01M, FGD\_04P, FGD\_01T*). In addition, it was repeatedly mentioned in interviews and focus group discussions that adhering to the principles of the regulatory frameworks also mitigates the risk that insurance providers will not adapt their payment practices and consumers will be unable to claim their rights, especially given that payments are to be processed much more quickly (often within a few days and within 10 days max., according to the regulatory frameworks) (*FGD\_10R, FGD\_23C, FGD\_12Z*). In the end, the interviewed insurance companies and insurance associations confirmed that through the introduction of new business models, following the principles of the regulatory frameworks, private insurers automatically needed to adapt their business practices (e.g. quick payment, affordability, accessibility, simplicity of requirements, plain language) to address the actual needs of MSMEs, vulnerable groups, farmers and women (*Int\_10N, Int\_10B*).

#### *Potential synergies between the environmental, economic and social dimensions*

- 159.** It is safe to say that synergies between the three dimensions of sustainability (environmental, economic and social) are utilised as far as possible in the context of MI and financial inclusion, as the following example shows:

**Example:** Climate change threatens the lives of farmers and their families. The use of climate risk insurance services (e.g. disaster risk insurance) protects farmers and their families (SOCIAL) from loss of property and financial ruin (ECONOMIC) resulting from natural disasters, for example. At the same time, by using the insurance services, farmers increase their awareness that climate change requires a different form of farming and operations (ENVIRONMENTAL).

## Overall assessment of impact

- 160.** Several overarching development results have been defined in the results model (see above). In addition, the project received many identifiers as additional reference points for intended impacts, particularly in the following areas: 1) participatory development and good governance (PD/GG-1); (2) gender equality (GG-1); (3) climate change adaptation (KLA-1); (4) rural development (LE-1). Many positive results can be observed at the impact level, as described above. However, the positive achievements do not apply for all countries in the same way. In some countries, for instance, there are still no private insurers participating in the MEFIN activities. The evaluation team awards 36 out of 40 points in this dimension.
- 161.** When it comes to the project's contribution to overarching development results, the evaluation team awards 27 out of 30 points. According to the evaluators, this high score is justified given the project's limited budget and complex structure and the many positive alternative explanations/factors for the results observed at impact level. The only question raised is why the contributions to the achievements in the different countries vary so much.
- 162.** Given the feedback provided by stakeholders and based on the evaluators' observations, it appears that no significant negative or positive results occurred. At the same time, the evaluators have not found evidence that the project follows a specific strategy to address any risks at impact level. The evaluation awards 27 out of 30 points in this dimension.
- 163.** The overall score for the assessment criterion impact adds up to 87 out of 100 points: successful.

Criterion	Assessment dimension	Score & Rating
Impact	The intended overarching development results have occurred or are foreseen.	36 out of 40 points
	The outcome of the project contributed to the overarching development results which occurred or are foreseen.	27 out of 30 points
	No project-related negative results at impact level have occurred – and if any negative results occurred the project responded adequately.	27 out of 30 points
	The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized.	
Overall Score and Rating: <b>SUCCESSFUL</b>		Score: 90 out of 100 points

## 5.4 Efficiency

### Evaluation basis

- 164.** The key issue under the criterion 'efficiency' is the question whether the project's use of resources is appropriate with regard to achieving both the outputs and the outcome (project objective). It was examined whether the level of resourcing (e.g. funding, expertise) has led to satisfactory results. Combining information on both project costs and results – the approach adopted in all robust efficiency analyses – provides more insights than looking at these two components separately. Focusing on results alone would limit the use of data in strategic decision-making. Focusing on costs alone may detract from the recommendations that aim to ensure quality in the results.
- 165.** The concept of efficiency is usually applied when a defined input is transformed into a result or an effect or is used to describe the implementation of processes, procedures and structures. In the field of international cooperation, aligned with the OECD-DAC criteria, efficiency is often defined as: 'a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results' (GIZ's guidelines on how to apply the 'follow the money' approach). In this definition, the term 'results' is understood as the output, outcome or impact of a development measure. According to this definition, a project can be considered efficient if a given input is used to maximise the results of the development measure. Consequently, efficiency is understood as transformation efficiency: inputs are transformed into results and effects whose relation to each other represents the efficiency of the measure.
- 166.** A distinction is made between two types: production and allocation efficiency. While the former evaluates the transformation of inputs to outputs, the latter evaluates the transformation of inputs to effects at outcome and impact level. This includes the analysis of the extent to which even more results at output level could have been achieved with the same overall use of funds. It is therefore not only a question of investigating how costs could have been saved, but rather of how existing resources could have been better used to achieve the desired results.
- 167.** There are many ways to evaluate a project's production efficiency. Following GIZ's guidelines on assessing efficiency, this central project evaluation applied the 'follow the money' approach as a standard method for analysing the project's production efficiency.
- 168.** The 'follow the money' approach is a pragmatic and comprehensive method for identifying potential improvements in a project's efficiency. All expenditures are allocated to the corresponding outputs of the project. While the first step involves a systematic 'mapping' of costs, the second step covers both the evaluation of cost expenditure per output and the assessments by involved or external actors. The strength of the 'follow the money' approach lies in the fact that project costs can be systematically tracked and costs that cannot be assigned to outputs easily identified. In addition, outputs can be identified that may make little or no contribution to the module goal. Other approaches were not considered given the evaluators' interpretation of the guiding documents for this CPE that 'follow the money' is GIZ's preferred approach. In addition, as each evaluation must also allow for its own efficiency, and given the limited time for this evaluation, it certainly made sense to consider established concepts that have proved their worth in practice.
- 169.** The evaluation team used an Excel tool developed by GIZ's Corporate Unit Evaluation to standardise the efficiency analysis of the project. The Excel tool takes into account GIZ's recommendations on analysing a project's efficiency. It refers to sources that are available in the project. These are
- the 'Kostenträger-Obligo' report for the project,
  - the comparison of planned budget figures with actual figures,
  - the results matrix, and
  - the contracts for possible procurements and possible funding.
- 170.** The Excel tool consists of six sheets: cockpit, costs, Co-Fi & Partner, target/actual planning, expert months and impact matrix.
- In the cockpit, the tool calculates the required distribution of costs to their respective outputs and puts this in relation to the achievement of objectives at indicator level.
  - On the costs sheet, the 'Kostenträger-Obligo' report for the project is entered and the individual costs are allocated to the outputs.

- On the Co-Fi & Partners sheet, cofinancing and partner contributions are recorded and allocated to the outputs.
- On the target/actual planning sheet, the target/actual planning of the project and the planned costs of the future outputs are entered (starting at the date of the evaluation).
- On the expert months sheet, the person days for the project employees per output are documented. They serve as the calculation basis for distributing the human resource costs to the project outputs.
- On the results matrix sheet, the impact matrix from the most recent progress report for the project is included in order to provide state-of-the-art data in the cockpit

**171.** The tool provides a good basis for evaluating the project's production efficiency criterion. However, the tool does not provide an 'automatic evaluation' of this criterion. Numbers and relations are also interpreted with the support of interviews and focus groups discussions conducted to allow for more robust statements on the project's efficiency.

**172.** In terms of the allocation efficiency, the evaluation team envisages assessing to what extent the project's use of resources is appropriate with regard to achieving its objective. However, the evaluation team would like to point out that assessing the allocation efficiency is one of the most demanding evaluation exercises. Given the number of days for this central project evaluation, the evaluation team was not able to apply robust approaches for measuring allocation efficiency, e.g. shadow price approaches or complex benchmarking methods; instead, it was based on findings on plausibility assumptions and anecdotal evidence.

### Evaluation dimension 1: production efficiency

**173.** The following assessments are based on information extracted from the 'Kosten-Obligo (costs and commitments) report' and further discussions with the project team and stakeholders, using GIZ's 'follow the money' approach. The project costs and commitments are presented in the figure below.

Module objective	Regulatory framework and supervision practices for the promotion of inclusive insurance markets are implemented
BMZ costs	€2,905,216.94
Co-financing	0
Partner contribution	0
Total costs	€2,905,216.94
Residual	€305,234.87

Table 1: Project details

### Deviations

**174.** Based on the feedback received by the project team and the information provided to the evaluation team, the evaluation team could not find any deviations between the identified and projected costs (*FGD\_01T*, *FGD\_04P*, *Kosten-Obligo-Report*, *BMZ progress reports*).

### Maximum principle and reallocation of funds

**175.** Given that most of the output indicators were in fact exceeded, there is a high likelihood that the outputs have been maximised with the given volume of resources (see effectiveness chapter) when compared to the initial plan and targets. Information received in interviews and focus group discussions corroborates this assumption and is presented later. The achievement rates from the effectiveness chapter are summarised in the following tables.

Output indicators	A1) The regulatory institutions' peer network, consisting of 5 and more regulators, has adopted its statutes. Target value: 1 statute	A2) X regulatory working groups (RWGs) of the insurance regulators' network implement their work plans with significant support from the regulatory institutions. Target value: 5 (accumulated) RWGs until end of year 2 (3 RWGs until end of year 1)	B1) X instruments demanded by the regulatory institutions are placed at their disposal, such as: analytical instrument for consumer protection issues; checklist for regulatory review; method and guidelines for regulatory impact assessment; strategies for the sectoral development of selected sub-topics (financial literacy, regulatory framework); the regulatory institutions' experiences with the performance indicators. Target value: 6 instruments	B2) The experiences with the application of 6 demand-driven instruments are published by 5 different regulators, each producing a single publication. Target value: 6 publications with regional experiences
Achievement	100%	100%	117%	200%

Output indicators	C1) 2 insurers in each country share their experiences with business practices at the bi-annual regional dialogue events. Target value: 2 events per year (for a total of 6)	C2) 5 insurance regulators confirm that they have introduced 67% (2 out of 3) of the best practices discussed in the public-private dialogue into the national agenda. Target value: 50% (3 of 5 regulators)	D1) X best practices (such as product design, distribution, marketing, dispute, partnerships) for insurers and intermediaries are documented in factsheet format (including best practice for gender issues). Target value: 20 factsheets	D2) A web platform for knowledge exchange by the insurance industry and the dissemination of knowledge is put in place. Target value: 1
Achievement	100%	100%	120%	100%

**176.** As already highlighted in the effectiveness chapter, these achievements are impressive not only in terms of quantity (target achievements) and quality (e.g. trust, motivation, contribution to the project's objective) but also, according to the evaluators' analysis, in terms of efficiency, as described below.

**177.** In general, the costs appear to be relatively equally distributed among the outputs B, C and D (see figure below). Output B and C represent the most expensive outputs (28%), followed by output D (25%). 19% of the costs are allocated to output A.

	Output A	Output B	Output C	Output D
Outputs	A network of regional insurance regulators is operational	Instruments for the execution of regulatory and supervisory tasks are introduced in line with international standards.	Regulatory institutions use the insights of the regional public-private dialogue with representatives of the national insurance industry for their national agenda.	Information about regional and international best practices regarding inclusive insurance are provided to the insurance industry in Asia.
Kosten inkl. Obligo	564.377,94 €	815.394,53 €	812.851,65 €	712.592,81 €
Ko-Finanzierungen	0,00 €	0,00 €	0,00 €	0,00 €
Partnerbeiträge	0,00 €	0,00 €	0,00 €	0,00 €
Gesamtkosten	564.377,94 €	815.394,53 €	812.851,65 €	712.592,81 €
Gesamtkosten in %	19%	28%	28%	25%
BMZ Gesamtkosten in % ohne Kofi	19%	28%	28%	25%

Table 2: Outputs

**178.** As shown in the following table, there are differences when it comes to international seconded GIZ staff (2 persons) and the 12 national GIZ staff. The two international staff members dedicate(d) most of their time to contributing to output B and C (35%). Although the national staff dedicated a considerable amount of time to contributing to output B (27%) and C (28%) as well, most of their time was allocated to output D (32%).

	Output A	Output B	Output C	Output D
International staff (AMA/EH)	15%	35%	35%	15%
National staff	13%	27%	28%	32%



- 179.** There are several reasons for output D being the costliest in terms of the time the national staff dedicated to achieving this output. Among other things, besides weekly calls and informal online meetings, the main information channels to the insurance industry are the weekly webinars, which are indeed time-consuming because of the preparation and coordination (e.g. identification of topics and speakers) needed and the actual implementation (workshop) (FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z). The national resources needed to achieve this output therefore appear to be justified. The only scope to further maximise the achievements in output D relates to the selection of communication platforms that can be used by all stakeholders. As highlighted already in the effectiveness chapter, the use of Skype, for instance, is not possible in all organisations, resulting in non-participation in the webinars (e.g. Int\_17D) (see Section 5.2 for more details).
- 180.** In the evaluators' view, what is eye-catching is that only 19% of the overall costs and only 15% and 13% of the staff costs were used to contribute to output A considering that the structure of the project is complex (see below) and the project is implemented in a context of weak institutional capacities. One could assume that achieving output A and making a regional network genuinely operational would require far more resources, especially when it comes to generating a common understanding, building motivation, oversight and coordination. Given that the project operates in seven Asian countries with different cultural backgrounds and (economic and religious) conditions, it was repeatedly mentioned in the evaluation mission that it is 'hard to find a common denominator among the countries'. However, the structure that was put in place certainly succeeded both in terms of making the regional network operational and in terms of efficient implementation by 'only' allocating 19% of the overall costs to achieve this demanding output. The MEFIN structure is as follows: MEFIN is led by the Regional Steering Committee (RSC), which is composed of one permanent and one alternate member from each network country. The Chair and Vice-Chair are selected annually from among the network members. The RSC creates and supervises Technical Working Groups (TWGs), which currently cover the topics Regulation and Supervision (TRS), Business Models (TBM), Capacity Building (TCB) and Knowledge Management (TKM). Each TWG is led by a member of the RSC. The project serves as the Secretariat of the network. The RSC provides strategic direction to the network. It develops policies in line with MEFIN's goal as a platform for an effective and efficient exchange of knowledge and experience for the promotion of inclusive insurance markets in the region. Meeting twice a year, the RSC approves the TWGs' work plans and supervises their implementation (MEFIN website). This structure is underpinned by a very high level of trust and motivation among the participants (described in the effectiveness, impact and sustainability chapter), also contributing to the network being operational. According to the evaluators' analysis, there are no indications that output A could have been maximised with the same volume of resources by considering a different setting or structure. In terms of the efficiency, given that the operational network is based on mutual understanding and trust, it also speaks for the project and its management that resources have been reallocated to the other three outputs to maximise the overall results (FGD\_01T, FGD\_04P).
- 181.** The evaluators see room for improvement in terms of efficiency when it comes to output B being the costliest output. Although the indicators have been over-achieved, several interview partners mentioned that many of the instruments developed are not used in practice given the different contexts (FGD\_13M, FGD\_01S, FGD\_18C, Int\_17D) (see also effectiveness chapter and allocation efficiency below). Based on the information available, the evaluation team is not able to assess whether the development of country-specific instruments would have maximised this output. However, although the use of the instruments is supposed to be part of the analysis of the allocation efficiency, at the level of the production efficiency it can be stated that there is room for further maximisation in terms of the relevance of the instruments (FGD\_13M, FGD\_01S, FGD\_18C, Int\_10N). It may be worth considering fewer instruments but focusing on instruments that actually reflect a specific demand (FGD\_13M, FGD\_01S, FGD\_18C).
- 182.** The high volume of resources invested in output C appears justified given that private insurers are the backbone of the MI sector and their involvement is crucial for the overall success (see effectiveness and impact chapters). Perhaps a reallocation from output B to output C would have created a bigger impact on the output level. However, this assumption cannot be proved by the evaluators.

Further positive aspects in terms of the production efficiency

- 183. Roles and responsibilities:** In terms of project management, many good aspects were underlined within and outside of the GIZ team, e.g. dialogue, openness, reactivity and good planning. In the evaluation mission, all interviewed partners happily confirmed a smooth relationship and good bilateral collaboration

with GIZ, showing that there are clear roles and responsibilities in place (Int\_13P, FGD\_13M, FGD\_01S, FGD\_18C, Int\_10N, FGD\_10R, FGD\_23C, FGD\_12Z).

**184. Monitoring system and handling of risks:** As mentioned above, a monitoring system at project level is in place and well-maintained. Furthermore, risk mitigation strategies are in place even for unintended negative results at the output (and outcome level) (project monitoring system). There are regular interviews and Skype conference calls with stakeholders (especially regulators) to assess new trends and developments and to facilitate a prompt response or intervention if needed (FGD\_01T, FGD\_04P, FGD\_13M, FGD\_01S, FGD\_18C, FGD\_10R, FGD\_23C, FGD\_12Z, Mai). In addition to maintaining close contact, according to the evaluators, the above-mentioned RIAs are to be considered an efficient risk mitigation tool for intended and unintended negative results at the output (and outcome level) (see effectiveness chapter). Given that RIAs are an integral part of the project's deliverables anyway, their additional use as a monitoring mechanism to steer the project can be considered efficient (FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_01T, FGD\_04P).

**185. Consideration of planning parameters and lessons learned:** It can be considered efficient that the project does not neglect past experiences and lessons learned; on the contrary, when it comes to capacity building and the importance of team spirit and collaboration, efforts are made to build on this foundation (FGD\_01T, FGD\_04P, Int\_13P, Int\_10N). After an in-depth analysis of the proposal submitted by GIZ to BMZ and the internal monitoring system, it is safe to say that the project has indeed benefited from the realistic planning to which the project fully adheres and from the experience gained with its predecessor, with a focus on regular and continuing communication and creating awareness of new topics in the MI sector (FGD\_01T, FGD\_04P).

**186. Outsourcing of activity packages:** The evaluation team has not found any indications that activity packages could have been outsourced to local organisations to increase efficiency, especially given that GIZ has the overall coordination role which by its very nature is difficult to delegate. Its assumption of full responsibility for the coordination of MEFIN was probably the most efficient solution. In terms of sustainability, however, it appears that other actors should have been involved to a greater extent (see sustainability chapter).

## Evaluation dimension 2: allocation efficiency

**187.** In contrast to production efficiency, allocation efficiency describes the transformation of inputs into outcomes/impact. At project objective level, all three indicators have been over-achieved. The following table summarises the results already described in more detail in the effectiveness chapter.

Project objective level	5 insurance regulators in Asia can document in 15 cases that regional project results (learning experiences) have been applied in their respective countries. Target value: 5 application cases in 5 countries	The members of the peer network can document in one of the three regulatory impact dimensions (i) market development, (ii) development of institutions, (iii) client value that their regulatory framework and supervision have resulted in measurable changes (based on a set of indicators). Target value: 3 documentations	5 insurance associations from 5 Asian countries confirm that the existing regulatory frameworks have promoted innovative business models for insurance targeted to the low-income sector and microenterprises. Target value: 25 references
Achievement	120%	233%	108%

**188.** Given these achievement rates, the allocation efficiency appears to be very satisfactory at first glance, especially considering the overall budget of around €4 million for seven countries (see also effectiveness criterion).

**189.** At the same time, it is clear that not all seven countries have benefited from the project deliverables in the same way (see effectiveness and impact chapter). The question, however, to what extent the outcome could have been maximised with the same volume of resources is difficult to answer in this evaluation setting and given the limited number of days for this evaluation. In fact, the traditional approach for such an analysis is to monetise the added value of outcomes and results at impact level (via shadow price models, etc.). In the case of this project, the evaluation basis for such an approach was limited, however, since it was not really possible to monetise the added value of the implementation of regulatory frameworks and supervisory functions (outcome) or other results at outcome and impact level. As shown in the impact chapter, there appear to be even more transmission channels responsible for contributing to results outside the system boundary than the pathways reflected in the results model (starting from the project objective). This certainly impedes a serious analysis of the allocation efficiency even further. On the basis

of discussions with GIZ's Corporate Unit Evaluation, the evaluation team therefore undertook a very broad qualitative assessment of the allocation efficiency assuming that the very high achievement rates in the module indicators speak for themselves in terms of maximising outputs. The evaluation team therefore examined to what extent the outcome has been maximised given the available resources, e.g. through scaling-up and through leveraging resources of other organisations.

- 190.** There were regular discussions with MEFIN participants on increasing the network. It can be stated that there were serious efforts to place the MEFIN network on a more stable footing by increasing the number of actors (*minutes of meetings MSD*). Initial difficulties in integrating sufficient number of peers in the RWGs/TWGs and the insurance industry's limited interest in addressing the needs of the low-income segment and in participating in dialogue events led to a change in the MEFIN structure. A decision was taken to open the membership to the private sector and allow membership of regulator and private players in two TWGs. Furthermore, thematic topics of interest were assigned to private players for discussion during the PPDs. In addition to that, regular communication efforts appeared to keep the momentum high for most of the private players, as confirmed in interviews during the evaluation mission (*Int\_07R, Int\_10N, Int\_10B*). From an efficiency point of view, measures have thus been taken to maximise the results at outcome and impact level.
- 191.** It was, however, also mentioned that GIZ could have done more in terms of scaling up the value chain business model as it appears to present a major challenge for insurance companies or any other viable and commercial business model in each country that is related to government plans, such as Smart Farming contributing to increasing farmers' wealth and reduce poverty as stated in SDG 1. Apparently, if only a few of the main stakeholders could see this business case and how great the opportunities for the private sector are, the farmer really would be in the position to seriously keep their farming business a profitable source of income. '*Creating a new market might encourage the farmers and other stakeholders to keep synergising within the ecosystem, through access to technology, access to market and access to finance*' (*Int\_10N*).
- 192.** Moreover, the evaluation team observed examples of potential synergies which could be further exploited in future (e.g. through better coordination within the donor landscape). In particular, project results could be leveraged via World Bank initiatives on financial literacy (e.g. in Indonesia) and via more intensive cooperation with some national stakeholders. The World Bank has a good reputation and it is the evaluators' perception that results at outcome and impact level could be maximised even more by aligning and harmonising efforts in the MI sector. In addition, there do not appear to be any synergies with other GIZ projects nor any cost-sharing with other GIZ projects, although the project does share office space with the GIZ country office.

### Overall assessment of efficiency

- 193.** In general, the production efficiency is assessed positively. There are several positive aspects worth mentioning. For instance, it is notable that only 19% of the overall costs and only 15% and 13% of the staff costs were used to contribute to output A, considering that the structure of the project is complex (see below) and the project is implemented in a context of weak institutional capacities. Other positive aspects refer to clear roles and responsibilities, a well-maintained monitoring system, the way risks are dealt with, and how lessons learned are considered in current project implementation. There appears to be room for improvement in relation to communication platforms that can be used by all stakeholders (not all stakeholders can participate in the webinars) and the relevance of the instruments developed, as many instruments are only used by a few countries. The evaluation team awards 65 out of 70 points in this dimension.
- 194.** The evaluation team awards 26 out of 30 points in the dimension 'allocation efficiency', reflecting the high achievement rates at the outcome level and given that not many aspects could be found to maximise the outcomes. Recommendations mentioned in interviews referred to support for scaling up value chain business models (such as Smart Farming) and filling in gaps, as this appears to present a major challenge for insurance companies, as well as to the use of synergies through better coordination within the donor landscape and other GIZ projects.
- 195.** The overall score for the assessment criterion 'efficiency' adds up to 91 out of 100 points: successful.

Criterion	Assessment dimension	Score & Rating
Efficiency	The project's use of resources is appropriate with regard to the outputs achieved. [Production efficiency]	65 out of 70 points
	The project's use of resources is appropriate with regard to achieving the project's objective (outcome). [Allocation efficiency]	26 out of 30 points
Overall Score and Rating: <b>SUCCESSFUL</b>		Score: 91 out of 100 points

## 5.5 Sustainability

### Evaluation basis

- 196.** The evaluation also aimed to analyse whether the project results are likely to be sustainable and whether positive prerequisites for ensuring the long-term success of the project are in place. The latter was perceived as the crucial sustainability dimension in this evaluation (*FGD\_01T, FGD\_04P*).
- 197.** As highlighted by several stakeholders during the evaluation mission, the sustainability of the results is in particular given if the MEFIN network is sustainable (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, Int\_10N*). The assessment of this criterion focused especially on what is currently in place, so that the MEFIN network can operate without GIZ's support in future. Closely intertwined with this is the second aspect of the sustainability criterion, a forecast of the durability of results. To analyse these two aspects, the evaluation team differentiated between the extent to which prerequisites are in place for ensuring the sustainability of the MEFIN network and the extent to which results of the MEFIN network can be considered permanent, stable and resilient over the long term. The evaluation team also looked at GIZ's contribution to the prerequisites for long-lasting results. Lastly, the evaluation team also analysed the extent to which the project's results are economically balanced. An analysis of environmental sustainability was not considered relevant for this evaluation.
- 198.** The findings below are based on feedback gathered in three visited countries. This assessment therefore does not claim to provide a full picture of all seven countries involved in the project. However, it was mentioned that other countries face similar issues, highlighted below.

### Evaluation dimension 1: prerequisites

- 199.** It is encouraging to note that there is generally a high level of satisfaction among the interviewed stakeholders with the contribution made by GIZ to the MEFIN network (*FGD\_10R, FGD\_23C, FGD\_12Z*). Some regulators confirmed that thanks to GIZ's engagement and support, there is increased trust and motivation to participate in the MEFIN network (*FGD\_13R, FGD\_07B*). Several insurance providers are also very happy to collaborate with GIZ given its expertise and polite behaviour. There appears to be a high level of trust in GIZ staff, especially because GIZ provides/provided excellent support in the following areas: research, studies and marketing material (*Int\_13P, Int\_10M*). These positive perceptions can be considered very important prerequisites for ensuring the long-term success of the project. It is astonishing how GIZ contributed to this positive atmosphere and to these perceptions given the small budget and the remote collaboration with many partners.

- 200.** However, despite the high motivation pointed out above, one item of feedback provided by numerous project stakeholders is that without further support from GIZ, MEFIN's sustainability is in question. It was repeatedly mentioned that at both policy and operational level, GIZ is a kind of 'glue' that holds everything together. For instance, GIZ is the driving force in initiating all activities within the MEFIN network (FGD\_13R, FGD\_07B).
- 201.** It was also repeatedly stated that the motivation to be part of the MEFIN network is high not only because of GIZ's good reputation or the sharing of best practices of each country but also because of the failure stories shared. In agriculture MI, insurers confirmed a loss ratio of 25% because of climate change (and the onset of drought) and use of traditional farming techniques (i.e. climate change requires a different way of conducting farming operations). Apparently, not enough research (which is costly) was done to anticipate the possibility of drought. The importance of learning, gathering relevant information and referring to climate technology for index-based agriculture MI is becoming increasingly obvious (Int\_10N). Another example of a failure story shared refers to insurance stands at supermarkets, which turned out to be an inappropriate distribution channel for insurance products (Int\_10N). Many insurance providers confirmed the importance of also sharing failure stories so that everyone can learn from each other to avoid financial losses in future (Int\_10N). A platform (like MEFIN) to exchange information on failure stories to avoid financial losses can also be seen as an important prerequisite for maintaining the MEFIN network.
- 202.** Another aspect that was repeatedly mentioned in the evaluation mission was that information sharing is indeed considered important, but information provided in the PPDs or webinars does not always appear to be demand-oriented (FGD\_10R, FGD\_23C, FGD\_12Z). At the same time, many stakeholders belonging to the MEFIN network do not appear to express what they really need in terms of information (FGD\_10R, FGD\_23C, FGD\_12Z). In general, there seems to be a gap sometimes between information provision and information needs, which in the long run might lead to a lack of awareness of the benefits of the MEFIN network and what MEFIN can actually provide (FGD\_13R, FGD\_07B). In addition, it was stated that PPDs and webinars are not sufficient for the network's sustainability, especially given the limited time to discuss learning experiences. They tend to be seen instead as door openers for future change. A few stakeholders additionally mentioned that the information shared in the MEFIN network is not always of high quality (FGD\_13M, FGD\_01S, FGD\_18C). Given that awareness of the benefits is considered an important prerequisite for sustainability, there appears to be some need for action to ensure the sustainability of the MEFIN network. It was also repeatedly stated that MI needs to be better 'sold' and that this requires more specific advertising that changes the mindset of insurers and regulators (FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13R, FGD\_07B).
- 203.** Many insurers confirmed that they appreciate the MEFIN network's efforts but also pointed out that they do not actively promote / support the MEFIN network or participate in its activities because of the limited time and resources available (FGD\_13M, FGD\_01S, FGD\_18C), i.e. private insurers apparently do not (always) prioritise their time and resources in the MEFIN network's favour. Given that private insurers are the backbone of the insurance markets, there apparently need to be more incentives in place to support the MEFIN network (Int\_07R). Without the motivation and willingness of private insurers to continuously and pro-actively support the MEFIN network, its sustainability is likely to be at risk.
- 204.** In line with the above finding, it was repeatedly mentioned that the MEFIN network requires more involvement of and more collaboration with additional insurers (e.g. Munich Re) and partners to be more sustainable (Int\_13P, Int\_07R). It was even recommended that consumers be involved to a greater extent in MEFIN activities so that the added value of MEFIN can become more visible to private insurers and regulators (Int\_07R). The sustainability of the MEFIN network appears to be at risk if it is mostly regulators, not private actors, who share information (which is of course not always the case) (FGD\_10R, FGD\_23C, FGD\_12Z).
- 205.** For sustainability reasons, there generally appears to be the need to increase the visibility of the benefits of the MEFIN network to make everybody aware of what MEFIN can actually do (Int\_17D). Although the exchange of information is perceived very positively, it was requested that more practical case studies be produced to show how the replication of business models or the use of instruments (initially applied in another country) created a benefit (Int\_10N). In this regard, it was stated that advocacy is not an ad hoc measure but is to be considered a continuous measure to ensure sustainability of the MEFIN network (Int\_08T). This requires different incentives (e.g. more study tours focusing on tangible benefits) and, in all probability, financial support through diverse channels (Int\_10N).



- 206.** The network's financial sustainability proved to be a controversial issue in the evaluation mission. At this stage, most of the funds to maintain the MEFIN network and its activities (including marketing materials, videos) come from GIZ and an insurance provider in the Philippines (*Int\_13P*). Many interview partners did not consider this set-up sustainable (*Int\_13P*). Others mentioned that in future, fees for participating in MEFIN are the only way to achieve financial sustainability for the network, especially to avoid free-riding in which only one or a few stakeholders pay (*Int\_13P*, *Int\_13P*, *Int\_10N*). However, according to the evaluators, it would be premature to introduce fees at this stage given the lack of awareness of what MEFIN can actually provide.
- 207.** MEFIN could be the main database for all countries. However, MEFIN needs to be developed further in terms of technology, content and resources for coordination if it is to become the main database (*FGD\_07BEL*, *FGD\_09I*). The evaluation team has not found any official GIZ exit strategy, probably because a third phase of RFPI will be implemented soon.

#### Evaluation dimension 2 (durability):

- 208.** According to the evaluators, for a fair grading, the sustainability assessment always needs to be put into context. For instance, it is more challenging for a project to sustainably change the partners' behaviour than to support the development of a long-lasting policy. At the same time, sustainability depends on the proximity to partners, the number of partners involved and the envisaged outreach. For instance, it is more demanding to remotely create motivation and momentum compared to an environment where it is possible to cooperate closely with partners on a daily basis. Furthermore, sustainability also depends on the budget available to continuously support partners.
- 209.** The evaluation team considers it important to highlight that the sustainability of this project appears to be limited by its design. The project operates in seven Asian countries with different cultural backgrounds and (economic and religious) conditions (*Int\_13P*). It was repeatedly mentioned in the evaluation mission that it is 'hard to find a common denominator among the countries'. Furthermore, the budget available to genuinely make change happen in seven countries is considered very small. Last but not least, the results in the results model and their respective indicators make it obvious that the ultimate benefits of the project depend on national stakeholders' behaviour and motivation to actively advance inclusive insurance solutions especially targeted at the low-income and informal sectors. However, GIZ staff members are only available in the Philippines (project's head office) and Vietnam (only one member of staff) and most of the cooperation with partners is limited to remote support and a few events per year. The limited (physical) proximity to partners, low budget and the dependence on the partners' motivation and willingness in the long run to make change happen in the MI market undoubtedly impede the sustainability of results at partner and policy level.
- 210.** Many interviewed stakeholders confirmed that the insurance sector is a 'people business' and very much depends on personal contacts and connections (*Int\_10N*, *FGD\_13M*, *FGD\_01S*, *FGD\_18C*). The MEFIN network has strongly contributed to the trust between regulators and also between regulators and private insurers. In one country, two companies and one regulator have joined a chat group on WhatsApp and even share private messages (*Int\_10N*). Based on the positive feedback received by many interview partners on the strong connections established, there is a high probability that some results in selected countries might be permanent or taken as a basis for future positive initiatives.
- 211.** It was also stated that without GIZ or additional champions willing to take on a coordination role, it will be difficult to sustain the positive results achieved by the MEFIN network (*FGD\_13M*, *FGD\_01S*, *FGD\_18C*, *Int\_10N*). There is a need for MEFIN to identify (future) champions and build on them for the future strategies. In this regard, it was mentioned that (more) responsibilities should be assigned to potential champions to create (more) ownership as early as possible (*Int\_10B*).

#### Overall assessment of sustainability

- 212.** As highlighted by several stakeholders during the evaluation mission, the sustainability of the results is given if the MEFIN network is sustainable. Without further support from GIZ, MEFIN's sustainability is in question. It was repeatedly mentioned that at both policy and operational level, GIZ is a kind of 'glue' that holds everything together. Although positive prerequisites are in place, several factors became visible that might hamper MEFIN's sustainability, such as i) limited awareness of the long-term benefits of MEFIN, i.e. what MEFIN can actually provide, ii) limited demand orientation when it comes to the selection of topics in PPDs or webinars, iii) limited number of private insurers as the backbone of the MI sector, iv) limited



incentives for private insurers to participate, v) consumers are not heard and involved in PPDs and webinars, and vi) no financial sustainability. The evaluation team awards 36 out of 50 points in this dimension

**213.**Based on the positive feedback received by many interview partners on the strong connections established thanks to the MEFIN network, there is a high probability that some results in selected countries might be permanent or taken as a basis for future positive initiatives. However, given the project's set-up, the sustainability appears limited by its design due to the number of countries involved, i.e. it is very likely that results achieved will not be sustainable in all countries. Without a champion who can take over GIZ's role in future, durability appears limited as well. The evaluation team awards 32 out of 50 points in this dimension.

**214.**The overall score for the assessment criterion 'sustainability' adds up to 68 out of 100 points: rather successful.

Criterion	Assessment dimension	Score and Rating
Sustainability	Prerequisite for ensuring the long-term success of the project: Results are anchored in (partner) structures.	36 out of 50 points
	Forecast of durability: Results of the project are permanent, stable and have long-term resilience.	32 out of 50 points
Overall Score and Rating: <b>RATHER SUCCESSFUL</b>		Score: 68 out of 100 points

## 5.6 Selected aspects of digitalisation

**215.**The importance of digitalisation for the future insurance industry cannot be emphasised enough. As several private insurers mentioned in the interviews, the world is changing, digitally. Everybody is moving towards an era of lessened human intervention and the insurance industry is embracing digital transformation in various ways to mitigate complex challenges (*Int\_13P, Int\_10N, Int\_07R*). Leading Asian insurers are working continuously on digital solutions for future needs (*Int\_13P, Int\_25P*). The main benefits for insurance companies can be summarised as follows: i) faster access to markets for insurance products and services, ii) predictive analytics allow critical business insights to facilitate faster decision-making, iii) process automation for core business operations, iv) synchronous processes increase sales, productivity and profits, v) integrated design and systems enhance customer experience, vi) reduced cost and time in business operations, vii) improved claims processing and increased underwriting efficiency (*McKinsey 2018*).

**216.**As stated by interviewed regulators and private insurers, digitalisation is also becoming more and more important in the MI sector. There is no doubt that digital solutions are the future for the MI sector, also considering that nowadays over 60% of the population of South East Asia has access to the internet (*FGD\_10R, FGD\_23C, FGD\_12Z, Int\_13P*). However, one of the main questions raised during the

interviews was whether everybody in the MI sector is really well-prepared. Some regulators and associations stated that the MI sector is still at the very beginning when it comes to digitalisation and that many questions need to be answered before digital solutions can be developed (in terms of data protection, etc.) (FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, Int\_08T). For instance, how can we ensure data protection? How can we determine appropriate costs and identify adequate platforms? How should we deal with digital platforms? What risks are associated with digitalisation? Is it evolutionary or revolutionary? *'We are aware that the battle these days no longer takes place in the streets but rather in social media'* (FGD\_13M, FGD\_01S, FGD\_18C). While there are some hesitations on the one side, on the other side there are some private companies that have already started to be very active in terms of digitalisation (e.g. Philippines and Indonesia) (FGD\_10R, FGD\_23C, FGD\_12Z, Int\_13P, Int\_25P). A few interviewed insurers mentioned that the main goals of digital solutions – especially in the MI sector – are to provide access to affordable MI products, to make life easier for customers and to increase awareness of the usefulness of MI. Apparently, there is no need to start with sophisticated and complicated digital systems but rather to opt for simple and easy-to-use solutions and cooperate with the right partners to increase the efficiency and effectiveness of IT solutions (Int\_13P, Int\_25P). For instance, an interviewed insurer mentioned that they have successfully established a partnership with a taxi company that also offers food delivery. When using the services of the taxi company or food delivery service via the app, customers can collect reward points which they can use to buy insurance. Although consumers have the choice to purchase other things with their points, it was stated that the two MI products offered (health and life insurance – also for drivers and families) are very popular and in demand (Int\_25P). Other companies have developed easy-to-use apps that are able to show all the various MI products, as well as crowdfunding websites for insurance cover and much more (Int\_13P). However, it was also mentioned that GIZ often served as a good sparring partner for ideas and exchange but did not explicitly contribute to IT solutions at the level of the interviewed private insurers (Int\_13P, Int\_10N, Int\_25P).

- 217.** In fact, there are many individual solutions out there in the market, but as stated by a regulator, there is no overview of what is really needed and above all replicable. There is even some confusion: for instance, many persons nowadays talk about 'blockchain', but nobody really knows what it is, what form of support it provides and how expensive it is (FGD\_13M, FGD\_01S, FGD\_18C). The main challenge for the near future appears to lie in increasing knowledge about good practices, replicable solutions and costs of facilitating comparison of IT providers, and last but not least, about solutions which are 'future-ready' and allow adaptations without fully rebuilding systems (Int\_13P, Int\_10N, Int\_25P).
- 218.** Given the importance of digitalisation in the IT sector, it is encouraging to note that the project has indeed supported efforts towards digitalisation. In the Philippines, for example, the project promoted access to MI through online communities. MI Distribution through Online Communities (MicroComm) is designed to use web-based technology in order to improve at least 50,000 people's financial literacy (MEFIN website). As stated, maintaining the growth of the MI market requires continued insurance awareness (FGD\_10R, FGD\_23C, FGD\_12Z). A website (www.empoweringfilipinos.com) was launched on August 2017, creating four online communities of MSMEs, microfinance institutions and coop clients, women teachers and retirees/elders. Officially launched in January 2017, MicroComm is a partnership project involving Pru Life UK (a global life insurance company), CommLinked (a start-up insurtech company in the Philippines) and GIZ RFPI Asia. It is supported by the project until 2019 under GIZ's DeveloPPP public-private partnership programme (FGD\_10R, FGD\_23C, FGD\_12Z, MEFIN website, FGD\_01T, FGD\_04P). MicroComm drew its inspiration from the Roadmap to Financial Literacy on Microinsurance (issued in January 2011). The Roadmap outlines various strategies and methods to implement financial literacy, including use of community media and a web-based platform. The insurtech companies, such as MicroComm, thrive because they do not stop pushing for efficiency and innovation through the use of technology. It is safe to say that MicroComm contributed to increased efficiency in particular by building an well-performing channel for distributing MI products. It can be stated that regulators are often unable to catch up with proportionate regulations that could support insurtech innovations in MI awareness and distribution. However, in terms of effectiveness, MicroComm contributed to the issuing of a Circular Letter 2016-64 on 'Adoption and Implementation of Microinsurance Distribution Channels Regulatory Framework' by the Insurance Commission on December 2016. The milestone MI regulation encourages intensification of MI distribution by requiring the distribution channel to only register with the Commission, and not be licensed as an insurance agent (MEFIN website). This approach positively contributes to the project objective (implementation of regulatory frameworks). Another example of the project's support for digitalisation refers

to delivering affordable life insurance solutions through mobile phones in Pakistan. The payment for life insurance products is deducted from the mobile account on a real-time basis when the customer responds to the USSD code sent by the call centre agent and authorises the payment by logging into the mobile account (*MEFIN website*).

- 219.** In January 2018, the project published a GIZ paper ‘Digitalization in Inclusive Insurance: Threat or Enabler?’ on the MEFIN website. The paper, which was well-received by several interview partners (*FGD\_10R, FGD\_23C, FGD\_12Z*), discusses in detail how digitalisation is reshaping the insurance industry, what implications digitalisation has for the insurance business, how digitalisation affects inclusive insurance, what are the regulatory challenges and responses and the ideas for the way forward in the MEFIN countries (*MEFIN website*). The study is well-written, easy to understand and increases awareness of the importance of digitalisation. In terms of increasing effectiveness, it is the evaluators’ perception that the study positively contributes to result R-C2 (increased capacities of supervisors) and the project objective (implementation of regulatory frameworks) by describing challenges and solutions in detail and by describing the actions that regulators should take in response to the rapidly changing needs and challenges of the MI markets.
- 220.** Last but not least, the project initiated a workshop on technical issues relating to blockchain technology use for inclusive insurance for climate risk and agriculture in January 2019 (*MEFIN website*).
- 221.** Based on the information received and gathered in the publications on the MEFIN website, it is difficult to quantify the extent to which the project genuinely contributed to increased efficiency and effectiveness with digital solutions, especially given that both digitalisation and financial inclusion comprise many different dimensions and existing solutions are mostly tailor-made for specific cases. In addition, digital solutions provide new ways of reaching excluded groups and bringing them into the formal financial market, but at the same time they create new challenges in terms of regulation and financial consumer protection. At this stage in the MI sector, it is almost impossible, therefore, to make valid and evidence-based statements on the extent to which digital solutions are replicable in other GIZ contexts.
- 222.** In general, IT offers great potential for increasing efficiency and effectiveness in the MI sector, especially given that digital solutions allow a customer to engage online with limited human interaction. To name just a few examples (*Int\_10N, Int\_10B*): the entire process of making and settling insurance claims can be done online. Consumers can take photos, upload documents and make claims under their respective policies and insurance providers can scan and screen documents to settle these claims. Other examples refer to insurers applying beacons and GPS tracking to cars and industrial vehicles to monitor their usage. Insurtech can help insurers understand their usage and log their activities to create customised insurance products and services for individual policy holders. With more and more users coming online to purchase insurance policies, insurers will be able to utilise this vast amount of data to understand consumer requirements and adjust their policies to meet demand. With advanced analytics, they will be able to predict the type of insurance policies, manage claims and undertake profiling of customers to ensure increased effectiveness. Furthermore, automated chatbots working as advisors will certainly become more common. They will be able to advise consumers about different policies based on their past purchases and future requirements. Wearable gadgets might have the greatest potential, with far-reaching implications for the insurance industry. Smart devices such as iWatch, fitness trackers and other monitors track user activities and health in real time with mobile applications. This could enable insurance companies to modify their insurance policies to accommodate individual users’ needs depending on their health. The interesting thing is that the gadgets notify users and service providers of any health risks and ailments suffered by the user now or in the past, enabling both to take preventive measures (*McKinsey 2018*). However, a number of potential users of digital financial services still lack both financial literacy and new technology skills. Financial literacy training for consumers in the areas of e-money, digital wallets and mobile payments is therefore becoming essential (*Int\_10B*).
- 223.** Given the above factors, it appears surprising that digitalisation is not explicitly mentioned in the results model or in the indicators. However, from a more in-depth look at the factsheets and business models, it can be stated that digital solutions are indirectly covered by output D (*MEFIN website*). Nevertheless, in future insurance projects, it definitely would make sense to formulate specific ‘IT results (outputs and outcomes) and indicators’, hypotheses and activity packages in order to guide the project more strongly towards digitalisation.

## 5.7 Long-term results of the predecessor project

### Evaluation basis

- 224.** The predecessor project plays an important role in understanding the long-term results that can be observed today. There is strong continuity with the objectives of the first project. Indonesia, Mongolia, Nepal, Pakistan, the Philippines and Viet Nam have been part of the project since 2013, with Sri Lanka joining in 2017 (*BMZ progress report 2017, BMZ offer*).
- 225.** In response to the demands of the insurance regulators in Mongolia, Nepal, the Philippines, Indonesia, Viet Nam and Pakistan, the project facilitated the formalisation of MEFIN as a network in January 2016. MEFIN was previously organised as a mechanism for knowledge exchange among regulators who indicated a commitment to promote inclusive insurance for poverty alleviation in the Asian region through the Cebu Declaration of May 2013 (*BMZ progress report 2016*). The Cebu Declaration on Inclusive Insurance was signed by insurance regulators and supervisors from Indonesia, Mongolia, Nepal, Philippines, Thailand and Viet Nam at MEFIN. The forum was organised by GIZ RFPI Asia with support from the ADB in May 2013.
- 226.** Thanks to the predecessor project, many positive achievements are already in place that have the potential to lead to broad and significant positive impact in the partner countries, notably the MEFIN members' commitment to promote inclusive insurance solutions especially for the low-income and informal sectors. As stated in the evaluation report for RFPI I, the project was effective at getting regulators to start on the process of creating frameworks and using instruments with the aim of improving regulatory structures (*project evaluation report 2015*).
- 227.** RFPI I promoted regional and global exchange with insurance supervisors, the International Association of Insurance Supervisors (IAIS) and the Access to Insurance Initiative (A2ii) and supported selected countries in developing and implementing inclusive insurance regulation and reforms in specific subject areas. RFPI I focused on two levels: (1) as a regional project, its strategies were tailored to the needs of the individual country members; (2) at the country level, the project implemented specific thematic approaches along with basic microinsurance regulatory guidance as appropriate for the country. At the national level, regulatory capacity building took centre stage and has been an important and durable effort. RFPI I showed great evidence of direct capacity building for those who attended the regional meetings, while indirectly, other staff were capacitated by the attendees of the regional meetings. There was also evidence of regulatory change. The regional strategy was structured around the Cebu Declaration and the individual MoUs signed by each member. This helped to create a focus for the MEFIN group. Human Capacity Development (HCD) and operational plans were created and evaluated through the semi-annual planning sessions. These plans were implemented in each of the participating countries (*project evaluation report 2015*). It is safe to say that capacity building in RFPI I has indeed contributed to increased awareness, increased capacities and mutual trust (*FGD\_01T, FGD\_04P, FGD\_10R, FGD\_23C, FGD\_12Z, FGD\_13M, FGD\_01S, FGD\_18C, Int\_10M*). Many positive results in the project would not have been achieved without its predecessor. However, it was also stated in the evaluation report that the MEFIN regional network itself was not perceived to be sustainable in the predecessor project, and additional inputs and efforts were recommended to make this network a sustainable entity. In sum, the predecessor project has not contributed to the sustainability of RFPI II. Given the limited sustainability of RFPI II, the evaluation strongly recommends placing emphasis on sustainability in RFPI III.

## 5.8 Key results and overall rating

- 228.** Considering all criteria together, the intervention is successful in meeting its objectives. At the technical level, the project team is providing the partner with relevant and effective advisory services which are very much appreciated by the interviewed stakeholders. On the psychological side, many factors have been put in place or achieved that also justify a high score (especially for the effectiveness and impact criteria). The full score could not be awarded, however, because the project operates in seven countries and achievements in the individual countries differ. However, the evaluation team took into account the limited budget and the complexity of the project when assessing the OECD/DAC evaluation criteria. In the following, each of the five evaluation criteria is briefly discussed separately.

**229.** The **relevance** of the project in general is assessed as very high with minor limitations. The project reflects and builds upon key strategic documents from the country governments (e.g. NFISs, RIAs) and the BMZ (e.g. BMZ's New Asia Policy) and on the Sustainable Development Goals (SDGs 1, 3, 5, 10, 11, 13 and 16). The evaluation team concludes that the project concept fits into the relevant strategic reference frameworks and is well-embedded in the global priorities on financial inclusion. The project concept also addresses core needs of the immediate target groups (regulators and private insurers) and it is plausible that it contributes to changes at the level of the final beneficiaries (poor households and vulnerable groups). However, the project concept 'on paper' does not appear to sufficiently represent the different needs and concerns of women and men, especially given that it received the identifier GG1 requiring a specific gender indicator at outcome level. On the other hand, it is encouraging to note that the project, in practice, does take into account gender aspects through the selection of stakeholders and the provision of services for women. The evaluation team also comes to the conclusion that the project is adequately designed to achieve the chosen objective. However, it should be pointed out that the high achievement rates in the outcome and impact indicators were possible mainly because targets were not set for each country separately but for all countries as a whole, meaning that some so-called 'performers' could compensate for 'non-performers'.

**230.** With regard to its **effectiveness**, the project is assessed to be very successful. All three indicators at outcome level were exceeded and it is safe to say that the project has achieved its outcome on time. In terms of the output indicators, it can be stated that the indicators for output A and C have been achieved and the indicators for output B and D have actually been exceeded. The contribution analyses also showed evidence that the activities and outputs contributed to the project objective (see table below). Given the feedback provided by stakeholders, and based on the evaluators' observations, it appears that no negative results have been produced by the project. At output and outcome level, the following positive aspects can be summarised: the MEFIN members' very high level of trust, willingness and commitment to promote inclusive insurance solutions, especially for the low-income and the informal sectors, have been successfully translated into business models that provide affordable microinsurance products. However, potential unintended positive results at outcome level do not appear to be explicitly monitored and exploited.

Causal pathway in the results model / hypothesis	Verified?	Selected results
<b>R-C to R-C2:</b> PPDs enrich and expand regulators' knowledge of inclusive insurance industry regulation and supervision, thus enhancing their implementation capacity.	<b>Yes</b>	It is safe to say that PPDs are generally very much appreciated by all stakeholders. PPDs are perceived to be a very well-structured forum that covers relevant topics, leading to a joint understanding of regulatory requirements and the industry and thus supporting inclusive insurance market development. All interviewed supervisors confirmed that PPDs enrich and expand their knowledge by providing a forum for sharing experience and success and failure stories. In addition, supervisors mentioned that PPDs help generate momentum for certain topics and increased all participants' awareness (not only at the supervisors' level but also at the level of private industry). There is the perception that PPDs must be continued in the future, also given that PPDs are considered a highly effective means of exchanging information and building trust, especially because much information is shared in informal settings. Given that interview partners identified some room for improvement in terms of the quality of technical inputs provided in the PPDs, there is the assumption that capacities could perhaps have been increased a little more in a different setting and with a prior filtering process for inputs presented in the PPDs.
<b>R-A to R-C2:</b> Knowledge sharing is institutionalised through the establishment and formalisation of the MEFIN network as agreed by the	<b>Yes</b>	All interviewed partners confirmed that knowledge sharing is indeed institutionalised through the establishment and formalisation of the MEFIN network (as agreed by the regulators themselves), the PPDs,



Causal pathway in the results model / hypothesis	Verified?	Selected results
<p>regulators themselves. Through MEFIN, knowledge sharing is regularised through dialogues and facilitated by the establishment of the network's website where best practices relating to regulations and business models are made accessible. Through institutionalised knowledge sharing, regulators can confidently learn from the practices and experiences of other jurisdictions in implementing regulatory frameworks and supervisory systems, thus contributing to the development of individual and institutional capacities.</p>		<p>webinars (Tuesdays with MEFIN) and through access to the MEFIN network's website where best practices relating to regulations and business models are made accessible. Given that interview partners identified some room for improvement in the implementation of the webinars (e.g. technology issues and limited opportunities to discuss topics in more detail), it is assumed that in future the impact of webinars can be increased, especially given that the follow-on project will focus on just three countries (and not seven).</p>
<p><b>R-C2 to Outcome:</b> Equipped with regulations, appropriate instruments and relevant knowledge/learning, and through regular regional dialogues with private insurers, regulators implement regulatory frameworks and perform supervisory functions efficiently and effectively in their respective jurisdictions. Regional dialogues open avenues for country-level dialogues which can contribute to effective and efficient promotion of inclusive insurance markets.</p>	<p><b>Yes</b></p>	<p>It is safe to say that with the support of the project, regulators implement their regulatory frameworks and perform supervisory functions efficiently and effectively overall in their respective jurisdictions through new regulations, appropriate instruments and relevant knowledge/learning (i.e. increased capacities) and through regular regional dialogues with private insurers.</p> <p>However, when it comes to the application of demand-driven instruments for regulators, the evaluation team learned that most of the instruments are used in the Philippines but not so much in the other countries, the main reason being different contexts and different levels of knowledge in terms of drafting a legal framework for MI, how to conduct market surveys, and appropriate MI advocacy. The development of many instruments appears to have been supply-driven and not demand-oriented. Effectiveness is likely to increase if stakeholders are more involved in the development of new instruments in future.</p>

**231.** In terms of the **impact** criterion, the project is assessed to be successful. Several overarching development results have been defined in the results model (see above). In addition, the project received many identifiers as additional reference points for intended impacts, particularly in the following areas: 1) participatory development and good governance (PD/GG-1); (2) gender equality (GG-1); (3) climate change adaptation (KLA-1); (4) rural development (LE-1). Indeed, many positive results can be observed at the impact level, as described above. When it comes to the project's contribution to overarching development results, according to the evaluators, this high score is justified given the project's limited budget and complex structure and the many positive alternative explanations/factors for the results observed at impact level (see table below). However, the positive achievements do not apply for all countries in the same way. Given the feedback provided by stakeholders and based on the evaluators' observations, it appears that no significant negative or positive results occurred. At the same time, the evaluators have found no evidence that the project follows a specific strategy to address any risks at impact level.



<b>Causal pathway in the results model / hypothesis</b>	<b>Verified?</b>	<b>Selected results</b>
Contribution to changed business practice	<b>Yes</b>	It is safe to say that not only the regulatory frameworks in place but as a result of GIZ's engagement also the MEFIN members' commitment to promote inclusive insurance solutions especially for the low-income and the informal sectors led to the development of affordable MI products which required a change of business practices to meet the needs of the poor and 'often left behind' target group. All interviewed insurance providers in the Philippines and Indonesia confirmed that without MEFIN, it is likely that they would have changed their business practice (following the principles of the regulatory frameworks) only at a later stage or not at all. As also mentioned by several insurers, the basis for changing business practices is the trust (or anticipation) that different business practices lead to more profit or other benefits for the insurers and this trust was built thanks to the project.
Contribution to consumer trust	<b>Yes</b>	As confirmed by all interviewed insurance providers, following the principles of the regulatory frameworks increases consumers' trust (almost) automatically through quick payments, affordability of products, accessibility, simplicity of requirements and plain language. A project contribution to increased consumer trust that is not explicitly covered by a causal pathway in the results model are the awareness campaigns supported and initiated by GIZ.
Contribution to increased financial literacy	<b>Yes</b>	Financial literacy is seen as an important prerequisite for unlocking barriers to financial inclusion. This is why it appears surprising that in the results model no causal pathway was identified that leads to this crucial overarching development result to which the project as a whole is supposed to contribute. It is safe to say that over the years the project has gathered significant experience in the area of financial literacy, in particular insurance literacy and insurance awareness. An important lesson learned was the need to tailor financial literacy programmes to the specific needs of the target group (e.g. vulnerable groups, poor households and MSMEs). All three visited countries confirmed that the awareness and financial literacy campaigns contributed positively to an increased level of financial literacy. For instance, financial literacy is already addressed in schools in Indonesia. It is part of the curriculum in many schools already. The aim is to make aspects of financial literacy / consumer trust / awareness part of the curriculum in all schools by 2020.
Contribution to increased access to insurance services	<b>Yes</b>	As postulated by the results model, consumer protection and financial literacy are indeed key to increasing responsible access to financial services. It was stated by most of the interview partners that consumer protection has been strengthened, ensuring that households have access to clear and transparent information about costs, risks and rewards of financial products. The pathway from financial literacy and increased access to insurance services certainly holds true in reality in the visited countries as financial literacy has equipped consumers with the tools needed to make complex financial decisions. Together, consumer protection and financial literacy build public confidence in financial institutions, thus encouraging savings and long-term investments that promote depth in the financial system.

**232.** The **efficiency** of the intervention is assessed as successful in terms of both production efficiency and allocation efficiency. In general, there are several positive aspects worth mentioning. For instance, in terms of production efficiency, it is notable that only 19% of the overall costs went towards making the MEFIN network (as the backbone of the project) operational, considering that the structure of the project is complex and the project is implemented in a context of weak institutional capacities. Other positive aspects refer to clear roles and responsibilities, a well-maintained monitoring system, the way risks are dealt with, and how lessons learned are considered in current project implementation. There appears to be room for improvement in relation to communication platforms that can be used by all stakeholders (not all

stakeholders can participate in the webinars) and the relevance of the instruments developed as many are only used by a few countries. In terms of allocation efficiency, not many aspects were found to maximise the outcomes. Recommendations mentioned in interviews referred to support for scaling up value chain business models (such as Smart Farming), filling in gaps, which appears to present a major challenge for insurance companies, and the use of synergies through better coordination within the donor landscape and with other GIZ projects.

**233.** Concerning the criterion **sustainability**, the project is assessed to be rather successful. As highlighted by several stakeholders during the evaluation mission, the sustainability of the results is in particular given if the MEFIN network is sustainable. However, without further support from GIZ, MEFIN's sustainability is in question. It was repeatedly mentioned that at both policy and operational level, GIZ is a kind of 'glue' that holds everything together. Although positive prerequisites are in place, several factors became visible that might hamper MEFIN's sustainability, such as i) limited awareness of the long-term benefits of MEFIN, i.e. what MEFIN can actually provide, ii) limited demand orientation when it comes to the selection of topics in PPDs or webinars, iii) limited number of private insurers as the backbone of the MI sector, iv) limited incentives for private insurers to participate, v) consumers are not heard and involved in PPDs and webinars, and vi) no financial sustainability. Based on the positive feedback received by many interview partners on the strong connections established thanks to the MEFIN network, there is a high probability that some results in selected countries might be permanent or taken as a basis for future positive initiatives. However, given the set-up of the project, the sustainability appears limited by its design due to the number of countries involved, i.e. it is very likely that results achieved will not be sustainable in all countries. Without a champion who can take over GIZ's role in future, durability appears limited as well.

Criterion	Score	Rating
Relevance	96 out of 100 points	<b>Very successful</b>
Effectiveness	94 out of 100 points	<b>Very successful</b>
Impact	90 out of 100 points	<b>Successful</b>
Efficiency	91 out of 100 points	<b>Successful</b>
Sustainability	68 out of 100 points	<b>Rather successful</b>
Overall score and rating for all criteria	(439 / 5 =) 87.8 out of 100 points	<b>Successful</b>

100-point scale (Score)	6-level scale (Rating)
92-100	Level 1 = very successful
81-91	Level 2 = successful
67-80	Level 3 = rather successful
50-66	Level 4 = rather unsatisfactory
30-49	Level 5 = unsatisfactory
0-29	Level 6 = very unsatisfactory

## 6. Conclusions and Recommendations

### 6.1 Conclusions: factors / dimensions of success or failure

**234.** As highlighted several times, the complexity of the project is high given the number of stakeholders and countries involved. Nevertheless, during the evaluation mission it became evident that key results (see chapter above) can be centred around factors in eight (success) dimensions. Efforts and positive outcomes in these dimensions (which sometimes overlap) appear to have the potential to leverage current achievements and/or mitigate risks.

- a) Sustainability of the MEFIN network:** The sustainability of the MEFIN network does indeed have a crucial impact on the overall sustainability of the project. There are many positive prerequisites in place, such as motivation, trust and insurers' need to have up-to-date information to avoid risk and make a profit. However, factors that address the above-mentioned bottlenecks (see chapter on key results) might increase the likelihood for sustainability. As described in Chapter 5, this dimension affects the following OECD/DAC criteria: sustainability and impact.
- b) Motivation to participate in the MEFIN network:** This is a major achievement among the interviewed stakeholders. Nevertheless, there appears also to be the need to increase outreach, the number of stakeholders and interest in the MEFIN network (by increasing the visibility of the benefits and developing incentives). As described in Chapter 5, this dimension affects the following OECD/DAC criteria: effectiveness, impact and sustainability (and to some extent relevance).
- c) PPDs and webinars:** These two instruments play a crucial role in institutionalising knowledge sharing and have the potential to generate momentum for certain topics, especially given that they are very much appreciated by the interviewed stakeholders. When addressing the limitations mentioned above, there is a chance that not only will quality increase but also that PPDs and webinars will positively contribute to motivation and sustainability. As described in Chapter 5, this dimension affects the following OECD/DAC criteria: effectiveness, efficiency and impact (and to some extent sustainability).

- d) **Existing and future business models:** The business models supported the sharing of experience and success and failure stories in the PPDs and webinars. They provide the technical backbone for knowledge sharing and should always meet the demands of the MEFIN stakeholders. As described in Chapter 5, this dimension affects the following OECD/DAC criteria: effectiveness and impact.
- e) **Relevance and usage of instruments:** There were many reasons for developing the instruments mentioned above and the RIA is certainly one of the most sophisticated and successful. However, many instruments do not appear to be used in all countries. As described in Chapter 5, this dimension affects the following OECD/DAC criteria: effectiveness and efficiency.
- f) **(GIZ's) networking and coordination role:** It was repeatedly mentioned that at both policy and operational level, GIZ is a kind of 'glue' that holds everything together and that without GIZ, MEFIN would no longer exist. This strongly justifies the involvement of GIZ but at the same poses a major risk. As described in Chapter 5, this dimension affects the following OECD/DAC criteria: efficiency and sustainability.
- g) **Financial literacy, consumer trust and private insurers' business practices:** It goes without saying that all efforts that directly or indirectly contribute to these overarching development results will have a positive impact. However, most of the efforts lie within the sphere of responsibility of the private insurers, who need to be incentivised (see below; options may include free radio spots, more likes on social media, studies conducted and paid for by GIZ). As described in Chapter 5, this dimension affects the following OECD/DAC criteria: impact and sustainability.
- h) **Digital solutions:** The importance of digitalisation for the future insurance industry cannot be emphasised enough. As several private insurers mentioned in the interviews, the world is changing, digitally. Everybody is moving towards an era of lessened human intervention and the insurance industry is embracing digital transformation in various ways to mitigate complex challenges. As described in Chapter 5, this dimension affects all OECD/DAC criteria: relevance, effectiveness, impact, efficiency and sustainability.

## 6.2 Recommendations

**235.**Based on the analysis and conclusions drawn in the previous chapters, 11 recommendations are put forward in the eight dimensions presented above. They are addressed to GIZ and, within GIZ, to specific stakeholders.

### **236.Recommendation on the sustainability of the MEFIN network**

- **Recommendation 1: Ensure financial sustainability of the MEFIN network**

Many of the following recommendations also address sustainability indirectly. In this dimension, however, the above-mentioned recommendation might have a more direct impact on sustainability. The network's financial sustainability proved to be a controversial issue during the evaluation mission. At this stage, most of the funds to maintain the MEFIN network and its activities (including marketing materials, videos) come from GIZ and an insurance provider in the Philippines. Many interview partners did not consider this set-up to be sustainable. It was mentioned that a scenario in which many stakeholders benefit but only a few pay can never be sustainable. Although many interview partners mentioned that future fees for participating in the MEFIN network are the only way to achieve financial sustainability for the network, especially to avoid free-riding in which only one or a few stakeholders pay, the evaluation team is hesitant: it would be premature to introduce fees at this stage given the lack of awareness of what MEFIN can actually provide. Nevertheless, it is clear that the project should develop different financial models that can be openly discussed with stakeholders and agreed upon in the future.

### **237.Recommendations relating to the motivation to participate in the MEFIN network:**

- **Recommendation 2: Increase the visibility of the benefits of membership of the MEFIN network to make everybody aware of what MEFIN really can do**

In fact, there are many factors outside the project's immediate sphere of responsibility that affect the motivation to participate (e.g. development of the insurance market, policy regulations, economic development). However, factors in the project's sphere of responsibility might also have great potential to increase the motivation to participate in the MEFIN network, in turn leading to more sustainability,

such as increasing the visibility of the benefits of membership of the MEFIN network to make everybody aware of what MEFIN really can do. Although the exchange of information is perceived very positively, it was requested that more practical and user-friendly case studies be elaborated that show how the replication of business models or the use of instruments (initially deployed in another country) created a benefit. Consumers too could be involved in the PPDs and webinars to share their positive experiences. Ideas about future marketing initiatives and more presence and activity on social media could also increase the visibility of the benefits. There is thus a need for more specific advertising that changes the mindset of insurers and regulators.

- **Recommendation 3: Develop an incentive system for private insurers to participate in the MEFIN network**

Many insurers confirmed that they appreciate the MEFIN network's efforts but also pointed out that they do not actively promote / support the MEFIN network or participate in its activities because of the limited time and resources available, i.e. private insurers apparently do not (always) prioritise their time and resources in the MEFIN network's favour. Given that private insurers are the backbone of the insurance markets, there apparently need to be more incentives in place to support the MEFIN network. Without the motivation and willingness of private insurers to continuously and pro-actively support the MEFIN network, its sustainability is likely to be at risk. In line with the above finding, it was repeatedly mentioned that the MEFIN network requires more involvement of and more collaboration with additional insurers (e.g. Munich Re) and partners to be more sustainable. It was even recommended that consumers be involved to a greater extent in MEFIN activities so that the added value of the MEFIN can become more visible to the private insurers and regulators. The sustainability of the MEFIN network appears to be at risk if it is mostly regulators, not private actors, who share information (which is of course not always the case). The private sector is to be considered the driving force and should take a lead role in advancing MI. The public sector, in turn, should develop incentives to involve the private sector more intensively, e.g. incentives for more business opportunities, inclusion of proposals from the private sector in policy-making. The latter is already common practice in some countries but could still be strengthened and made more visible. Thus, any incentive that addresses a benefit for the private insurer, e.g. increased visibility (free radio spots, more likes on social media, etc.) and/or decreased costs (studies conducted and paid for by GIZ), should be considered. These activities could be accompanied by conventional sales activities (phone calls, invitations to certain events, etc.).

### 238. Recommendations on the implementation of PPDs and webinars:

- **Recommendation 4: Establish opportunities for follow-up discussions after the webinars**

Webinars play a crucial role in institutionalising knowledge sharing and have the potential to generate momentum for certain topics, especially given that they are very much appreciated by the interviewed stakeholders. However, it was also stated that there is apparently no active participation given the limited time and room for discussion. There is also the feedback that webinars are mostly delivered in a traditional classroom-style format. To make better use of the potential of the webinars, the evaluators believe that a mechanism is needed that allows lively discussions in the webinars to further strengthen capacities.

- **Recommendation 5: Use different communication platforms for the webinars**

As revealed in the evaluation mission, some stakeholders cannot participate in the webinars because their organisations do not allow the use of Skype. Given that there are many different (open-source) communication platforms available on the internet which can be used without incurring any costs, it could make sense to consider other communication platforms, such as *gotomeeting*, to reach as many stakeholders as possible.

- **Recommendation 6: Improve the quality of the contributions in the PPDs**

Although the PPDs are generally well-regarded and seen as helpful, the evaluation team also received the feedback that concepts / contributions presented in the PPDs should be checked more thoroughly beforehand in terms of quality. It was mentioned that in future, GIZ should filter more intensively by focusing more on proven concepts rather than on ideas or pilots. To avoid the risk of declining interest in the PPDs in the long run, there appears to be the need to find a mechanism that both i) maintains the open character of the PPDs, i.e. PPDs as a great opportunity to test business models and above

all to verbalise ideas in an confidential environment, and ii) increases the professionalism of the contributions (to be) presented in the PPDs.

- **Recommendation 7: Introduce feedback/evaluation forms after the webinars (and even PPDs)**  
Given the importance of webinars for knowledge exchange and capacity increase, it was also surprising to hear in the interviews that there is apparently no evaluation/feedback form for participants to complete after the webinars as a means of assessing the sessions' usefulness and quality. This is an aspect that the evaluation team would strongly recommend be considered for the future.

#### 239. Recommendations on existing and future business models:

- **Recommendations 8: Maintain the quality of the factsheets**  
Given that business models provide the technical backbone of knowledge sharing, they should always meet the demands of the MEFIN stakeholders. The current quality of the factsheets in terms of user-friendliness, educational value and appreciation by all stakeholders should therefore be maintained. A factsheet describes the challenge being addressed by the business model, the enabling policies and regulations, the MI product and its distribution channel. The sharing of business models documented through factsheets facilitates their adoption as appropriate in member countries.

#### 240. Recommendations on the relevance and usage of instruments:

- **Recommendation 9: Develop instruments for regulators in a more demand-oriented way**  
When it comes to the application of demand-driven instruments for regulators, the evaluation team learned that most of the instruments are used in the Philippines but not so much in the other countries, the main reason being different contexts and different levels of knowledge in terms of drafting a legal framework for MI, how to conduct market surveys, and appropriate MI advocacy. The development of many instruments appears to have been supply-driven and not demand-oriented. Effectiveness is likely to increase if stakeholders are more involved in the development of new instruments in future. It may be worth considering fewer instruments but focusing on instruments that actually reflect a specific demand.

#### 241. Recommendations on (GIZ's) networking and coordination role:

- **Recommendation 10: Identify future champions and delegate the coordination role**  
Without GIZ or additional champions willing to take the coordination role, it will be difficult to sustain the positive results achieved by the MEFIN network. It appears necessary to identify (future) champions and build on them for the future strategies. In this regard, it could make sense to assign (more) responsibilities to potential champions as early as possible to create (more) ownership.

#### 242. Recommendations on financial literacy, consumer trust and private insurers' business practices:

- **No specific recommendation**  
Given that most of the efforts to reach the overarching development results lie within the private insurers' sphere of responsibility, these actors need to be incentivised. On this topic, please refer to recommendations 2 and 3.

#### 243. Recommendations on digital solutions:

- **Recommendation 11: Support MEFIN stakeholders in getting more clarity on digital opportunities and solutions**  
As mentioned, the importance of digitalisation for the future insurance industry cannot be emphasised enough. There is no doubt that digital solutions are the future for the MI sector, also considering that nowadays over 60% of the South-East Asian population has access to the internet. However, the MI sector is still at the very beginning when it comes to digitalisation and many questions need to be answered before digital solutions can be developed, e.g. how can we ensure data protection? How can we determine appropriate costs and identify adequate platforms? How should we deal with digital platforms? What are the risks? The project could support the development of a digitalisation plan and propose specific steps to advance digital solutions. It could also support research on digitalisation. What are good practices and what not? In addition, GIZ could talk with insurance providers in general about their digital experiences. It was frequently mentioned that the project could provide more support in achieving more clarity on digital solutions, particularly as regards best practices, costs and implementation.



## Annex

### Annex 1: Evaluation matrix

	Assessment Dimension	Evaluation questions (pilot-phase, work in progress)	Evaluation indicator	Available data sources	Additional data collection	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
Relevance	<b>RELEVANCE (max. 100 points)</b>						
	The project concept* is in line with the relevant strategic reference frameworks.  Max. 30 points	Which strategic reference frameworks exist for the project? (e.g. national strategies incl. national implementation strategy for 2030 agenda, regional and international strategies, sectoral, cross-sectoral change strategies, if bilateral project especially partner strategies, internal analysis frameworks e.g. safeguards and gender**)	No / type of strategic reference frameworks	BMZ's New Asia Policy, National Financial Inclusion Strategy (NFIS) of each country		Secondary data analysis	Strong
		To what extent is the project concept in line with the relevant strategic reference frameworks?	Comparison of objectives and goals between project and frameworks	BMZ's New Asia Policy, NFISs, GIZ proposal/project offer		Secondary data analysis	Strong
		To what extent are the interactions (synergies/trade-offs) of the intervention with other sectors reflected in the project concept – also regarding the sustainability dimensions (ecological, economic and social)?	Comparison with other donors Synergies with other BMZ financed projects in other sectors	Documents from ADB , A2ii, APEC through the Asia Pacific Financial Forum (APFF), SAARC		Secondary data analysis	Strong
		To what extent is the project concept in line with the Development Cooperation (DC) programme (If applicable), the BMZ country strategy and BMZ sectoral concepts?	Comparison of objectives and goals between project and BMZ documents	The BMZ's New Asia Policy		Secondary data analysis	Strong
		To what extent is the project concept in line with the (national) objectives of the 2030 agenda? To which Sustainable Development Goals (SDG) is the project supposed to contribute?	Comparison with SDGs	Country SDGs, GIZ proposal		Secondary data analysis	Strong
		To what extent is the project concept subsidiary to partner efforts or efforts of other relevant organisations (subsidiary and complementarity)?	Comparison with other donors e.g. Worldbank - public assets	GIZ proposal, Asia Pacific Financial Forum documents		Secondary data analysis	Strong
	The project concept* matches the needs of the target group(s).  Max. 30 points	To what extent is the chosen project concept geared to the core problems and needs of the target group(s)?	Perception of relevant stakeholders - mainly insurance providers and low income households and MSMEs (appropriateness of regulations and business models)	GIZ proposal, MEFIN reports and fact sheets (see also instruments and business models; RIA Reports) Regulators, insurance companies, policy holders		Secondary data analysis + Primary data gathering: Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Very strong
		How are the different perspectives, needs and concerns of women and men represented in the project concept?	GG1 criteria (BMZ and OECD)	ToC Project documents		Secondary data analysis	Strong
		To what extent was the project concept designed to reach particularly disadvantaged groups (LNOB principle, as foreseen in the Agenda 2030)? How were identified risks and potentials for human rights and gender aspects included into the project concept?	GG1 criteria (BMZ and OECD)	Project documents, regulatory frameworks, Factsheets (e.g. VWU, EFU Life)			Strong

		To what extent are the intended impacts realistic from today's perspective and the given resources (time, financial, partner capacities)?	Comparison current status and goals Comparison countries' achievements Perception stakeholder (enabling policy environment, regulations developed, business models developed, knowledge exchange platforms)	Macro data Regulators, RIA Reports, MEFIN Infographs, insurance companies, project team		Document analyses (macro data) Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Strong
	The project concept* is adequately designed to achieve the chosen project objective.  Max. 20 points	Assessment of current results model and results hypotheses (theory of change, ToC) of actual project logic: - To what extent is the project objective realistic from today's perspective and the given resources (time, financial, partner capacities)? - To what extent are the activities, instruments and outputs adequately designed to achieve the project objective? - To what extent are the underlying results hypotheses of the project plausible? - To what extent is the chosen system boundary (sphere of responsibility) of the project (including partner) clearly defined and plausible? - Are potential influences of other donors/organisations outside of the project's sphere of responsibility adequately considered? - To what extent are the assumptions and risks for the project complete and plausible?	Consistency, coherence and quality of ToC	Project documents, progress reports to BMZ		Results addressing behavioural change empirically tested with the support of the Theory of Planned Behaviour	Very strong
		To what extent does the strategic orientation of the project address changes in its framework conditions?	Changes in legislation Changes in the perception of regulators and companies	Comparison between strategic orientation and national macro data		Secondary data analysis Primary data gathering: Interviews	medium
		How is/was the complexity of the framework conditions and guidelines handled? How is/was any possible overloading dealt with and strategically focused?	Risks / bottlenecks outside the sphere of responsibility mentioned by project staff	MEFIN TWG annual work plans and accomplishments, PPD reports		Secondary data analysis	medium
	The project concept* was adapted to changes in line with requirements and re-adapted where applicable.  Max. 20 points	What changes have occurred during project implementation? (e.g. local, national, international, sectoral, including state of the art of sectoral know-how)	Additional changes (not captured by ToC)	Project documents (e.g. Digitalization in Inclusive Insurance, AIR Conference on Inclusive Insurance)		Document analyses (macro data) Online-Survey on the basis of the Theory of Planned Behaviour Interviews	medium
		How were the changes dealt with regarding the project concept?	Activities conducted to address changes (e.g. PPD4, PPD6/AIR Conference, Tuesdays with MEFIN webinar)	Project documents (e.g. Digitalization in Inclusive Insurance, AIR Conference on Inclusive Insurance, Tuesdays with MEFIN)		Secondary data analysis	medium

\*The 'project concept' encompasses project objective and theory of change (ToC\*\*\*) with outputs, activities, instruments and results hypotheses as well as the implementation strategy (e.g. methodological approach, CD-strategy, results hypotheses)  
\*\*\* Theory of Change = GIZ results model = graphic illustration and narrative results hypotheses

\*\* In the GIZ safeguards system risks are assessed before project start regarding following aspects: gender, conflict, human rights, environment and climate. For the topics gender and human rights not only risks but also potentials are assessed. Before introducing the new safeguard system in 2016 GIZ used to examine these aspects in separate checks.

	Assessment Dimension	Evaluation questions (pilot-phase, work in progress)	Evaluation indicator	Available data sources	Additional data collection	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
	<b>EFFECTIVENESS (max. 100 points)</b>						
<b>Effectiveness</b>	The project achieved the objective (outcome) on time in accordance with the project objective indicators.*  max. 40 points	To what extent has the agreed project objective (outcome) been achieved (or will be achieved until end of project), measured against the objective indicators? Are additional indicators needed to reflect the project objective adequately?	Comparison current status and outcome indicators Perception of regulators (implementaion of regulatory farmworks) Perception of insurance companies (regulations, business models, financial literacy, knowledge exchange) Perception of policy holders (products/services and distribution) Dominant items of the Theory of Planned Behaviour (for group of regulators and companies) Incentives, instruments and business models applied/ replicated	Project Team - Nov 2018 status of of objective and output indicators, success stories, RIA Reports, Factsheets + insurance comanies, policy holders and regulators		Document analyses Primary data gathering: Interview-Survey on the basis of the Theory of Planned Behaviour	Very strong
		To what extent is it foreseeable that unachieved aspects of the project objective will be achieved during the current project term?	Perception of regulators Document analyses (macro data) Perception of insurance companies Perception of policy holders Dominant items of the Theory of Planned Behaviour (for group of regulators and companies)	(Project objective was achieved)		na	na
	The activities and outputs of the project contributed substantially to the project objective achievement (outcome).*  max. 30 points	To what extent have the agreed project outputs been achieved (or will be achieved until end of project), measured against the output indicators? Are additional indicators needed to reflect the outputs adequately?	Comparison current status and output indicators Perception of regulators (regulations, instruments, business models, knowledge exchange platform) Perception of insurance companies (regulations, instruments, business models, knowledge exchange platform) Perception of policy holders (products and distribution) Incentives, instruments and business models applied/ replicated	Project Team - Nov 2018 status of of objective and output indicators MEFIN documents MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		How does project contribute via activities, instruments and outputs to the achievement project objective (outcome)? (contribution-analysis approach)	hypothesis R-C to R-C2 (output level); R-C2 to Outcome (output-outcome); and hypothesis outcome to consumer trust (outcome-impact)	MEFIN documents MEFIN stakeholders + consumers Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		Implementation strategy: Which factors in the implementation contribute successfully to or hinder the achievement of the project objective? (e.g. external factors, managerial setup of project and company, cooperation management)	External factors, managerial setup of project and company, cooperation management Perception project team and MEFIN (network/cooperation, PPD, website, weekly calls, webinars, predecessor phase)	MEFIN documents, annual reports to BMZ MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		What other/alternative factors contributed to the fact that the objective was achieved or not achieved?	Perception of regulators (network/cooperation, PPD, website, weekly calls, webinars, instruments) Perception of insurance companies (network/cooperation, PPD, website, weekly calls, webinars) Perception of policy holders (financial literacy, awareness campaigns)	MEFIN documents MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)r	
		What would have happened without the project?	Perception of regulators (frequency of dialogue between regulators and industry players which affect regulation, supervision and business model development; availability and access to intruments) Perception of insurance companies (frequency of dialogue between regulators and industry players which affect regulation, supervision and business model development; availability and access to intruments) Perception of policy holders (access to appropriate products and services) Incentives, instruments and business models applied/ replicated Dominant items of the Theory of Planned Behaviour (for group of regulators and companies)	MEFIN documents MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		To what extent have risks (see also Safeguards & Gender) and assumptions of the theory of change been addressed in the implementation and steering of the project?	Safeguard and gender criteria	Project team, Factsheets (VWU and EFU Life)		Document analyses + interviews	

<p>No project-related negative results have occurred – and if any negative results occurred the project responded adequately.</p> <p>The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.</p> <p>max. 30 points</p>	Which negative or positive unintended results does the project produce at output and outcome level and why?	Perception of regulators (level of financial literacy, up-take of insurance products/services) Perception of insurance companies (capacity to develop innovative business models on inclusive insurance) Perception of policy holders (more microinsurance products, trust in the insurance industry) Dominant items of the Theory of Planned Behaviour (for group of regulators and companies)	MEFIN documents MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)r	
	How were risks regarding unintended negative results at the output and outcome level assessed in the monitoring system (e.g. compass)? Were risks already known during concept phase?	Perception project team Perception MEFIN stakeholders	GIZ documents GIZ project team (No negative intended result so far)		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
	What measures have been taken by the project to counteract the risks and (if applicable) occurred negative results? Inhowfar were these measures adequate?	Perception project team (changes of head of regulatory institution - principal and alternate members to the Regional Steering Committee; difficulty in integrating sufficient number of peers in the RWGs/TWGs - opening of membership to private sector and allowing membership of regulator and private player in 2 TWGs; limited interest of the insurance industry to address the needs of the low-income segment and to participate in dialogue events - assigning thematic topics of interest for discussion during Public-Private Dialogues (PPDs), sharing of business models and best practices through PPDs, MEFIN website and webinars)	Project team		Interviews	
	To what extent were potential unintended positive results at outcome level monitored and exploited?	Perception project team (monitored at the regulator and industry levels) Perception MEFIN stakeholders Dominant items of the Theory of Planned Behaviour (for group of regulators and companies)	MEFIN documents MEFIN stakeholders Project team		Document analyses Interview-Survey (also on the basis of the Theory of Planned Behaviour)	

\* The first and the second evaluation dimensions are interrelated: if the contribution of the project to the objective achievement is low (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.

	Assessment Dimension	Evaluation questions (pilot-phase, work in progress)	Evaluation indicator	Available data sources	Additional data collection	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
	<b>IMPACT (max. 100 points)</b>						
Impact	The intended overarching development results have occurred or are foreseen.* Max. 40 points	To which overarching development results is the project supposed to contribute (cf. module and programme proposal, if no individual measure; indicators, identifiers, link to national strategy for implementing 2030 Agenda, link to SDGs)? Which of these intended results at the level of overarching results can be observed or are plausible to be achieved?	SDGs Perception MEFIN stakeholders (increase in regulations and regulatory initiatives, business models, market participants, client outreach or uptake of microinsurance products/services)	MEFIN documents (infographs)		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
		Target group and 'Leave No One Behind' (LNOB): Is there evidence of results achieved at target group level/specific groups of population? To what extent have targeted marginalised groups (such as women, children, young people, the elderly, people with disabilities, indigenous peoples, refugees, IDPs and migrants, people living with HIV/AIDS and the poorest of the poor) been reached?	Dominant items of the Theory of Planned Behaviour (for the group of policy holders)	Project Team - Factsheets of VWU and EFU Life; success stories (Indonesia, Mongolai, Nepal, Pakistan, Philippines, Vietnam)		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
	The outcome of the project contributed to the occurred or foreseen overarching development results.* Max. 30 points	To what extent is it plausible that the results of the project on outcome level (project objective) contributed or will contribute to the overarching results? (contribution-analysis approach)	Perception of regulators (capacity to develop and effectively implement regulations and supervision practices towards increased use of insurance services for risk protection) Perception of insurance companies (capacity to develop and distribute innovative business models of inclusive insurance responsive to the needs of low-income and MSMEs efficiently and in line with regulations) Perception of policy holders (responsiveness of microinsurance products to needs, affordability, accessibility, simplicity of requirements) Dominant items of the Theory of Planned Behaviour (for the group of policy holders)	MEFIN documents MEFIN stakeholders Project team Policy holders		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
		What are the alternative explanations/factors for the results observed? (e.g. the activities of other stakeholders, other policies)	Perception of regulators (regular and effective public-private dialogue platform) Perception of insurance companies (regular and effective public-private dialogue platform)	MEFIN documents; stakeholders		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
		What would have happened without the project?	Perception of regulators (frequency of dialogue between regulators and industry players which affect regulation, supervision and business model development; availability and access to instruments) Perception of insurance companies (frequency of dialogue between regulators and industry players which affect regulation, supervision and business model development; availability and access to instruments) Perception of policy holders (access to appropriate products and services) Dominant items of the Theory of Planned Behaviour (for all groups)	MEFIN documents MEFIN stakeholders Project team		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
		To what extent is the impact of the project positively or negatively influenced by framework conditions, other policy areas, strategies or interests (German ministries, bilateral and multilateral development partners)? What are the consequences of the project?	Perception of regulators (appropriateness/responsiveness to insurers and policy holder needs) Perception of insurance companies (appropriateness/responsiveness to insurers and policy holder needs)	Regulations/policies, business models		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
		To what extent has the project made an active and systematic contribution to widespread impact? (4 dimensions: relevance, quality, quantity, sustainability; scaling-up approaches: vertical, horizontal, functional or combined)? If not, could there have been potential? Why was the potential not exploited?	Comparison of all participating countries in terms of instruments, business model, regulatory frameworks, legislation	Project Team - MEFIN Infograph Jul 2018		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
	No project-related negative results at impact level have occurred – and if any negative results occurred the project responded	Which positive or negative unintended results at impact level can be observed? Are there negative trade-offs between the ecological, economic and social dimensions (according to the three dimensions of sustainability in the Agenda 2030)? Were positive synergies between the three dimensions exploited?	Impact indicators Impact of other BMZ initiatives Impact of other donor initiatives, initiatives for APEC	APFF Microinsurance Roadmap for APEC		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong

adequately.  The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized.  Max. 30 points	To what extent were risks of unintended results at the impact level assessed in the monitoring system (e.g. compass)? Were risks already known during the planning phase?	Comparison of TOC and GIZ proposal Data in the excel monitoring system	Project monitoring system		Document analyses	strong
	What measures have been taken by the project to avoid and counteract the risks/negative results/trade-offs**?	Perception project team MEFIN data in fact sheets	Project Team - Reports to BMZ		Document analyses Online-Survey on the basis of the Theory of Planned Behaviour Interviews	Medium - strong
	To what extent have the framework conditions for the negative results played a role? How did the project react to this?	already covered by relevance	na		na	na
	To what extent were potential unintended positive results and potential synergies between the ecological, economic and social dimensions monitored and exploited?	Data in excel monitoring system (GIZ) Data in monitoring system MEFIN Data in monitoring system regulators	Project monitoring system		Document analysis	strong

\* The first and the second evaluation dimensions are interrelated: if the contribution of the project outcome to the impact is low or not plausible (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.

\*\* risks, negative results and trade-offs are separate aspects and are all to be discussed here.

	Assessment Dimension	Evaluation questions (pilot-phase, work in progress)	Evaluation indicators (pilot phase, only available in german so far)	Evaluation indicator achievement	Available data sources	Additional data collection	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
Efficiency	<b>EFFICIENCY (max. 100 points)</b>			0%, 25%, 50%, 75% 100%				
	The project's use of resources is appropriate with regard to the outputs achieved.  [Production efficiency: Resources/Outputs]  Max. 70 points	1 To what extent are there deviations between the identified costs and the projected costs? What are the reasons for the identified deviation(s)?	Das Vorhaben steuert seine Ressourcen gemäß des geplanten Kostenplans (Kostenzeilen). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen vom Kostenplan.		Project document		Secondary data analysis	
		<b>2 Focus: To what extent could the outputs have been maximised with the same amount of resources and under the same framework conditions and with the same or better quality (maximum principle)? (methodological minimum standard: Follow-the-money approach)</b>	Das Vorhaben reflektiert, ob die vereinbarten Wirkungen mit den vorhandenen Mitteln erreicht werden können.		Project document		Secondary data analysis	
			Das Vorhaben steuert seine Ressourcen gemäß der geplanten Kosten für die vereinbarten Leistungen (Outputs). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen von den Kosten.		Project document		Secondary data analysis	
			Die übergreifenden Kosten des Vorhabens stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs.		Project document		Secondary data analysis	
			Die durch ZASS Aufschriebe erbrachten Leistungen haben einen nachvollziehbaren Mehrwert für die Erreichung der Outputs des Vorhabens.		Project document		Secondary data analysis	
		<b>3 Focus: To what extent could outputs have been maximised by reallocating resources between the outputs? (methodological minimum standard: Follow-the-money approach)</b>	Das Vorhaben steuert seine Ressourcen, um andere Outputs schneller/ besser zu erreichen, wenn Outputs erreicht wurden bzw. diese nicht erreicht werden können (Schlussevaluierung).  Oder: Das Vorhaben steuert und plant seine Ressourcen, um andere Outputs schneller/ besser zu erreichen, wenn Outputs erreicht wurden bzw. diese nicht erreicht werden können (Zwischenevaluierung).		Project document		Secondary data analysis	
		4 Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how?	Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.		Project document		Secondary data analysis	



	(methodological minimum standard: Follow-the-money approach)	Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.		Project document		Secondary data analysis	
		Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.		Project document		Secondary data analysis	
		Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut nachvollziehbar.		Project document		Secondary data analysis	
		Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens voll realisiert werden.		Project document		Secondary data analysis	
		Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich der zu erbringenden Outputs entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.		Project document		Secondary data analysis	
	5 For interim evaluations based on the analysis to date: To what extent are further planned expenditures meaningfully distributed among the targeted outputs?			Project document		Secondary data analysis	
	The project's use of resources is appropriate with regard to achieving the projects objective (outcome).  [Allocation efficiency: Resources/Outcome]  Max. 30 points	6 To what extent could the outcome have been maximised with the same amount of resources and the same or better quality (maximum principle)?	Das Vorhaben orientiert sich an internen oder externen Vergleichsgrößen, um seine Wirkungen kosteneffizient zu erreichen.		Project document		Secondary data analysis
		7 Were the outcome-resources ratio and alternatives carefully considered during the conception and implementation process – and if so, how? Were any scaling-up options considered?	Das Vorhaben steuert seine Ressourcen zwischen den Outputs, so dass die maximalen Wirkungen im Sinne des Modulziels erreicht werden. (Schlussevaluierung)		Project document		Secondary data analysis
			Oder: Das Vorhaben steuert und plant seine Ressourcen zwischen den Outputs, so dass die maximalen Wirkungen im Sinne des Modulziels erreicht werden. (Zwischenevaluierung)				
			Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.		Project document		Secondary data analysis
			Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.		Project document		Secondary data analysis
			Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.		Project document		Secondary data analysis
			Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut nachvollziehbar.		Project document		Secondary data analysis
			Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens voll realisiert werden.		Project document		Secondary data analysis
			Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich das zu erbringenden Modulziels entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.		Project document		Secondary data analysis
		8 To what extent were more results achieved through synergies and/or leverage of more resources, with the help of other bilateral and multilateral donors and organisations (e.g. Kofi)? If so, was the relationship between costs and results appropriate?	Das Vorhaben unternimmt die notwendigen Schritte, um Synergien mit Interventionen anderer Geber auf der Wirkungsebene vollständig zu realisieren.		Project document		Secondary data analysis
			Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität zu Interventionen anderer Geber werden ausreichend vermieden.		Project document		Secondary data analysis
			Das Vorhaben unternimmt die notwendigen Schritte, um Synergien innerhalb der deutschen EZ vollständig zu realisieren.		Project document		Secondary data analysis
			Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität innerhalb der deutschen EZ werden ausreichend vermieden.		Project document		Secondary data analysis
			Die Kombifinanzierung hat zu einer signifikanten Ausweitung der Wirkungen geführt bzw. diese ist zu erwarten.		Project document		Secondary data analysis
			Durch die Kombifinanzierung sind die übergreifenden Kosten im Verhältnis zu den Gesamtkosten nicht überproportional gestiegen.		Project document		Secondary data analysis

		Die Partnerbeiträge stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs des Vorhabens		Project document		Secondary data analysis	

	Assessment Dimension	Evaluation questions (pilot-phase, work in progress)	Evaluation indicator	Available data sources	Additional data collection	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
	<b>SUSTAINABILITY</b>						
Sustainability	Prerequisite for ensuring the long-term success of the project: Results are anchored in (partner) structures.  Max. 50 points	What has the project done to ensure that the results can be sustained in the medium to long term by the partners themselves?	Perception MEFIN network Perception GIZ project team New ToC or result matrix, Dominant items of the Theory of Planned Behaviour	Project Team - ToR MEFIN Network; PPD; MEFIN Inc. Articles of Incorporation and registration with SEC Philippines; regulators		Document analyses Primary data gathering: Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		In which way are advisory contents, approaches, methods or concepts of the project anchored/institutionalised in the (partner) system?	Mechanims for PPD, exchange knowledge and capacity development; Dominant items of the Theory of Planned Behaviour	Project Team; MEFIN website (Financial Literacy activities and regulations);regulators		Document analyses Primary data gathering: Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		To what extent are the results continuously used and/or further developed by the target group and/or implementing partners?	Dominant items of the theory of planned behaviour (for all groups)	Project Team; MEFIN website (Factsheets); regulations		Document analyses Primary data gathering: Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		To what extent are resources and capacities at the individual, organisational or societal/political level in the partner country available (longer-term) to ensure the continuation of the results achieved?	Ressources and capacities in the Philippines, Indonesia and Vietnam; programmes of regulators that support inclusive insurance (e.g. Financial Literacy)	Websites of regulators (e.g. ISA, FRC); regulators		Document analyses	
		What is the project's exit strategy? How are lessons learnt prepared and documented?	Perception MEFIN network Perception GIZ project team	Report on study on the sustainability of the MEFIN Network, PPD reports, annual reports		Document analyses Interviews	
	Forecast of durability: Results of the project are permanent, stable and long-term resilient.  Max. 50 points	To what extent are the results (outcome and impact) of the project durable, stable and resilient in the long-term under the given conditions?	Dominant items of the theory of planned behaviour (for all groups)	PPD reports, MEFIN plans and reports,annual reports		Document analyses Primary data gathering: Interview-Survey (also on the basis of the Theory of Planned Behaviour)	
		What risks and potentials are emerging for the durability of the results (outcome and impact) and how likely are these factors to occur? What has the project done to reduce these risks?	Interest (theory of planned behaviour) legislation framework	PPD reports, MEFIN plans and reports,annual reports		Document analyses Primary data gathering: Interview-Survey (also on the basis of the Theory of Planned Behaviour)	

## Annex 2: List of documents

ADB 2014: Financial Inclusion in Asia
AFI 2019: <a href="https://www.afiglobal.org/sites/default/files/publications/afi_maya_quick_guide_withoutannex_i_and_ii.pdf">https://www.afiglobal.org/sites/default/files/publications/afi_maya_quick_guide_withoutannex_i_and_ii.pdf</a> , June 2019
Ajzen, I. 1991: The theory of planned behavior, in: Organizational behavior and human decision processes, 50(2), 179-211
AXCO 2019: <a href="https://leads.axcoinfo.com/insurance-market-reports-ger?gclid=EAlalQobChMlnqwydGI4wIVTOd3Ch0sYQo6EAAAYASAAEgLMOPD_BwE">https://leads.axcoinfo.com/insurance-market-reports-ger?gclid=EAlalQobChMlnqwydGI4wIVTOd3Ch0sYQo6EAAAYASAAEgLMOPD_BwE</a> , June 2019
BMZ New Asia Policy 2015
BMZ Progress Report 2017
CGPA 2019: <a href="https://www.cgap.org">https://www.cgap.org</a> , June 2019
GPFI 2019: <a href="https://www.gpfi.org/">https://www.gpfi.org/</a> , June 2019
IMF 2019: <a href="https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2018/09/18/Financial-Inclusion-in-Asia-Pacific-46115">https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2018/09/18/Financial-Inclusion-in-Asia-Pacific-46115</a> , June 2019
Kautonen, T, van Gelderen, M., Fink, M., 2017: Robustness of the Theory of Planned Behavior in Predicting Entrepreneurial Intentions and Actions, in: Entrepreneurship Theory and Practice, 39(3): 655-674
KPMG 2019: Insurance Report Sri Lanka: <a href="https://de.slideshare.net/kpmgsrilanka/sri-lanka-insurance-report-2018">https://de.slideshare.net/kpmgsrilanka/sri-lanka-insurance-report-2018</a> , June 2019
Mayne 2001: Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly, in: Canadian Journal of Program Evaluation 16(1):1-24.
MEFIN website: <a href="http://www.mefin.org">www.mefin.org</a> , June 2019 (including all factsheets)
Pavlou, P.A. & Mendel, F. 2006: Understanding and Predicting Electronic Commerce Adoption: An Extension of the Theory of Planned Behavior, in: MIS Quarterly, 30(1): 115-143
PWC 2019: Insurance Report February 2019: <a href="https://www.pwc.com/id/en/our%20services/financial-services/insurance-in-indonesia-2019-20feb.pdf">https://www.pwc.com/id/en/our%20services/financial-services/insurance-in-indonesia-2019-20feb.pdf</a> , June 2019

<b>Project documents</b>
Information for AV on Document preparation and uploading DE+EN.docx
GIZ_Evaluation System_general description
GIZ_Theroy of Change for GIZ evaluations
GIZ_Central project evaluations for BMZ business.
Evaluation Matrix_EN_Version 4 (2018-09-27)
Anleitung zur Effizienzbewertung_(Stand 11.09.2018)
PPT Briefing evaluation mission (2017-11-13)_EN
PPD reports (MEFIN)
Minutes of MEFIN Meetings
Project Progress Reports 2016-2018
Fact Sheets of MEFIN instruments
MEFIN website
RFPI stakeholders map

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