

MONITORING AND EVALUATION FRAMEWORK

THE PACIFIC CATASTROPHE RISK INSURANCE
COMPANY (PCRIC)

Final - August 2021

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1 Introduction and Background

1.1 Background and context

The Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) insurance program provide climate and disaster risk insurance to member countries in the Pacific region. Its primary aim is to provide a quick injection of cash to help participating governments deliver relief efforts as quickly as possible after a disaster. The PCRAFI insurance program provides parametric earthquake and tropical cyclone insurance solutions that increase the financial response capacity of Pacific Island Countries, helping them to meet post-disaster funding needs without compromising their fiscal balances and development. The insurance provides cash pay-outs to insured governments within 10 working days after a qualifying disaster event. Pacific Island Countries have taken greater ownership of disaster and climate risk financing at the regional level, as demonstrated by the establishment of the PCRAFI Facility which provides them with control and influence over the design of future disaster and climatic risk solutions. As a result, PCRIC is expected to increase insurance coverage in future years, both in terms of the number of products offered and the number of insured countries.

Following a successful pilot of the PCRAFI Insurance Program, the PCRAFI Facility was established by legal statute in the Cook Islands on June 10, 2016, to provide the insurance program to Pacific Island Countries (PICs) going forward. The PCRAFI Facility was established as the Pacific Catastrophe Risk Insurance Foundation (PCRIF) that own a group captive insurer, the Pacific Catastrophe Risk Insurance Company (PCRIC). As PCRIC is being operationalised a series of initial arrangements have been made to enable the commencement of key operations including the institutionalisation of the monitoring and evaluation (M&E) component of the project.

This document is the Monitoring and Evaluation framework (hereby referred to as the M&E framework) for PCRIC. The M&E framework specifies outcomes, results, processes, tasks, roles and responsibilities, and tools for a performance monitoring, evaluation, and learning system that will support a 'results and learning culture' among staff and partners working with PCRIC. The M&E framework details PCRIC's broader strategic objectives and its components (represented by a Theory of Change), how progress towards these objectives will be tracked and measured (captured by a Results Framework) and how progress on the Results Framework will be operationalised (i.e. how data will be captured, measured and reported) – captured by an M&E work plan.

1.2 Objectives of the M&E framework

The objectives of the M&E framework is to :

- Provide a framework of which PCRIC can assess its progress towards achievement of its expected results
- Provide key performance indicators to be used by PCRIC in reporting progress to the development partners as well as internally (to the Board and regional partners) as a Pacific region company.
- Facilitate a consistent and structured mechanism for reflection, learning and adaptive management
- Provide evidence of results achieved and the role PCRIC has played in achieving the outcomes
- A management tool to be used by the PCRIC CEO and the Management Team to show progress towards achievement of the PCRIC Business Plan and the Strategic Plan.

2 Principles underpinning PCRIC M&E Framework

2.1 The M&E Principles

The M&E approach for PCRIC will be based on the following principles:

Table 1: The M&E Principles

M&E principles	
Alignment	<ul style="list-style-type: none"> This M&E framework aligns with, builds on, and strengthens M&E capacities of PCRIC and the recipient countries. Efforts will be put on building on to what countries and PCRIC have already developed other than starting development of tools and processes afresh.
Utility focused	<ul style="list-style-type: none"> The tools and templates developed will be utility-focused, designed in a simple, easy to understand and apply manner keeping in mind human resource constraints within the Company and at regional and national levels.
Learning by doing	<ul style="list-style-type: none"> Capacity building will be approached through a learning by doing where knowledge, concepts and tools will be developed but stakeholders will be supported remotely and face to face to implement them. This departs from the norm where external parties provide tools to organisations and countries without a plan on supporting them to apply them.
Learning	<ul style="list-style-type: none"> Learning will be crucial to the project for adaptive management. Learning culture will be enhanced to encourage reflection but also the tenacity to apply and act on the lessons learnt.
Adaptive management	<ul style="list-style-type: none"> Captured evidence and lessons will be used to inform decision making and course correction within PCRIC, countries and the whole Pacific region.
Gender and social inclusion	<ul style="list-style-type: none"> The M&E will contribute to the understanding of gender and the impact of disaster risk finance policies, products and practices for better gender outcomes in the Pacific.

2.2 Approach to the development of the M&E Framework

This M&E framework has been developed through a participatory and iterative process between the M&E Specialist and the PCRIC Management Team. The Management Team was taken through the components of the M&E framework and invited to provide comments on the selected indicators (those that pertain to their line of work). A draft M&E framework was also presented to the PCRIC Board in March 2021. The draft framework and selected indicators were also presented briefly to the World Bank during one of the Support Missions held in May 2021. The results framework was finalised in July 2021 after incorporating revised and new indicators recommended by the World Bank as part of the project extension period ending December 2022.

The M&E Framework is considered a **'living document'** and that it will be reviewed and updated at regular intervals depending on changing contexts and needs for the company. Readers are most welcome and encouraged to send any clarification questions and suggestions for improvement to the PCRIC CEO and the M&E Specialist.

2.3 Overview of the M&E Framework

The M&E framework (this document) is structured into the following sections:

Table 2: Overview of the M&E Framework

Section	Purpose
Theory of Change	Presents PCRIC's goal, expected outcomes, and outputs both in a diagram and narrative way. The theory of change articulates what results in the company wants to achieve and the processes to get there.
Primary indicators	Outlines key performance indicators with baselines and targets that PCRIC will report to the World Bank for accountability purposes.

Secondary Indicators	Outlines key performance indicators that PCRIC will report internally to the Board and other partners to assess progress towards achievement of the expected results as a Pacific region company.
Final (Aggregated) results framework	Provides a final framework for PCRIC combining both the primary and secondary indicators
M&E workplan	Provides a description of how PCRIC will conduct monitoring and reporting processes and articulates needed financial and human capacity resources
Indicator definition matrix (primary indicators)	Provides a definition of the primary indicators, the methodology for data collection and people responsible for the data collection on the specified indicators
Indicator definition matrix (secondary indicators)	Provides a definition of the secondary indicators, the methodology for data collection and people responsible for the data collection on the specified indicators

3 The M&E Framework

3.1 The Theory of Change

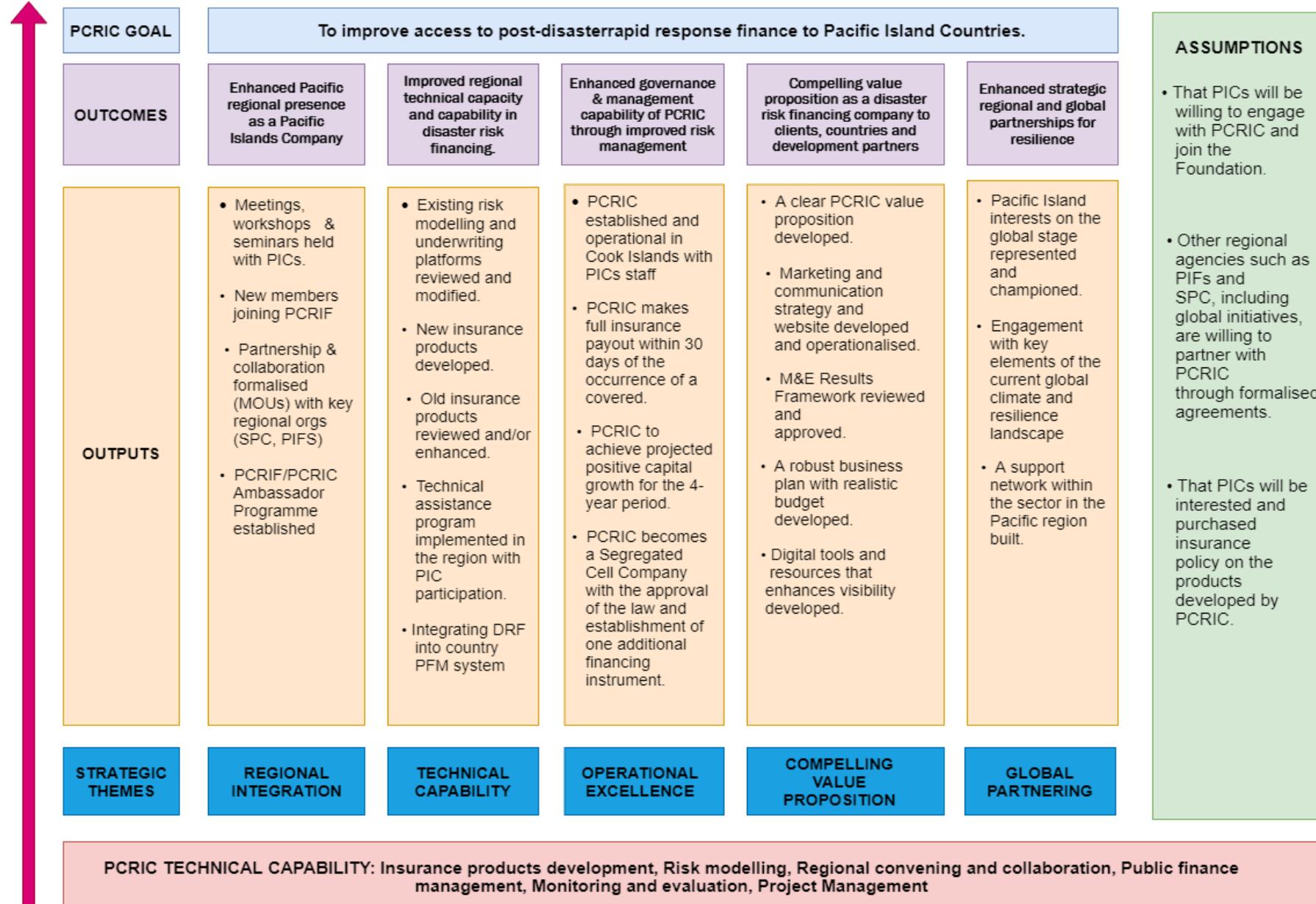
Central to any major project or programme such as PCRIC is the Theory of Change (TOC) that articulates (visually and narratively) what the project is, what results (short and long-term) it aims to achieve towards contributing to its project development objective or goal. The TOC is important because it provides a roadmap on what a project aims to achieve and what pathways it has to take to reach that particular goal. Also, from an M&E perspective, TOC is the foundation of developing a monitoring and evaluation (results) framework. The PCRIC TOC (see diagram on page 4) has been aligned to the PCRIC strategic plan (strategic themes), the World Bank’s Project Appraisal Document (PAD), the PCRIC Business Plan and the PCRIC draft results framework. Consultations were held with PCRIC internal stakeholders which informed further the drafting of the TOC.

PCRIC’s theory of change is based on the fundamental logic that change is dynamic and non-linear. Given the regional, collaborative, and facilitative nature of PCRIC’s work, the change pathways from outputs to outcomes are dependent on a combination of mutually reinforcing and sometimes overlapping activities delivered as outputs. For instance, for PCRIC to be seen as a Pacific Islands Company, there have to be bilateral meetings with PICs to enhance the company’s regional presence, new members will eventually join the company but also partnerships and collaborations have to be formalised with CROP agencies such as PIFs and SPC. Change is also achieved through mutually reinforcing and iterative outputs that lead to more than one outcome. For example, activities designed to support regional integration might involve supporting regional while also enhancing regional and global partnering of PCRIC as a Pacific Company.

3.2 Theory of change key assumptions

In a TOC, assumptions are the necessary conditions for change or the “underlying conditions or resources that need to exist for planned change to occur”. Assumptions help to explain the TOC change process and the connections between the measurable effects, wider benefits and the longer-term goal, as well as how and why proposed activities are expected to bring these changes about. From the PCRIC TOC diagram, three assumptions are made which are necessary conditions for PCRIC to achieve its outcomes and long-term goal.

The PCRIC’S theory of change is presented on the next page.

Figure 1: Theory of Change


3.3 The Results Framework

Results framework is a measurement tool that will help PCRIC, the donors and recipient countries assess whether the project is achieving the results at every step of the implementation. This results framework will help measure the progress of the company by articulating indicators, baselines and targets along the project implementation trajectory. The PCRIC's results framework and the indicators have been developed collaboratively with Key PCRIC management staff members and the CEO.

To enable targeted reporting and that the results are used for adaptive management and learning, the PCRIC result framework key performance indicators have been divided into two:



Primary Indicators



Secondary indicators

3.4 Primary Indicators

The primary indicators for the results frameworks refer to those that PCRIC has to report their progress to the World Bank as shown in in table 3 below. Overall, the primary indicators include indicators originally approved as part of the PAD at the project inception which have been revised and new additional indicators recommended by the World Bank as part of the project extension in June 2021.

The primary indicators are described on the next page (Table 3)

Table 3: Primary Indicators reported to the World Bank

Project Development Objective is to improve access to post-disaster rapid response finance to Pacific Island Countries.									
Primary Indicators	Unit	Baseline (Jun-2016)	YR1 (Jun-2017)	YR2 (Jun-2018)	YR3 (Jun-2019)	YR4 (Jun-2020)	YR5 (Jun-2021)	YR6 (Jun-2022) ¹	YR6 (Dec-2022) ²
Indicator 1: Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized	Yes/No	N	N	N	Y	Y	Y	Y	Y
Indicator 2: PCRIC makes full insurance payout within 30 days of the occurrence of a covered (insured) event	Yes/No	N	Y	Y	Y	Y	Y	Y	Y
Indicator 3: The claims-paying capacity of the PCRIC is enough to sustain a 1-in-200 year insured loss	Yes/No	Y	Y	Y	Y	Y	Y	Y	Y
Indicator 4: PCRIC total equity is projected to increase through FY 24	Yes/No	-	-	-	-	-	N ³	Y	Y
Intermediate Results Indicators									
Indicator 5: Number of additional countries purchasing insurance per season	Number	5 ⁴	-	-	-	-	3 ⁵	5 ⁶	5
Indicator 6: PCRIC capitalization (Amount in USD)	Amount in USD	-	-	-	-	-	0	20,000,000.00	20,000,000.00
Indicator 7: Number of insurance products developed	Number	2	0	0	0	0	0	1	1
Indicator 8: Monitoring and evaluation conducted	Yes/No	N	N	N	N	Y	Y	Y	Y

¹ June 2022 is the end of the PCRIC FY 22

² December 2022 is the end of the PCRIC project extension period

³ Indicators with the baseline only available in 2021 are new indicators approved by the World Bank as part of the project extension in June 2021 hence they do not have baselines figures for years before the 2021

⁴ These countries were Tonga, Samoa, the Cook Islands, Vanuatu and the Marshall Islands

⁵ Vanuatu and the Marshall Islands withdrew as policy holders from PCRIC leaving the other 3 countries

⁶ The World Bank in the Amendment to the Grant Agreement expects two new additional countries – one country in season 10 and another new country in season 11

3.5 Secondary indicators

Secondary indicators are the indicators that PCRIC will use to measure its internal and regional performance as a Pacific Islands Company. These indicators include primary indicators (see description in table 3) and additional indicators that will assess the internal performance of PCRIC. The secondary indicators will measure the progress of PCRIC in achieving its strategic themes but also ensure that PCRIC as a company is managed effectively and efficiently to deliver on its regional mandate.

Overall, secondary indicators are PCRIC specific or company indicators that are inspired by the broader strategic vision of the company.

The secondary indicators are described in table 4 below:

Table 4: Secondary Indicators reported internally within PCRIC

Project Development Objective is to improve access to post-disaster rapid response finance to Pacific Island Countries.										
PCRIC Strategic themes	Indicators	Unit	Baseline (Jun-2016)	YR1 (Jun-2017)	YR2 (Jun-2018)	YR3 (Jun-2019)	YR4 (Jun-2020)	YR5 (Jun-2021)	YR6 (Jun-2022)	YR7 (Jun-2023 ⁷)
Accelerate Regional Integration	Indicator 1: Number of meetings, workshops, conferences and bilateral meetings held with PICs	Number	0	-	-	-	-	5	5	6
	Indicator 2: Number of additional countries purchasing insurance per season	Number	3	-	-	-	-	3	4	5
	Indicator 3: Number of regional/PIC nationals employed in PCRIC activities	Number	0	0	0	0	0	1	3	4
Broaden Technical Capability	Indicator 4: New risk modelling and underwriting platforms developed	Yes/No	N	N	N	N	N	N	Y	Y
	Indicator 5: Number of insurance products developed	Number	2	-	-	-	-	1	1	1
	Indicator 6: At least one new technical assistance program is implemented in the region with PIC participation	Yes/No	N	N	N	N	N	N	Y	Y

⁷ Unlike the primary indicators that are measured up to December 2022, the secondary indicators will be measured up to June 2023 which is the end of the PCRIC business plan

Operational Excellence	Indicator 7: Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized	Yes/No	N	N	Y	Y	Y	Y	Y	Y
	Indicator 8: PCRIC makes full insurance payout within 30 days of the occurrence of a covered (insured) event	Yes/No	N	Y	Y	Y	Y	Y	Y	Y
	Indicator 9: PCRIC to become a Segregated Cell Company with the establishment of one additional financing instrument to support PIC DRM financing objectives	Yes/No	N	N	N	N	N	N	Y	Y
	Indicator 10: The claims-paying capacity of the PCRIC is enough to sustain a 1-in-200 year insured loss	Yes/No	Y	Y	Y	Y	Y	Y	Y	Y
	Indicator 11: PCRIC total equity is projected to increase through FY 24	Yes/No	-	-	-	-	-	N	Y	Y
	Indicator 12: PCRIC capitalization (Amount in USD)	Amount in USD	-	-	-	-	-	N	20,000,000.00	20,000,000.00
Consolidating a Compelling Value Proposition	Indicator 13: Marketing and communication strategy and PCRIC website developed	Yes/ No	N	N	N	N	N	Y	Y	Y
	Indicator 14: Monitoring and evaluation conducted	Yes/No	N	N	N	N	N	Y	Y	Y
Establishing new and strategic Global Partnerships	Indicator 15: Establishment of a new source of premium financing for countries	Yes/No	N	N	N	N	N	N	Y	Y
	Indicator 16: Number of global engagements attended by PCRIC staff (CEO plus other staff)	Number	0	0	0	0	0	3	3	4

Taken together, the primary indicators and secondary indicators form the final results framework for PCRIC with distinct key and distinct indicators to cater for different audiences as explained above. For reporting purposes, while progress on primary indicators is reported to the World Bank, progress on secondary indicators is reported to the PCRIC Board and other relevant regional partners.

4 M&E Workplan

Implementing the M&E Plan involves a team of actors each having their own role(s) to play, from data collection, storage, and management; to consolidating and assessing performance data together with supplemental data; to review, analysis, learning, and decision-making. The various actions involved comprise the performance monitoring pathway and are structured along 3 components – monitoring, reporting and evaluation. The annual M&E work plan will be used as a planning tool to help plan for the activities for the year and at what times. The timelines will be aligned to reporting timelines to ensure that reporting obligations are met on time.

4.1 Performance Monitoring

Monitoring is the systematic collection and analysis of information as a project/programme or policy is being implemented. It is aimed at improving the efficiency and effectiveness of a project. It helps to keep the work on track and can let management know when things are going wrong or not as planned.

4.2 Reporting

Reporting is an important part of most monitoring and evaluation (M&E) systems. Reports should present information to different stakeholders in ways that make it easy for them to use. Within a Programme, internal M&E reports are usually designed to support project or programme management. External reports, on the other hand, are largely designed to demonstrate accountability, raise funds or promote wider learning.

4.3 Evaluation

Evaluation looks at what an organization sets out to do, at what it has accomplished, and how it has accomplished it. Evaluation, as described by the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) on Aid Evaluation is *“the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability”*.

Monitoring is therefore not a substitute for evaluation, nor is an evaluation a substitute for monitoring. Monitoring is essential to ensure interventions are progressing as planned; targets have the desired results, while evaluation is essential for learning and accountability to understand how to contribute to future programming and improve action.

The main purpose of this M&E work plan is to ensure that everyone who has a role to play – in performance monitoring, reporting and oversight – is fully informed of the expectations and deadlines related to each task. Table 5 (below) delineates the key tasks, and broadly defines the responsible actors who may play a leading or auxiliary role in each task. As the M&E function matures within PCRIC, discussions with all actors will serve to refine Table 5 by specifying responsible individuals plus due dates or milestones for each task.

Table 5: M&E Workplan

CONTINUOUS LEARNING & IMPROVEMENT	Key Purpose	Key Tasks	When	Responsible	Budget
	Gather evidence	1. Completion/review of the M&E framework (including indicators, baseline, targets and any research and evaluation requirements)	Continuously throughout the year	Led by the PCRIC CEO and supported by the M&E specialist with input from the management team	Under existing arrangements
		2. Context monitoring (involves monitoring social, political, economic, climatic and environmental contexts within PICs and the larger Pacific region)	Six-monthly monitoring	PCRIC CEO and the Project Coordinator	Under existing arrangements
		3. Regular data collection, including smaller iterative evaluative approaches and monitoring visits for real-time feedback	Monthly	PCRIC CEO, the Project coordinator, management team members and the M&E Specialist	Under existing arrangement
		4. Progress Reporting to the World Bank and the Board	Monthly to the Board Bi-annual to the World Bank	CEO supported by the M&E Specialist with inputs from the management team members	Under existing arrangements
		5. Independent monitoring	As needed to inform PCRIC management and decision-making	CEO and the Project Coordinator	Included in contract
		6. Commission independent research and surveys	As needed especially before development or rolling out of new insurance products	Project Coordinator and the M&E Specialist	TBD by the research scope
		7. Summative evaluation (end of project evaluation)	FY22 evaluation	The M&E specialist supported by the external evaluator, working alongside the member countries, capturing lessons learned to inform future work	\$50,000 in FY22
	Use evidence decision-making	8. Internal management team discussion on progress, issues, challenges and lessons and actions	Regularly	Project coordinator	Under existing arrangements
		9. Management team review/discussion	As determined by the CEO	The CEO	Under existing arrangements
		10. Progress report and discussion with the World Bank (including agreeing to any updates or revisions to work plan and MERL framework)	Bi-annually	The CEO and the Project coordinator	Under existing arrangements
11. Completion of project closure reports		End of the project period (FY22)	CEO and the Project Coordinator supported by the M&E Specialist	\$ 10,000	

Annexes

Annexe 1: Indicator Reference Matrix for PCRIC primary indicators

This matrix describes the primary indicators, provides the methodology for data collection and describes sources of data and people responsible for data collection. Anyone responsible for data collection and reporting on specific indicators should refer to this matrix for guidance. As indicators are reviewed and updated, so will this matrix. For more on what primary indicators are, see table 3.

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
Indicator 1: Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized	PCRIC will be considered operationalized when the CEO is recruited and retained, when the PCRIC physical office is established in the Cook Islands with a full-time staff.	PCRIC staff will review and report the different stages of Operationalisation of the company as defined. By end of the project period, PCRIC should have full-time staff, a physical office in the Cook Islands and a regional presence in the Pacific. Key measures of progress will include: <ul style="list-style-type: none"> - Setting up of the office in the Cook Islands - The CEO retained 	PCRIC CEO and Project Coordinator will review and provide updates on the operationalisation progress of the company	Semi-annually starting from Y1

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
		-Recruitment of key-technical/policy and support staff		
Indicator 2: PCRIC makes full insurance payout within 30 days of the occurrence of a covered (insured) event	PCRIC will be able to make a payout to member countries within 30 days from the request after the occurrence of a covered event. When a covered event occurs, PCRIC payout to the countries will be considered successful if paid within 30 days.	PCRIC in collaboration with member countries will report on the payout process from the occurrence of the covered event to when payments are received by the country	<ul style="list-style-type: none"> • PCRIC member countries will report on the payout process in the Post-event payout report • PCRIC project coordinator will report on the payout process as part of the post-event payout report • Responsibility for this indicator lies with the insured member countries and the Management Team at PCRIC 	Yearly starting Y1
Indicator 3: The claims-paying capacity of the PCRIC is enough to sustain a 1-in-200-year insured loss	PCRIC holds sufficient capital to sustain a 1-in-200 year insured loss after allowance for reinsurance protection	This indicator measures whether PCRIC is meeting standard solvency requirements for an insurance company.	PCRIC's technical support or actuarial function will calculate the 1-in-200 year insured loss net of reinsurance following finalisation of the policies on 1 November for the forthcoming insurance season	Yearly starting Y1
Indicator 4: PCRIC total equity is projected to increase through FY 24	PCRIC to achieve projected positive capital growth starting 1 July 2021 assuming insurance losses equal to the long-term average. This objective will capture the overall financial strength and growth of the company but would be monitored on an	This indicator measures the future financial sustainability of PCRIC. The projected future capital position will be calculated based on a series of assumptions regarding the number of current and future policies expected to be sold, the expected future profile of	PCRIC's technical support or actuarial function together with PCRIC's Insurance Manager	Y6

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
	actuarial (expected) basis so that success is not defined by the occurrence (or non-occurrence) of a tropical cyclone or earthquake in an insured country. Should this objective be achieved then PCRIC will be sustainable and will experience growth over the long term given the high level of capital to manage short term volatility which is a necessary part of insurance business.	insured risk, the expected future reinsurance protection, and expected future investment return. Insurance losses will be assumed to be equal to the long-term average for the assumed future portfolios of policies.		
Indicator 5: Number of additional countries purchasing insurance per season	To achieve the financial sustainability, it is crucial for PCRIC to increase its number of clients. This indicator is added to capture the need for a growing and diversified portfolio to achieve impact and sustainability, with a target of 1 additional country for each season.	This indicator will be measured by additional countries (on top of 3 in July 2021) that purchase insurance from PCRIC. One country in season 10 and one country in season 11	PCRIC CEO and the Project Coordinator	Yearly starting Y5
Indicator 6: PCRIC capitalization (Amount in USD)	This indicator measures the disbursements of capitalization funds from the World Bank to PCRIC.	This indicator measures the disbursements of capitalization funds of US\$20 million to PCRIC, as allocated per Disbursement categories (2) and (3) in the Grant Agreement. As of July 2021, All US\$20 million has been disbursed to PCRIC by the World Bank	PCRIC CEO	Yearly starting from Y5
Indicator 7: Number of insurance products developed	PCRIC will develop new insurance products relevant and aligned to the country's disaster risk financing needs and contexts. At the start of the company, PCRIC will develop products related to cyclones, tsunamis, flooding. Over time other new products will be developed in response to the region and countries needs. The new products developed after the cyclone and earthquake/tsunami products are the focus for this indicator.	The PCRIC Management Team will report on the new insurance products developed and the reasons behind the choice of the products	PCRIC's technical support or actuarial function together with PCRIC's Insurance Manager	Yearly starting Y1

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
Indicator 8: Monitoring and evaluation conducted	This indicator is to measure the PCRIC M&E framework (this document) operationalization	M&E function will be considered achieved if there is operationalisation of the M&E workplan and the M&E function matures within the Company where reporting to World Bank and the Board is done on time	The M&E Specialist	Yearly starting Y4

Annexe 2: Indicator Reference Matrix for PCRIC’s secondary indicators

This matrix describes defines the secondary indicators, provides the methodology for data collection and describes sources of data and people responsible for data collection. Anyone responsible for data collection and reporting on specific indicators should refer to this matrix for guidance. As indicators are reviewed and updated, so will this matrix. For more on what secondary indicators are, see table 4

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
Indicator 1: Number of meetings, workshop and bilateral meetings held with PICs	PCRIC will hold meetings with existing members, former members, new members and other PICs interested in what PCRIC does. This will go towards enhancing the company’s regional integration mandate and presence	This will count the number of meetings held with each meeting counted as 1 unit number	PCRIC CEO and Project Coordinator	Semi-annually starting from Y5

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
Indicator 2: Number of additional countries purchasing insurance per season	To achieve the financial sustainability, it is crucial for PCRIC to increase its number of clients. This indicator is added to capture the need for a growing and diversified portfolio to achieve impact and sustainability, with a target of 1 additional country for each season.	This indicator will be measured by additional countries (on top of 3 in July 2021) that purchase insurance from PCRIC. One country in season 10 and one country in season 11	PCRIC CEO and the Project Coordinator	Yearly starting Y5
Indicator 3: Number of regional/PIC nationals employed in PCRIC activities	For sustainability and institutional knowledge and memory and to be seen as a Pacific region company, PCRIC will recruit PIC nationals to provide technical support to build risk financing capacity and capability in the region but also for sustainability	This indicator will count individuals and provided the aggregate number of total national staff disaggregated by gender and country of origin	PCRIC CEO and Project Coordinator	Yearly starting Y5
Indicator 4: New risk modelling and underwriting platforms developed	The development of a new catastrophe model to underpin PCRIC's insurance products and an underwriting platform to host the new product range.	This indicator will measure whether PCRIC has updated the catastrophe model which underpins the original tropical cyclone and earthquake/tsunami products and whether PCRIC's full product range can be hosted in an efficient and cost-effective way.	PCRIC's technical support or actuarial function together with PCRIC's Insurance Manager	Yearly starting Y5
Indicator 5: Number of insurance products developed	PCRIC will develop new insurance products relevant and aligned to the country's disaster risk financing needs and contexts. At the start of the company, PCRIC will develop products related to cyclones, tsunamis, flooding. Over time other new products will be developed in response to the region and countries needs. The new products developed after the cyclone and earthquake/tsunami products are the focus for this indicator.	The PCRIC Management Team will report on the new insurance products developed and the reasons behind the choice of the products	PCRIC CEO and Project Coordinator and	Semi-annually starting Y2
Indicator 6: At least one new technical assistance program is implemented in the region with PIC participation	This indicator will measure the technical assistance programmes that PCRIC establishes or supports on disaster risk financing in the Pacific. The technical	This will be measured through aggregate numbers of technical assistance programmes established or supported	PCRIC CEO and the Project Coordinator	Yearly starting Y5

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
	programmes will include those established by PCRIC, partially funded or supported by the company in partnership with other regional agencies. The technical assistance programmes will include workshops, conferences, scholarships, trainings and capacity supplementation			
Indicator 7: Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized	PCRIC will be considered operationalized when the CEO is recruited and retained, when the PCRIC physical office is established in the Cook Islands with a full-time staff.	PCRIC staff will review and report the different stages of Operationalisation of the company as defined. By end of the project period, PCRIC should have full-time staff, a physical office in the Cook Islands and a regional presence in the Pacific. Key measures of progress will include: - Setting up of the office in the Cook Islands - The CEO retained -Recruitment of key-technical/policy and support staff	PCRIC staff will review and report the different stages of Operationalisation of the company as defined. By end of the project period, PCRIC should have full-time staff, a physical office in the Cook Islands and a regional presence in the Pacific.	Yearly from Y1
Indicator 8: PCRIC makes full insurance payout within 30 days of the occurrence of a covered (insured) event	PCRIC will be able to make a payout to member countries within 30 days from the request after the occurrence of a covered event. When a covered event occurs, PCRIC payout to the countries will be considered successful if paid within 30 days.	PCRIC in collaboration with member countries will report on the payout process from the occurrence of the covered event to when payments are received by the country	<ul style="list-style-type: none"> • PCRIC member countries will report on the payout process in the Post-event payout report • PCRIC project coordinator will report on the payout process as part of the post-event payout report Responsibility for this indicator lies with the insured member countries and the	Yearly starting from Y1

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
			Management Team at PCRIC	
Indicator 9: PCRIC to become a Segregated Cell Company with the establishment of one additional financing instrument to support PIC DRM financing objectives	In pursuit of a sustainable business model, segregated cells would give PCRIC the propensity to have different projects and different types of insurance and financing programs. These would be in separate “units” and each one is legally and liable remote from the others to spread and minimize risk. So if one goes “down” the others are not impacted and do not have to bail out the unit that is not successful financially.	Target and needs or demand-driven insurance products such as Householder/Bronze Product or Rainfall Product would be rolled out	PCRIC CEO and Project Coordinator, the consultants responsible for this mandate	Yearly starting Y1
Indicator 10: The claims-paying capacity of the PCRIC is enough to sustain a 1-in-200 year insured loss	PCRIC holds sufficient capital to sustain a 1-in-200 year insured loss after allowance for reinsurance protection	This indicator measures whether PCRIC is meeting standard solvency requirements for an insurance company.	PCRIC's technical support or actuarial function will calculate the 1-in-200 year insured loss net of reinsurance following finalisation of the policies on 1 November for the forthcoming insurance season	Yearly starting from Y1
Indicator 11: PCRIC total equity is projected to increase through FY 24	PCRIC to achieve projected positive capital growth starting 1 July 2021 assuming insurance losses equal to the long-term average. This objective will capture the overall financial strength and growth of the company but would be monitored on an actuarial (expected) basis so that success is not defined by the occurrence (or non-occurrence) of a tropical cyclone or earthquake in an insured country. Should this objective be achieved then PCRIC will be sustainable and will experience growth over the long term given the high level of capital to manage short term volatility which is a necessary part of	This indicator measures the future financial sustainability of PCRIC. The projected future capital position will be calculated based on a series of assumptions regarding the number of current and future policies expected to be sold, the expected future profile of insured risk, the expected future reinsurance protection, and expected future investment return. Insurance losses will be assumed to be equal to the long-term average for the assumed future portfolios of policies.	PCRIC's technical support or actuarial function together with PCRIC's Insurance Manager	Y6

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
	insurance business.			
Indicator 12: PCRIC capitalization (Amount in USD)	This indicator measures the disbursements of capitalization funds from the World Bank to PCRIC.	This indicator measures the disbursements of capitalization funds of US\$20 million to PCRIC, as allocated per Disbursement categories (2) and (3) in the Grant Agreement. As of July 2021, All US\$20 million has been disbursed to PCRIC by the World Bank	PCRIC CEO	Yearly from Y5
Indicator 13: Marketing and communication strategy and PCRIC website developed	To enhance the visibility of PCRIC, a marketing and communication strategy will be developed accompanied by a website for the company	This will be measured as achieved if marketing and communication strategy and the website is developed	Project Coordinator	Yearly from Y5
Indicator 14: Monitoring and evaluation conducted	This indicator is to measure the PCRIC M&E framework (this document) operationalization	M&E function will be considered achieved if there is operationalisation of the M&E workplan and the M&E function matures within the Company where reporting to World Bank and the Board is done on time	M&E Specialist	Yearly starting from Y4
Indicator 15: Establishment of a new source of premium financing for countries	The slow pace of subscription to PCRIC insurance products is hinged on the realization that however important, PICS finds the cost heavy and PCRIC commits to look into ways to alley the costs to encourage PICs to subscribe to products and have cover in the unlikely event of emergencies.	The matter has been tabled to the members of the Foundation Council (CoMs) for consideration and PCRIF has endorsed it. Conversations are happening about how the lead donors can contribute to alley the challenge. Consultations in view of accessing climate resilience finance through the G7 and COP26 are equally under consideration This indicator will measure the sources and dollar value of the premium financing established	PCRIC CEO and Project Coordinator and the respective Consultant	Yearly starting Y1

Indicator	Definition	Methodology – Calculation	Source of Data/Responsibility	Frequency
Indicator 16: Number of global engagements attended by PRCIC staff (CEO plus other staff)	PCRIC will take part in global engagements for global partnering purposes. This indicator articulates events, workshops and meetings that the CEO and other management staff take part in to promote the Company	PCRIC staff will report on the number of global and regional events and meetings attended	PCRIC CEO and all the members of the management team	Yearly from Y2