



ANNEX C1: Twinning Fiche

Project title: Building the Palestinian Agricultural Insurance Systems and Services

Beneficiary administration: The Palestinian Disaster Risk Reduction and Insurance Fund (PADRRIF)

Twinning Reference: PS 19 ENI AG 01 20

Publication notice reference: EuropeAid/170434/DD/ACT/PS

EU funded project
TWINNING TOOL

1. Basic Information

1.1 Programme: ENI/2019/041-164: PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2019. Direct management.

For UK applicants:

Please be aware that following the entry into force of the EU-UK Withdrawal Agreement¹ on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call.

1.2 Twinning Sector: Agriculture and Fisheries (AG)

2. Objectives

2.1 Overall Objective:

To increase the resilience of Palestinian farmers against shocks resulting from production risks.

2.2 Specific objective:

To have in place operational and sustainable agricultural insurance system and services, with the participation of the private sector.

2.3 The elements targeted in relevant strategic documents:

2.3.1 Targeted elements of the National Policy Agenda 2017 – 2022:

The herein proposed intervention is based on the National Policy Agenda 2017 – 2022 “Putting Citizens First”; particularly, National Priority 10: “Resilient Communities” under Pillar 3: “Sustainable Development” which, includes two directly related national policies: (1) Ensuring a Sustainable Environment and Adapting to Climate Change; (2) Revitalizing Agriculture and Strengthening Our Rural Communities.

2.3.2 Targeted elements of the Agriculture Sector Strategy “Resilience and Sustainable Development” 2017 – 2022:

In reference to The Agriculture Sector Strategy “Resilience and Sustainable Development” 2017 -2022, the proposed project intersects with three out of the five strategic objectives that reflect the priorities of the agriculture sector, namely; the First strategic objective: Female and male farmers’ resilience and steadfastness on their lands enhanced; the fourth strategic objective: Female and male farmers and entrepreneurs access to quality agricultural services needed for increasing value along agricultural value chains improved; and the Fifth strategic objective: Effective and efficient institutional and legal frameworks developed.

2.3.3. Targeted elements of PADRRIF Strategy 2017-2022:

Based on international guidelines, the Palestinian Agricultural Disaster Risk Reduction and Insurance Fund (PADRRIF) adopted, in its strategy 2017-2022, three comprehensive Programmes: (1) The Agricultural Risk Management Programme, (2) The Agribusiness Environment Development Against Risks Programme, and (3) The Administrative Programme. The Agricultural Risk Management Programme is based on five main outputs that cover most of the so far utilized risk management tools worldwide:

¹ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

Output 1.1: A comprehensive, effective agricultural disaster risk management framework; articulating and harmonizing possible interventions before, during, and after the occurrence of agricultural disasters.

Output 1.2: Monitoring, risk analysis and early warning systems.

Output 1.3: A market for agricultural insurance and partnerships to mitigate agricultural risks.

Output 1.4: An articulated and institutionalized agricultural compensation sector that contributes to the recovery from agricultural damages.

Output 1.5: Mandatory technical standards are endorsed and applied by agricultural businesses and enterprises, raising their level of readiness and preparedness to encounter agricultural risks.

Obviously, Output 1.3 is totally focused on agricultural insurance, however, insurance has to be coordinated with the rest of the utilized agricultural risk management tools.

2.3.4 Targeted elements of the European Joint Strategy:

In its Pillar 5, Sustainable Economic Development, the European Joint Strategy in Support of Palestine² divides its support into two sub-sectors, (i) Private Sector Development and (ii) Agriculture. The European Joint Strategy notices that the Palestinian economy is heavily dependent on donor support, the public sector, and trade with Israel and intends to address these issues by promoting inclusive, sustainable and private sector led development across economic sectors. Furthermore, the European Joint Strategy notices that Agriculture continues to play an important role in the lives of the Palestinian people, being a source of steadfastness, food security, livelihood resilience, economic growth, employment and social stability.

3. Description

3.1 Background and justification:

3.1.1. Agriculture in Palestine

Although operating under Israeli occupation, agriculture still provides jobs for more than 10% of the labor force in the Palestinian territory, comprising a major, as well as, a secondary source of income for many Palestinians, where farming widely depends on family labor. Moreover, agriculture has been frequently noticed to provide a safety net for labor and an indispensable source of food during the hard times. Palestinian agricultural activity recently contributed 7% to the GDP. The value of Palestinian exports of agro-commodities represented 11.25% of the total value of exports in 2018. Owing to the above factors, agriculture is an integral component of the Palestinian economic, political, social and cultural settings. National and international development cooperation actors recognize reactivating the agricultural sector in Palestine as an engine for the much-needed transformative economic development that would primarily benefit the most vulnerable sector of the society.

The core problem of the agricultural sector in Palestine is attributed to limited land and water resources, and hence low production, but there is a potential for increasing productivity and profitability by utilizing new agricultural technology. However, adequate agricultural infrastructure, agricultural investment promoting environment, and risk management measures are lacking.

The pronounced risk environment faced by agricultural producers in Palestine is admittedly one of the main constraints for the development of the sector and, in particular, a strong disincentive for investing in it, especially to small farmers and vulnerable rural households.

² This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

The Palestinian agricultural sector frequently suffers from damages as a consequence of the detrimental effects of a wide range of risks, which can be roughly grouped in two classes: (1) political and institutional risks, and (2) market and production risks.

The main source of political and institutional risks is the Israeli occupation, with focus on Area “C”, including: restrictions on the movement of goods and people, land confiscation, wall construction, seizure of water sources and resources, settlers’ violations...etc. Implications of the Israeli occupation are obvious in the restricted agricultural investments and economical activities; having no control of Palestinians over 63% of their land (called Area “C”) neither over more than 80% of their water resources in the West Bank. In Gaza Strip, Palestinians are still suffering consequences of the latest three wars in 2009, 2012, and 2014 against them, which destroyed considerable areas of agricultural lands, damaged the already weak agricultural infrastructure, and left farmers and all citizens of Gaza strip in the remaining strict seizure. Added to these consequences are the seriously limited agricultural and potable water resources, and limited cultivated areas in Gaza Strip, which more probably has the highest population density in the world, where 2 million people live in 365 Km².

Market risks are mainly comprised of exposure to price variability and lack of access to outlet markets caused by trade restrictions.

Production risks include climatic events, such as drought, floods, low and high temperature, as well as, pests and diseases affecting both livestock and crop productions activities.

3.1.2. Area of competence and mandate of PADRRIF

The establishment of PADRRIF follows from the Government’s Agriculture Sector Strategy “Resilience and Sustainable Development” 2017 -2022 (Section 2.3.2), which states that: “The Palestinian Government created the PADRRIF based on the Decree-Law number (12) for the year 2013....and this fund ... still needs to activate its work and funding mechanisms to be able to accomplish the tasks assigned to it by law...and.... the Ministry of Agriculture will regularly assess damages caused by Occupation measures and policies, while Ministry of Interior will publish them internationally... Technical assistance will be requested from competent United Nations Institutions”.

In accordance with requirements of the above Decree-Law, PADRRIF operates as a non-profit semi-governmental autonomous and independent central specialized body with the following main responsibilities:

- Natural risk documentation, verification and analysis;
- The creation of compensation schemes to alleviate the impact of damages on productivity, within a quick-response framework; and
- Developing a market for agriculture insurance.

The challenge for PADRRIF is the dual responsibility to operate the government’s compensation fund for farmers after a disaster AND develop a market for agriculture insurance. The functions to deliver on these two responsibilities are separated within PADRRIF, which is important.

At this stage, it is important to highlight that under PADRRIF’s current enabling Decree-Law it has the capability of developing its own fund for agriculture insurance. However, developing its own fund for insurance may: (a) Expose PADRRIF to a significant level of risk, given its limited capacity and capability in the technical areas of agriculture insurance; (b) Potentially be contrary to output 3 “an articulated agricultural insurance market and partnerships to mitigate agricultural risks”,

To deliver on the above dual responsibilities, PADRRIF developed its 2017-2022 strategy aimed at building institutional capacity to provide its government-mandated services. Within this strategy, the Board of Directors (“BOD”) of PADRRIF foresaw the implementation of a comprehensive risk management program, with five expected outputs as outlined in section 2.3.3 above, and the mission of PADRRIF as “Managing agricultural risks; through

preparedness, risk mitigation, and recovery programs, by providing early warnings, insurance services and aids, respectively, to farmers and agricultural enterprises; in order to promote their resilience in facing natural and political risks, as well as, to develop the agri-business investment environment, attract production and development projects, and accelerate agricultural development and economic growth”.

3.1.3. Other Involved Institutions:

The main entities, which assumed responsibility for the implementation of the law number 12/2013 on PADRRIF are; **The Ministry of Agriculture (MoA)**. Based on this responsibility PADRRIF was established in 2013 by the efforts of the MoA, which has assigned the appropriate personnel and united the required efforts for its establishment. **Specialized Agricultural Councils**. There are ten agricultural commodity councils; each council brings together owners of similar commodities and has been established as semi-governmental institutions. **Non-Governmental Organizations and Civil Society**; There are around 35 NGOs and Civil Society Organizations which have played a vital role in agriculture, before and after the establishment of the Palestinian National Authority (PNA) as the donors' funds where financed through these organizations. **The Private Sector**; There are around 241 cooperative associations and about 7207 agricultural facilities in Palestine. Many of these associations and facilities have given the least degree of support and guidance, where there is an absence of the national state since a long time. **Agricultural unions and associations**. More likely they will have an essential role in selling insurance products, marketing, and extension; as they are in direct contact with farmers. **Palestine Capital Market Authority (PCMA)**; as the regulator of insurance in general.

There are nine insurance companies operating in Palestine. During the 2016 year, the insurance sector experienced a growth by 18.7% from the previous year. The insurance portfolio reached about \$196 million, while the sector accounted for 2.4% of GDP at constant prices.

The insurance companies are all members of the Palestine Insurance Federation. The Federation's role is to advocate with the government to assist with the development of the insurance sector, for example, building its capacity by facilitating training courses for staff of the insurance companies. The Chief Executive Officer of the Federation is a Board member of PADRRIF. It is likely that the initial involvement of insurance companies to develop agriculture will be coordinated and managed through the Federation.

The Capital Market Authority supervises and regulates the insurance companies in Palestine. The Authority has a sound regulatory and supervisory framework in place for non-life insurance companies.

3.1.4. Organizational structure of PADRRIF

According to the organisational chart of PADRRIF (attached in Annex 7), PADRRIF is managed by a Board of Directors consisting of fifteen members representing governmental and non-governmental institutions and is chaired by the Minister of Agriculture. The organisational structure of PADRRIF is the certified hierarchal model of the Palestinian Authority. This structure assigns the work among workers and determines official channels of coordination, ensuring the implementation of government policies and serves the best interests of the state. PADRRIF has 93 employees and is organised in three General Directorates; G.D. of Agricultural Insurance, G.D. of Agricultural Compensation and Development, and G.D. of Financial and Administrative Affairs. Twelve specialized departments work under supervision of the three General Directorates, which are: Finance, administrative affairs, supplies and tenders, information and knowledge management, agricultural compensation, technical support for compensation programs, investment and infrastructure development, planning and programs and projects, agricultural insurance and reinsurance, loss adjustment, engineering and design, disaster risk reduction. In addition to three departments working under the direct supervision of the Head of the Fund which are: Legal Affairs, Internal control, and International Relations and information. However, the

current organizational structure, when commencing the twinning project, might be adapted by creating new positions or departments if seen necessary.

3.1.5. Strengths and weaknesses of PADRRIF:

The law number 12/2013 on PADRRIF is considered as a strength point because it assumes its involvement in all aspects of risk management and insurance in the agriculture sector. Other strengths include: the availability of relatively qualified and almost sufficient staff within PADRRIF; the current coordination and communication network of PADRRIF³, and the annually allocated budget by the Palestinian Government to PADRRIF⁴. PADRRIF has further established a farmer and agricultural damages digital documentation system and validated several regulatory systems for supporting (compensating) farmers. Moreover, PADRRIF has implemented a strategic planning process and identified its priorities and programs within a simple and realistic strategy for the period 2017 -2022.

The allocated governmental budget allows for basic performance, however, PADRRIF suffers from limited know-how and financial resources, and consequently it is unable to apply sufficient agricultural risk management measures including adequate insurance services.

Since its establishment, PADRRIF encountered important challenges. Particularly, many reasons stand behind the delay in commencing the agricultural insurance and presenting agricultural insurance products and services to the agricultural sector. Lack of an identified insurance model that fits the Palestinian environment, that PADRRIF can learn from, is one main challenge. This reason, alongside the absence of the needed insurance institutional framework, worsens the situation and hinders the agricultural sector development.

More specifically, the delay in commencing agricultural insurance in Palestine can be attributed to the following reasons:

- The lack of clarity over the roles of the public and private sectors;
- The low level of coordinated investment in public goods that will support the development of agricultural insurance;
- The Government does not have any functional institutions in order to utilize agricultural insurance to meet its social objectives of protecting farmers;
- The lack of data infrastructure and data asymmetry
- Both insurance companies in Palestine and Government lack technical capacity in agricultural insurance;
- There is uncertainty on whether a pilot scheme will be sustainable after the pilot period has finished; and
- The current tools used for the monitoring and evaluation of products and farmers' acceptance and interest in agricultural insurance are not fit for purpose. (Source: Final report on Developing the Agricultural Insurance System in Palestine: Pre-Development Phase, Section 1.1).

In other words, there is no detailed understanding of the operationalization of the role of the PADRRIF in agricultural insurance. There is no clearly identified reference to a public-private partnership (PPP) that will need to be put in place to facilitate the participation of the insurance companies into an operational framework for the development of insurance

³ PADRRIF could successfully develop promising cooperation channels with local insurance companies, agriculture sector working group member organizations, farmers organizations and others.

⁴ The annually allocated budget by the Palestinian Government to PADRRIF amounts to about two million NIS as running cost to run the Assistance to Agriculture Programs, around 10 million NIS for farmers compensation program and two million NIS for other PADRRIF programs.

services. Such a partnership will indeed be very critical, since the success of an agricultural risk management program depends mainly on the collaboration between the public and private components of the scheme. In parallel, the proper identification of the risk management tools aimed at addressing political and institutional risks, market risks and production risks should be carried out. PADRRIF was founded on the belief that sustainable, scaled up agricultural insurance programs that benefit vulnerable farmers and herders require engagement, innovation and action from both the public and the private sector.

In relation to the above context is the present Israeli occupation, which is a significant threat to Palestinian agriculture. A series of large scale shocks combined with Israeli restrictions on movement of goods and people, and access to land and natural resources, has resulted in the erosion of the agriculture sector's productive capacity. The Israeli occupation and settlers practices in the Occupied Palestinian territory (e.g; land and ground water confiscation wall construction, etc.) cause significant damage to the assets of Palestinian farmers, including loss of property. Climate change in addition increases the risks of crop failure.

3.1.6. Related legal framework

Law of Agriculture number (2) of 2003 (issued 5/8/2003): The law of Agriculture provides for the "Establishment of farmers' compensation fund for natural disasters" as one of the Ministry objectives, by a special law".

Law number 12/2013 on PADRRIF (PADRRIF's law): This law was enacted in 2013, this law is, intentionally, very wide and enabling and allows PADRRIF to be involved in all aspects of risk management and insurance in the agriculture sector.

At the same time, PADRRIF will be operating in the financial sector and will be engaging with members of the financial and private sector. Therefore, the laws pertaining to the financial and private sectors need to be reviewed in order to determine whether there are any conflicts between the law number 12/2013 on PADRRIF and these laws. Once PADRRIF has progressed in the agricultural insurance development process and determined in conjunction with the stakeholders, the best policy approach going forward, the enabling laws may not need to be amended, but merely supported by enabling regulations or decisions.

Law of Insurance: earlier reports on developing the agriculture insurance suggested that a PPP arrangement of insurance will clearly put PADRRIF's Law in conflict with the law of Insurance, because, PADRRIF's law gives PADRRIF the ability to provide insurance by operating with an insurance fund. Yet, PADRRIF's law is silent on how the insurance fund will be established and how it will operate. PADRRIF's law does not state that it is exempt from other laws in Palestine; therefore, if it is to provide insurance to farmers it will need to comply with the requirements of the insurance law. The insurance law states that anyone offering insurance must be licensed by the Capital Markets Authority. The license has specific requirements such as a minimum capital requirement of US \$5 million and the applicant for the insurance license must demonstrate it has the capability to operate an insurance company.

3.2 On-going reforms:

Besides the organizing, serving, and strategic planning efforts for the Agricultural sector paid by the MoA, the Agriculture Sector Working Group, comprised of main stakeholders and Donors, has been involved in most development aspects of the agricultural sector since several years. International assistance is frequently employed in line with the plans of the Agriculture Sector Working Group and the Agriculture Sector Strategy 2017-2022. In general, this has positively affected the on-going reform processes in the field of agriculture, and particularly in the current establishing process of the agricultural insurance system in Palestine.

3.2.1. Roadmap for Developing Agricultural Insurance

As per the Agricultural Insurance System, PADRRIF greatly benefitted from the support of the European Union (a member of the Agriculture Sector Working Group) through the funded

technical assistance project entitled “Developing the Agricultural Insurance System in Palestine: Pre-Development Phase”. In 2017 the EU recruited a group of European experts in order to draw up a report about the possibilities of developing an agricultural insurance system in Palestine and help formulating and approving a Roadmap for Developing Agricultural Insurance for the implementation of PADRRIF’s strategic plan over the next three years, to accelerate the development of agriculture insurance to deliver protection for farmers.

The roadmap describes the steps that PADRRIF needs to take to achieve stated outcomes and goals. In the roadmap, there are links among tasks and priorities for action in the near, medium and long-term. The roadmap recommended six solution pillars, which include building the knowledge capacity of PADRRIF’s staff in all areas related to agricultural insurance. The integration of all these areas will lead to improved and enhanced sharing of, and collaboration on, all activities required for the development of agriculture insurance in the country. Therefore the logical frame work of this project is elaborated and based on the six solution pillars of the Roadmap as presented in section 3.5.

The roadmap was approved by the Board of Directors of PADRRIF in 2018. It also includes metrics and milestones to allow regular tracking/ monitoring of progress towards the roadmap’s ultimate goals. The roadmap includes all the technical, policy, legal, financial, market and organizational requirements identified by all national stakeholder groups (public and private sectors, and civil society) involved in the developments needed to introduce agriculture insurance to Palestine. PADRRIF has already started the roadmap implementation and created a steering committee to monitor implementation of agricultural insurance system.

3.2.2. Designing Pilot Agricultural Insurance Products

In collaboration with Oxfam and with financial support from Sweden, PADRRIF has recently obtained international technical assistance on designing a pilot set of agricultural insurance products as a part of developing the agricultural insurance system in Palestine. The project aimed to complete a set of milestones. However, further crop data still need to be prepared before setting up the anticipated insurance products. Beyond, designing the agricultural insurance products, further capacities and systems have to be established and operated in order to successfully run the agricultural insurance market in Palestine. The purpose of this project was to test and make ready for roll out at least three insurance products which are; Grapes, Broiler Chicken, and greenhouse Tomato. For achieving this purpose, a survey and a series of studies, consultations, and data collection have been conducted in order to obtain the following results:

1. Legal framework: draft Agricultural Insurance Regulation and templates of MoUs with key stakeholders.
2. Database: a foundation for database was created and four insurance products were designed and priced, including rates, terms, underwriting (UW), loss adjustment (LA) guidelines. Yet still field testing and validations are required.
3. Planed Insurance portfolio.
4. PPP system functions were proposed.
5. Intensive product training was delivered to PADRRIF staff.
6. Suggestions for further future steps.

It is anticipated that the results of this pilot project including the proposed criteria and solutions can be replicated to other crop types in the near future. In addition, it would lead to improvements in work procedures and thus quicker implementation, and real feedback that will provoke new solutions.

Based on the results of the above project, there is an ample space to improve several aspects through intensive work on defining actors’ roles and responsibilities, state subsidy, insurance documentation, Insurance body with capitalization, roles and responsibilities of the insurance body, marketing campaign, reinsurance arrangement, product expansion, and MIS setup, in order to build an agricultural insurance system.

The results of this pilot project concluded that additional data and surveys should be collected and conducted for other possible agricultural insurance products (plant and livestock). Although, these results need to be further analysed, the outcomes and recommendations can be utilised to determine the timing, cost, further needed technical approach, developments, training programs, ...etc. This Twinning project is to actively build on the above analysis and in so doing help inform the decision-making bodies.

The final report of the mission: on designing pilot agricultural insurance products titled Developing agricultural insurance system in Palestine is provided with this Twinning Fiche (see annex 3_c) for further details.

3.3 Linked activities:

In line with its strategy 2017-2022, PADRRIF has started utilizing available financial and human resources in implementing selected projects related to developing the agricultural insurance market as well as projects related to other risk management tool, including the following projects:

- Developing computerized quick and accurate system for assessing agricultural damages with a total budget 500,000 NIS allocated by the Palestinian government in 2019-2020;
- Initiating the assessment of the demand on agricultural insurance through conducting a preliminary survey on farmers' financial and insurance needs in collaboration with Palestinian Agricultural Credit Institute (PACI);
- Study on the structure of green houses in Palestine (developing standards for agricultural structure);
- Preparing the ToR for obtaining consultation services for developing early warning system and remote sensing (Information needed for agricultural insurance);
- Compensating farmers for agricultural damages caused by natural disasters (weather conditions and animal diseases) with a total budget 18,000,000 NIS for damages incurred during 2014-2015;
- Supporting farmers affected by Israeli occupation practices in the WBGS through the Assistance to Agriculture – West Bank (AA-WB) program and Private Sector Reconstruction Gaza - Agriculture (PSRG-A) program in collaboration with MoA and by support of EU.

3.4 List of applicable *Union acquis*/standards/norms:

As mentioned above, the decree-law number 12/2013 Regarding the PADRRIF, which entered into force as after publication in 2013, is in line with the EU acquires, particularly with the following directives and legislations:

- EU Development Policy: it gives the EU the competence to carry out activities and conduct a common policy in the area of development cooperation. The development assistance is one of the pillars of the EU's external action, alongside foreign, security, and trade policies. The main objective of the EU development policy is the reduction and long-term eradication of poverty with commitment of fostering the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty.
- Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions: The 2015 Hyogo Action Framework. Managing risks to achieve resilience (COM (2014) 216 final of 8.4.2014).
- Regulation (EU) No 1305/2013 of the European Parliament and of the council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005.

- Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks.
- Commission Implementing Decision (EU) 2019/300 of 19 February 2019 establishing a general plan for crisis management in the field of the safety of food and feed.
- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008.
- [Directive 2009/138/EC](#) of the European Parliament and of the Council of 25 November 2009 [on the taking-up and pursuit of the business of Insurance and Reinsurance \(Solvency II\)](#).
- Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the Council on risk and crisis management in agriculture’ (COM (2005) 74 final).

3.5 Components and results per component

The following project components and results are based on the six solution pillars within the above mentioned roadmap for developing the agricultural insurance system, as well as the results of the mission of designing a pilot set of agricultural insurance products. A logical framework with these components and mandatory results per component has been prepared and attached to this Twinning Fiche.

3.5.1. Mandatory Results of Component 1: AGRICULTURAL RISK ASSESSMENT;

Short description:

Information and data on the overall agricultural risk environment and on the demand for insurance services are collected, analysed and used for a thorough assessment for the development of an agricultural insurance framework.

Sub-result 1.1 preliminary screening of agricultural risk environment in Palestine. Then, information and data on agricultural risk environment and demand for insurance services are collected and analysed for agreed set of products.

Indicators of achievement:

- Organized information and functional database on agricultural risk environment including data on climate and production.

Sub-result 1.2 Agricultural insurance products (Plant and livestock) are designed for agreed set of products.

Indicators of achievement:

- Agricultural insurance products portfolio is developed for agreed set of products including: validated product term sheets, premiums, product underwriting and loss adjustment guidelines, farmer field surveys, product actuarial studies, and policy wording and pricing.

3.5.2. Mandatory Results of Component 2: AGRICULTURAL INSURANCE DATA MARKET INFRASTRUCTURE;

Short description:

High-quality data for decision making and reliable financial protection are available to government and insurance providers.

Sub-result 2.1 Insurance information system and data infrastructure, which provides high-quality data and information is developed.

Indicators of achievement:

- Available insurance high-quality data and information (for decision making and reliable financial protection) to government, insurance and reinsurance companies.

3.5.3. Mandatory Results of Component 3: PUBLIC SECTOR TECHNICAL CAPACITY BUILDING; (Agricultural insurance skill upgrading)

Short description:

The technical capacity of PADRRIF and all relevant stakeholders is built and consolidated on agricultural insurance for the Palestinian Territories.

Sub-result 3.1 Training modules are developed and utilized on principles of actuarial, underwriting, loss adjustment, insurance products design, policy wording, pricing, reinsurance, and risk financing for agricultural insurance.

Indicators of achievement:

- Increase in capacity and trained and equipped public sector staff with necessary skills and knowledge.
- Adequate quantity and quality of designed, delivered, and attended capacity building programs (Actuarial and other technical aspects of agricultural insurance processes).

Sub-result 3.2 The feasibility and possible scenarios for creating and activating a Technical Support Unit (TSU) for agricultural insurance are obtained.

Indicators of achievement:

- Availability of a feasibility study on scenarios for creating and activating an agricultural insurance TSU.

Sub-result 3.3 A scenario towards creating a TSU for agricultural insurance is chosen and implementation plan for TSU is prepared.

Indicators of achievement:

- Agricultural insurance TSU implementation plan and best practices dissemination achieved.

Sub-result 3.4.

Qualified and certified agricultural insurance services.

Indicators of achievement:

- Certification system for certifying agricultural loss adjusters, underwriters, and sales agents is defined and implemented.

3.5.4. Mandatory Results of Component 4: PARTNERSHIP WITH PRIVATE SECTOR;

Short description:

PPP insurance scheme(s) are developed and piloted.

Sub-result 4.1 An agreement of the private sector on a PPP model to participate and bear a risk stake of the agricultural insurance portfolio is obtained.

Indicators of achievement:

- Number of formulated and validated agreements and MOUs on an agricultural insurance scheme between PADRRIF and insurance companies.

Sub-result 4.2 The adopted PPP scheme is developed in cooperation with PCMA and interested insurance companies and the Palestine Insurance Federation (PIF).

Indicators of achievement:

- A PPP scheme is articulated and institutionalized and signed by PADRRIF, PCMA, a number of insurance companies, and the Palestine Insurance Federation (PIF).

Sub-result 4.3 PPP insurance scheme model is piloted and reinsurance agreement is negotiated.

Indicators of achievement:

- PPP scheme is tested and validated according to its success and satisfactory agricultural insurance services.
- Reinsurance agreement prepared or obtained.

Sub-result 4.4 Necessary scenarios to promote future participation of the private sector in agricultural insurance are investigated and implemented (in case of private sector disagreement to join a current PPP scheme).

Indicators of achievement:

- Obtaining a plan to pilot Agricultural insurance by PADRRIF only as a starting phase through articulating and launching institutional agricultural insurance solutions by the Government to convince the private sector.

3.5.5. Mandatory Results of Component 5: PUBLIC SECTOR INSTITUTIONAL CAPACITY BUILDING;

Short description:

Procedural improvements and organizational strengthening that will enable public sector stakeholders to provided agricultural insurance service. PADRRIF institutional capacities are developed to deliver agriculture insurance services.

Sub-result 5.1 Institutional framework of the adopted PPP model (or PPP promoting model) including: roles, mandates, and responsibilities of all stakeholders of agricultural insurance are identified, confirmed and coordinated.

Indicators of achievement:

- Assessed level of functionality of the adopted agricultural insurance scheme and the provided agricultural insurance services.

Sub-result 5.2 Legal and regulatory framework of the adopted PPP model (or PPP promoting model) is developed.

Indicators of achievement:

- Organized and regulated agriculture insurance sector.

Sub-result 5.3 identification and elaboration of institutional bodies according to the agreed framework.

Indicators of achievement:

- Clearly identified and elaborated agricultural insurance institutional bodies.

Sub-result 5.4 Institutional linkages are setup.

Indicators of achievement:

- Agricultural insurance stakeholders are sufficiently and effectively linked.

Sub-result 5.5 Institutional capacity of sustainable agricultural insurance market size and premiums subsidy identification are developed.

Indicators of achievement:

- Timely and professionally validated reports recommending (to decision makers) proper insurance market size and subsidy.

Sub-result 5.6 Agricultural insurance financial and accounting regulation is developed.

Indicators of achievement:

- Endorsed and operational financial and accounting functions for agricultural insurance.

Sub-result 5.7 Insurance marketing plan and distribution channels are developed.

Indicators of achievement:

- Percentage of insurance products sold to targeted clients (studied group of farmer in the actuary study and the business plan for the selected products) through a well-established insurance agents' network.

3.5.6. Mandatory Results of Component 6: MONITORING AND EVALUTION;

Short description:

Project / Insurance Impact Monitoring and Evaluation Framework

Sub-result 6.1 A framework for project / insurance impact monitoring and evaluation is developed.

Indicators of achievement:

- An available practical ready to use monitoring and evaluation framework, which is approved by all project participants.

Sub-result 6.2 A project / insurance impact monitoring and evaluation plan and procedures are developed and implemented.

Indicators of achievement:

- Increase in capacity and efficiency of project/ insurance management and adjustment reflected by degree accomplishing of evaluation plan and procedures.

3.6 Means/input from the EU Member State Partner Administration(s):

The project will be implemented in the form of a Twinning contract between Palestine and EU Member State(s). Hence, Member State(s) is/are kindly requested to develop activities in the submitted proposal, which are needed in order to achieve the results stipulated in the fiche. The overall duration of the project is envisaged to be 36 months. The Twinning partner(s) will manage all aspects of the agricultural insurance system described in this project fiche in close cooperation with PADRRIF during this period of time. The implementation of the project requires hiring one Project Leader (PL), who is responsible for the overall coordination of project activities, one Resident Twinning Adviser (RTA), responsible for management and implementation of project anticipated activities, component leaders, and a pool of short-term experts, who will be called upon whenever necessary to contribute to the achievement of the mandatory results within the limits of the budget.

It is essential that the team has sufficiently broad expertise to cover all the areas included in the project description. Member States may also form a consortium which could result in a wide range of qualified senior experts gathered from the public administrations or mandated bodies from up to two Member State, provided that national approaches can be harmonized within this consortium. The interested Member State(s) twinning team shall include in its proposal the CVs of the designated Project Leader, Resident Twinning Adviser, and the proposed Short-Term Experts as Component Leaders.

Therefore, it is necessary that the Member State (MS) proposal clearly indicates all inputs/means with specific indications on the suggested schedule of activities, how the work plan should be established, on the profile of short-term experts and on indicators and targets that should be used to ensure the timely achievement of the mandatory results.

In order to facilitate the RTA's mission, a full time translator would be recruited. She/he should perform most of the required interpretation/translation services. She/he will provide day-to-day interpretation/translation to the RTA and project experts during missions.

3.6.1 Profile and tasks of the PL:

The Project Leader of the MS must be a high-ranking senior official who is able to conduct a dialogue at political level to achieve the Twinning objectives and able to put forward the solutions to the problems encountered. He/she will work with the Palestinian counterpart to ensure the direction and coordination of the entire project at strategic level. The PL leads and facilitates the implementation of the project, and has the capacity and responsibility to mobilize the necessary expertise in support of its efficient implementation.

Profile:

- University degree in business administration, economics or any equivalent discipline or equivalent professional experience of 8 years.

- Minimum 3 years of experience in the insurance and reinsurance industry on the positions related to agriculture including leading teams of experts in the area of agricultural insurance or similar assignments;
- Skills:
 - Experience in the area of stakeholder communications,
 - Consensus building,
 - Professional knowledge of English (speaking, reading and writing).

Tasks:

- Conceive, supervise and coordinate the overall preparation of the project;
- Provides strategic advice on high level regarding reforms supported by the Twinning;
- Co-ordinates MS experts' work and to mobilises the necessary expertise in support of the efficient implementation of the project
- Managing and supervising the RTA
- Preparing, with the assistance of the RTA, interim quarterly and final reports
- Co-chairing the PSC meetings.

3.6.2 Profile and tasks of the RTA:

The Resident Twinning Advisor is to be appointed to implement this project and to work throughout the duration of the twinning, on a full-time basis in Palestine.. The secondment of the Resident Twinning Advisor (RTA) will last for 27 months, during which he/she will be responsible for the direct implementation of the project under the overall supervision of the MS Project Leader.

Profile:

- University degree in business administration, economics or any equivalent discipline or equivalent professional experience of 8 years.
- Minimum 3 years of experience in the insurance and reinsurance industry on the positions including financial management of agricultural insurance or similar assignments;
- Skills:
 - Basic knowledge about the agriculture sector,
 - Professional knowledge of English (speaking, reading and writing).
 - Professional computer literacy.

Tasks:

- Monitor project implementation and achievement of project objectives;
- Drafting of the Terms of Reference for short-term experts, coordination, facilitation and monitoring of their work during implementation;
- Ensuring timely and correct implementation of the activities as outlined in the initial and subsequent work plans and that the project is completed within the planned time schedule;
- Developing and maintaining a close and permanent professional relationship with the leadership and staff of the beneficiary institution;
- Provide expertise, advice and reports related to the project at the request of the Palestinian authorities.
- Organisation of workshops, trainings, meetings, as well as study visits;

- Liaison with EUD Project Leader and other relevant projects and relevant Palestinian institutions and counterparts;
- Preparation of the initial and subsequent work plan(s) and project progress reports, together with PL, to be submitted to the Steering Committee.

3.6.3. Profile and tasks of Component Leaders:

A Component Leader will be assigned for each of the aforementioned six components. Component Leaders will ensure continuity and consistency within each of the fields concerned. The relevant institution of the member state will appoint the Component Leaders who will be responsible for delivering the mandatory results/outputs for the specific components.

Common tasks of Component leaders:

- Component coordination, guidance and monitoring;
- Conducting analysis of the area relevant to the component;
- Timely proposals for any corrective measures;
- Liaise with MS and BC PLs and daily contacts with RTA and BC counterpart

Profiles of Component Leaders of

Component 1: AGRICULTURAL RISK ASSESSMENT

- University degree in similar discipline relevant to the component or equivalent experience of minimum 8 years of relevant professional experience;
- At least 3 years of progressively responsible experience in agricultural risk assessment;
- Fluency in written and spoken English.

Experience in the following subjects will be considered as an advantage:

- Experience in utilizing actuary and statistical reports on agricultural risks; Experience in standards, criteria and methodologies of agricultural risk assessments;
- Experience in developing agriculture risk profiles and insurance service demand;
- Experience in agricultural insurance products (Plant and livestock products) design.

Component 2: AGRICULTURAL INSURANCE DATA MARKET INFRASTRUCTURE

- University degree in discipline relevant to the component or equivalent relevant professional experience of 8 years;
- At least 3 years of progressive experience in agricultural insurance information management systems;
- Fluency in written and spoken English.

Experience in the following subjects will be considered as an advantage:

- Demonstration of understanding of agricultural insurance data nature, sources, collecting methods, and validating and auditing criteria;
- Experience in preparing procedures and guidelines of collecting, auditing, analysing; and managing agricultural insurance data;
- Experience in data market infrastructure and data centralization.

Component 3: PUBLIC SECTOR TECHNICAL CAPACITY BUILDING.

- University degree in discipline relevant to the component or equivalent relevant professional experience of 8 years;
- At least 3 years of progressive experience in agricultural insurance operations capacity building; Fluency in written and spoken English.

Experience in the following subjects will be considered as an advantage:

- Demonstration of understanding of agricultural insurance policies, loss adjustment, underwriting, reinsurance, and marketing;
- Experience in capacity building and human resources development related to agricultural insurance operations;
- Previous experience in similar projects.

Component 4: PARTNERSHIP WITH PRIVATE SECTOR

- University degree in similar discipline relevant to the component or equivalent relevant professional experience of 8 years in a related field;
- At least 3 years of progressively responsible experience in business management and /or Public Private sector negotiations;
- Fluency in written and spoken English.

Experience in the following subjects will be considered as an advantage:

- Experience in applied theories of public private sectors business co-performance;
- Experience in agricultural insurance business models;
- Experience in public private sectors financial management mechanisms;

Component 5: PUBLIC SECTOR INSTITUTIONAL CAPACITY BUILDING

- University degree in similar discipline relevant to the component or equivalent experience of minimum 8 years in a related field;
- At least 3 years of progressively responsible experience in institutional building;
- Fluency in written and spoken English.

Experience in the following subjects will be considered as an advantage:

- Experience in administrative institutional reform, reengineering, and rehabilitation;
- Experience in utilizing legal aspects in managerial framework of agricultural insurance.

Component 6: MONITORING AND EVALUATION

- University degree in similar discipline relevant to the component or equivalent experience of minimum 8 years in a related field;
- At least 3 years of progressively responsible experience in program's monitoring and evaluation;
- Fluency in written and spoken English.

3.6.4. Profiles and tasks of other short-term experts:

Other specialists will be available to the RTA with experience and competence matching the project activities. The short-term experts are expected to assist RTA in specific and technical

matters of the project. The type-foreseen expertise is in actuary, statistics, legal support, loss adjustments related to agriculture, underwriting procedures, information technology and financial management..

The short-term experts shall satisfy the following general profiles:

Profile:

- University degree in similar discipline relevant to the component or equivalent relevant professional experience of 8 years in a related field;
- At least 3 years of experience in the requested domain.

4. Budget

The maximum budget available for the grant is 2,100,000 EUR.

5. Implementation Arrangements

5.1. Implementing Agency

The Office of the European Union Representative (West Bank and Gaza Strip, UNRWA) will be responsible for the tendering, contracting, accounting, payments, and financial reporting.

Contact Person: Mr. Ammar Al Khateeb

Programme Manager

EUREP

ammar.al-khateeb@eeas.europa.eu

5.2 Institutional framework

The main beneficiary Institution of the Twinning project is the Palestinian Agricultural Disaster Risk Reduction and Insurance Fund (PADRRIF).

The main beneficiary departments will be the General Directorate of Agricultural insurance for the overall coordination and project management, which consists of four departments; agricultural insurance and reinsurance, loss adjustment, engineering and design, and disaster risk reduction. As this twinning project is focused on enhancing the business environment of Palestinian farmers by providing insurance products, employees from other institutions will be involved in project activities, benefiting from expert advice, expertise, hands-on experience obtained during on the job and off the job trainings, study visits and other project activities. As many entities are involved in agricultural insurance process, the general institutional framework is likely to be changed.

5.3 Counterparts in the Beneficiary administration:

The staff of PADRRIF will be the PL and RTA counterparts who will actively participate in the management and coordination of the twinning project.

5.3.1 Contact person:

Mr. Mohammed Yousef Almasri

D.G. Agricultural Compensations and Development

May Ziade Street, Al-Masayef, Ramallah

malmasri@padrrif.pna.ps

Tel: +970 2 2961861

P.O. Box: 3692

5.3.2 PL counterpart

Dr. Nasser Jaghoub

Head of PADRRIF
May Ziade Street, Al-Masayef, Ramallah
Tel: +970 2 2961861
P.O. Box: 3692

5.3.3 RTA counterpart

Ms. Jumana Hamayel
Acting Director General of Agricultural Insurance
May Ziade Street, Al-Masayef, Ramallah
Tel: +970 2 2961861
P.O. Box: 3692

6. Duration of the project

The overall execution period of the twinning project is 36 months, (as per art. 2.2 of the SC, including final reporting)⁵.

7. Management and reporting⁶

7.1 Language

The official language of the project is English. All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2 Project Steering Committee

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements *via-à-vis* the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

7.3 Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twining: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements *via-à-vis* the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

8. Sustainability

After obtaining necessary consultations, finishing updates and activities, the proposed project is of continuity projects in the sense that it will continue to function as long as PADRRIF

⁵ Considering the nature of the project, the foreseen activities will be reviewed and agreed upon during the first 3 months from the start of the implementation period.

⁶ Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

remains to serve and compensate farmers. The staff responsible for operating the system is already employed and paid by PADRRIF. The staff of PADRRIF will perform all activities of follow-up, operation, and maintenance. Moreover, PADRRIF will provide all of these costs. As a confirmation of the continuity of the project after the completion of implementation, the project by its nature ensures continuity in achieving its objectives and survival. Project activities include training staff to carry out tasks and preparing trainers, which means that staff of the organization will be able to transfer the acquired knowledge to new employees in the future.

9. Crosscutting issues

Based on the fundamental principles of promoting equality and combating discrimination, participation and benefiting from the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, or age. Therefore, PADRRIF will ensure equal opportunities between male and female in the management and implementation of the Project, including equal opportunities in training, site visits and participation in all of the Projects' missions and events. Women play a prominent, although largely informal, role in the Palestinian agriculture sector. Particularly in rain-fed farming, which is significantly vulnerable to climate change, women are historically the major contributors to farm work. In Palestine, women supply about 87% of the labour input in livestock production and 54% in plant production. In this context, the project will work to promote gender equality and women's empowerment and ensure that women and men have equal opportunities to participate in and benefit from the project's activities at all levels. This project can be classified as low risk based on FAO's standards, as no environmental and social risks were identified at the appraisal stage. The project has no or minimal potential negative environmental and/or social impacts, either upstream or downstream. Furthermore, the project will not be controversial in terms of the interests of key stakeholders. The twinning project itself will ensure the nature preservation and environment protection when applying its agreed activities and when introducing its services to local farmers. For instance, the farmers cannot benefit from the insurance services and obtain compensation for agricultural damages and losses without following several instructions and technical standards, which ensure the lowest level of damages and losses.

10. Conditionality and sequencing

The implementation of the project requires participation of the senior management of the Beneficiary Institution, PADRRIF. Moreover, it is important to note that some project activities are interdependent. PADRRIF commits itself to provide the contributions stated in the Fiche. They include the followings:

- Involvement of PADRRIF at all levels.
- Counterparts will be appointed to facilitate the implementation of the relevant activities of the twinning project.
- Assigning staff to attend the training, seminars, and other activities. Contributing to solve emerging problems that might face the project.
- Provide affordable accommodation and training rooms within Beneficiary premises.

Sufficient collaboration with the counterparts at the institution is expected from the twinning team and the RTA.

11. Indicators for performance measurement

- Percentage of farmers who received insurance compensations.
- Percentage of farmers who resumed their agribusinesses after being affected by production risks.

- Growing value of agricultural insurance coverage.
- Number of designed and endorsed agricultural insurance products.
- A new agricultural public private insurance scheme is in place.
- PADRRIF acts as an insurance operation implementing partner as well as an enabler and the regulator of agricultural insurance system of WBGs.

12. Facilities available

In accordance with the requirements of the twinning project, PADRRIF commits itself to provide all the professional infrastructure and equipment to ensure the best working conditions to project experts including: equipped offices, meeting rooms, office space, computer equipment and software, adequate means of communication (telephone line, internet connection, etc.).

Training and presentations will take place in conference rooms, which are equipped with projector, computer, flipcharts, and other necessary items.

Abbreviations

Glossary:	Abbreviation Meaning
AA-WB	Assistance to Agriculture – West Bank
BI	Beneficiary Institution
CA	Competent Authority
DG	Directorate General
DCFTA	Deep and Comprehensive Free Trade Agreement
EC	European Commission
ENP (AP)	European Neighbourhood Plan (Action Plan)
ENPI	European Neighbourhood Plan Instrument
EUD	European Union Commission
EUR	The European Union Currency ‘Euro’
LA	Loss Adjustment
MIS	Management Information System
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MS	Member State
MSA	Member State Administration
PA	Palestinian Authority
PADRRIF	The Palestinian Agricultural Disaster Risk Reduction and Insurance Fund
PCMA	Palestine Capital Market Authority
PIF	Palestinian Insurance Federation
PPP	Public-Private Partnership
PL	Project Leader
PSC	Project Steering Committee
PSRG-A	Private Sector Reconstruction Gaza - Agriculture
RS	Revenue Service
RTA	Resident Twinning Adviser
STE	Short Term Expert
TOR	Terms of Reference
ToT	Training of Trainers
TAIEX	Technical Assistance Information Exchange Unit
USAID	United States Agency for International Development
UW	Underwriting
VAT	Value Added Tax
WBGS	West Bank and Gaza Strip

ANNEXES TO PROJECT FICHE

(1) Included annexes in the fiche document:

Annex 1: Levels of an intervention logic

Annex 2: The Simplified Logical framework matrix as per Annex C1a

Annex 7: The Organisational structure of PADRRIF

(2) Annexes attached as separate files with the following names:

Annex 3-a: Roadmap for developing the Palestine Agriculture Insurance

Annex 3-b: Developing of the Agricultural Insurance System in Palestine 'Pre-Development Phase' Final Report

Annex 3-c: Developing the Agricultural Insurance System, Final Report Nov_2019

Annex 4-a: PADRRIF Law 2013

Annex 4-b: Insurance Law No (20) for 2005

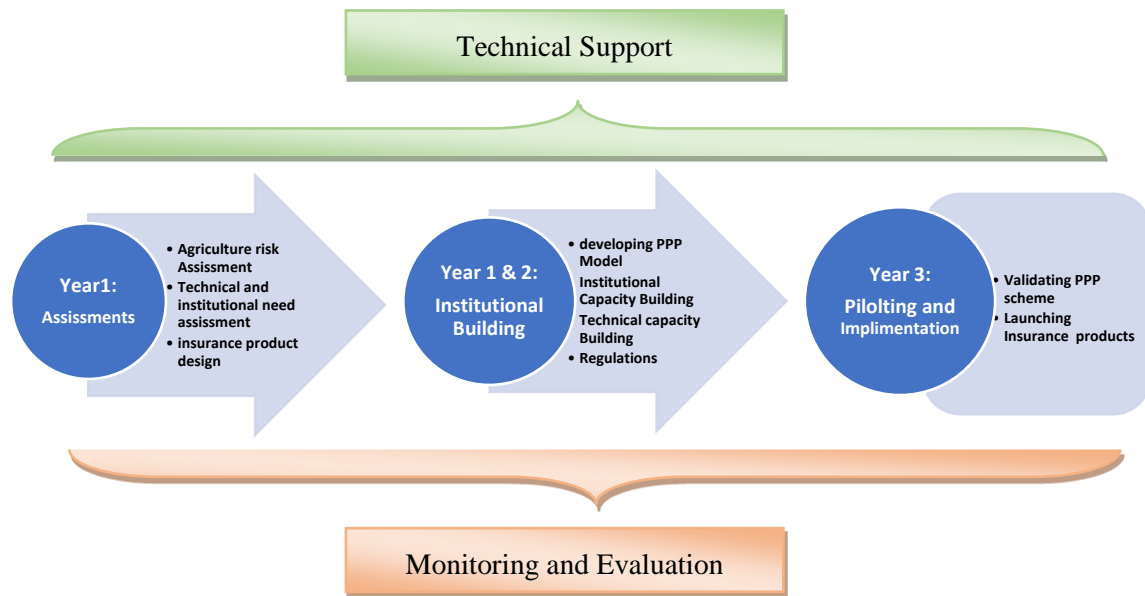
Annex 5-a: National Policy Agenda

Annex 5-b: National agricultural sector strategy

Annex 5-c: PADRRIF Strategy 2017-2022

Annex 6: European joint strategy in support of Palestine 2017-2020

Annex 1_Levels of an intervention logic



Annex 2_Simplified Logical Framework

Project Title: Building The Palestinian Agricultural Insurance Systems and Services				
Overall Objective	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
To increase the resilience of Palestinian farmers against shocks resulting from production risks.	<ul style="list-style-type: none"> Percentage of farmers who received insurance compensations. Percentage of farmers who resumed their agribusinesses after being affected by production risks. 	<ul style="list-style-type: none"> Reports based on insurance records and analysis of insurance portfolio; including Program quarterly and yearly reports and Program evaluation. 	<ul style="list-style-type: none"> Deterioration of the political context between Palestinian authority and Israel. 	
Specific (Project) Objective	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
To have in place operational and sustainable agricultural insurance system and services, with the participation of the private sector.	<ul style="list-style-type: none"> Growing value of agricultural insurance coverage. Number of designed and endorsed agricultural insurance products. A new agricultural public private insurance scheme is in place. PADRRIF acts as an insurance operation implementing partner as well as an enabler and the regulator of agricultural insurance system of WBGS. 	<ul style="list-style-type: none"> Reports of: PADRRIF, Palestine Capital Market Authority (PCMA) and other stakeholders on agricultural insurance portfolio. List of MOU's and cooperation agreements signed between public and private partners. List of adopted and implemented regulations. 	<ul style="list-style-type: none"> Post Covid 19 economic crises may adversely influence the interest of the private sectors. 	<ul style="list-style-type: none"> Continued governmental and private sector financial commitment. Active participation and commitment to collaborate of both PADRRIF and the insurance industry. Official endorsement by stakeholders at government level (Cabinet and PCMA).

Component 1: Agricultural Risk Assessment				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
<p><u>Sub-result 1.1</u> Preliminary screening of agricultural risk environment in Palestine. Then, information and data on agricultural risk environment and demand for insurance services are collected and analysed for agreed set of products.</p>	<ul style="list-style-type: none"> Organized information and functional database on agricultural risk environment including data on climate and production. 	<ul style="list-style-type: none"> Researches' reports. Programme monitoring and evaluation reports. 		<ul style="list-style-type: none"> Availability of all main stakeholders to be interviewed, join focus groups, and provide reliable information.
<p><u>Sub-result 1.2</u> Agricultural insurance products (Plant and livestock) are designed for agreed set of products.</p>	<ul style="list-style-type: none"> Agricultural insurance products portfolio is developed for agreed set of products including: validated product term sheets, premiums, product underwriting and loss adjustment guidelines, farmer field surveys, product actuarial studies, and policy wording and pricing. 	<ul style="list-style-type: none"> Documents of validated product term sheets, underwriting and loss adjustment guidelines. Resulting reports of field surveys, actuarial studies, insurance pricing, premiums, and policy wording. 	<ul style="list-style-type: none"> Lack of data, information asymmetry, insufficient studies, and assessments. 	<ul style="list-style-type: none"> Availability of reliable statistical information and data.

Component 2: Agricultural Insurance Data Market Infrastructure				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
<p>Sub-result 2.1 Insurance information system and data infrastructure, which provides High-quality data and information is developed.</p>	<ul style="list-style-type: none"> • Available insurance high-quality data and information (for decision making and reliable financial protection) to government, insurance and reinsurance companies. 	<ul style="list-style-type: none"> • Records of fulfilled requests of agriculture insurance data and information. • Periodic technical and programme monitoring and evaluation reports. 	<ul style="list-style-type: none"> • insufficient stakeholders' commitment. 	<ul style="list-style-type: none"> • Inter-system coordination and compatibility.

Component 3: Public Sector Technical Capacity Building (Agricultural insurance skill upgrading) (The technical capacity of PADRRIF and all relevant stakeholders is built and consolidated on agricultural insurance for the Palestinian Territory).				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
<p>Sub-result 3.1 Training modules are developed and utilized on principles of actuarial, underwriting, loss adjustment, insurance products design, policy wording, pricing, reinsurance, and risk financing for agricultural insurance</p>	<ul style="list-style-type: none"> • Increase in capacity and trained and equipped public sector staff with necessary skills and knowledge. • Adequate quantity and quality of designed, delivered, and attended capacity building programs (actuarial and other technical aspects of agricultural insurance processes). 	<ul style="list-style-type: none"> • Training report documents including Programme monitoring, progress and final reports. • Attendance records. • Capacity building materials and modules. • Capacity assessments reports. 		<ul style="list-style-type: none"> • All the relevant stakeholders are interested and committed to join the technical capacity building programs.

Component 3: Public Sector Technical Capacity Building (Agricultural insurance skill upgrading), (continued) (The technical capacity of PADRRIF and all relevant stakeholders is built and consolidated on agricultural insurance for the Palestinian Territory).				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
<u>Sub-result 3.2</u> The feasibility and possible scenarios for creating and activating a Technical Support Unit (TSU) for agricultural insurance are obtained.	<ul style="list-style-type: none"> • Availability of a feasibility study on scenarios for creating and activating an agricultural insurance TSU. 	<ul style="list-style-type: none"> • Investigation reports of agricultural insurance TSU. 		
<u>Sub-result 3.3</u> A scenario towards creating TSU for agricultural insurance is chosen and implementation plan for TSU is prepared.	<ul style="list-style-type: none"> • Agricultural insurance TSU implementation plan and best practices dissemination. 	<ul style="list-style-type: none"> • TSU plan document. 		
<u>Sub-result 3.4</u> Qualified and certified agricultural insurance services.	<ul style="list-style-type: none"> • Certification system for certifying agricultural loss adjusters, underwriters, and sales agents. 	<ul style="list-style-type: none"> • Records of qualified and certified loss adjusters, underwriters, and sales agents. • Agricultural insurance services' quality assessment reports. 		

Component 4: Partnership with Private Sector (Public-Private Partnership (PPP) insurance scheme models are developed and piloted).				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
Sub-result 4.1 An agreement of the private sector on a PPP model to participate and bear a risk stake of the agricultural insurance portfolio is obtained.	<ul style="list-style-type: none"> Number of formulated and validated agreements and MOUs on an agricultural insurance scheme between PADRRIF and insurance companies. 	<ul style="list-style-type: none"> Formulated and validated agreements and MOUs. 	<ul style="list-style-type: none"> Private sector players are reluctant to participate in agricultural insurance. 	
Sub-result 4.2 The adopted PPP scheme is developed in cooperation with PCMA and interested insurance companies and the Palestine Insurance Federation (PIF).	<ul style="list-style-type: none"> A PPP scheme is articulated and institutionalized and signed by PADRRIF, PCMA, a number of insurance companies, and the Palestine Insurance Federation (PIF). 	<ul style="list-style-type: none"> Developed documents and forms used for institutionalizing the PPP. Official documents of agreement of the PPP. 	<ul style="list-style-type: none"> Competition on roles and responsibilities. Slow legislative and institutional amendments procedures. 	
Sub-result 4.3 PPP insurance scheme model is piloted and reinsurance agreement is negotiated.	<ul style="list-style-type: none"> PPP scheme is tested and validated according to its success and satisfactory agricultural insurance services. Reinsurance agreement prepared or obtained. 	<ul style="list-style-type: none"> Service quality assessment reports. Reinsurance negotiation reports. 		
Sub-result 4.4 Necessary scenarios to promote future participation of the private sector in agricultural insurance are investigated and implemented (in case of private sector disagreement to join a current PPP scheme).	<ul style="list-style-type: none"> Obtaining a plan to pilot agricultural insurance by PADRRIF only as a starting phase through articulating and launching institutional agricultural insurance solutions by the Government to convince the private sector. 	<ul style="list-style-type: none"> Investigation report and proposals. Reports on the articulated agricultural insurance solutions. Reports based on insurance records and analysis of insurance portfolio. 		

Component 5: Public Sector Institutional Capacity Building				
Procedural improvements and organizational strengthening that will enable public sector stakeholders to provided agricultural insurance service. (PADRRIF and other public sector stakeholders' institutional capacities are developed to deliver agriculture insurance services).				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
Sub-result 5.1 Institutional framework of the adopted PPP model (or PPP promoting model) including: roles, mandates, and responsibilities of all stakeholders of agricultural insurance are identified, confirmed and coordinated.	<ul style="list-style-type: none"> Assessed level of functionality of the adopted agricultural insurance scheme and the provided agricultural insurance services. 	<ul style="list-style-type: none"> Service functionality and quality assessment reports. 	<ul style="list-style-type: none"> Competition on roles and responsibilities. 	<ul style="list-style-type: none"> Insurance scheme is agreed and supported at political level.
Sub-result 5.2 Legal and regulatory framework of the adopted PPP model (or PPP promoting model) is developed.	<ul style="list-style-type: none"> Organized and regulated agriculture insurance sector. 	<ul style="list-style-type: none"> Issued laws, amendments, systems, and regulations on agricultural insurance. 	<ul style="list-style-type: none"> Delay in enacting laws and regulations. 	
Sub-result 5.3 Identification and elaboration of Institutional bodies according to the agreed framework.	<ul style="list-style-type: none"> Clearly identified and elaborated agricultural insurance institutional bodies 	<ul style="list-style-type: none"> Reports on identification of institutional bodies. 		
Sub-result 5.4 Institutional linkages are setup.	<ul style="list-style-type: none"> Agricultural insurance stakeholders are sufficiently and effectively linked. 	<ul style="list-style-type: none"> Reports on the functionality of the adopted insurance scheme. 		

Component 5: Public Sector Institutional Capacity Building (continued) (PADRRIF and other public sector stakeholders' institutional capacities are developed to deliver agriculture insurance services).				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
Sub-result 5.5 Institutional capacity of sustainable agricultural insurance market size and premiums subsidy identification are developed.	<ul style="list-style-type: none"> Timely and professionally validated reports recommending (to decision makers) proper insurance market size and subsidy. 	<ul style="list-style-type: none"> Documents of training and validating reporters on insurance market and subsidy. 		
Sub-result 5.6 Agricultural insurance financial and accounting regulation is developed.	<ul style="list-style-type: none"> Endorsed and operational financial and accounting functions for agricultural insurance 	<ul style="list-style-type: none"> Drafted document of the financial regulation. Outputs of the financial and accounting system including financial statements, and records of the agricultural insurance portfolio. 		
Sub-result 5.7 Insurance marketing plan and distribution channels are developed.	<ul style="list-style-type: none"> Percentage of insurance products sold to targeted clients (studied group of farmer in the actuary study and the business plan for the selected products) through a well-established insurance agents' network. 	<ul style="list-style-type: none"> Agricultural insurance client database, sales records, and number of certified agents. 		

Component 6: Monitoring and Evaluation				
Mandatory Results (Outputs)	Objectively verifiable Indicators	Sources of verification	Risks	Assumptions (external to project)
<p><u>Sub-result 6.1</u> A framework for project / insurance impact monitoring and evaluation is developed.</p>	<ul style="list-style-type: none"> An available practical ready to use monitoring and evaluation framework, which is approved by all project participants 	<ul style="list-style-type: none"> Documents of project / insurance monitoring and evaluation elements, methodology, and other aspects of the framework. 		<ul style="list-style-type: none"> Adequate monitoring capacities and independence in PADRRIF and insurance companies and other stakeholders.
<p><u>Sub-result 6.2</u> A project / insurance impact monitoring and evaluation plan and procedures are developed and implemented.</p>	<ul style="list-style-type: none"> Increase in capacity and efficiency of project/ insurance management and adjustment reflected by degree of accomplishing evaluation plan and procedures. 	<ul style="list-style-type: none"> Documents of project / insurance monitoring and evaluation plan and procedures. Project / insurance impact assessment and evaluation reports. 		

Annex 7_The Organisational structure of PADRRIF

