

**MEMORANDUM OF UNDERSTANDING**

between

**Swiss Reinsurance Company Ltd,  
and the Swiss Re Foundation**

and

**The Swiss Confederation, represented by  
the Federal Department of Foreign Affairs, acting through  
the Swiss Agency for Development and Cooperation****I. Preamble**

The Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (hereinafter referred to as "SDC") and Swiss Reinsurance Company Ltd and Swiss Re Foundation (hereinafter referred to as "Swiss Re parties") have a common interest in strengthening community resilience in fragile countries in the areas of food security, climate change adaptation, water, disaster risk reduction and access to finance to enable development advances.

An estimated 2.6 billion people live on a daily income of between just over 1 and 4 US-dollars; 1.4 billion on less than 1 dollar a day. Many of these people live in highly exposed areas, making them very vulnerable to climate change, natural disasters, agricultural risks, accidents or illness. Very few of them have access to financial instruments, or state- or private sector insurance schemes, yet such access could fundamentally change the prospects of many of today's fragile communities and increase their resilience.

Furthermore, when a major disaster strikes, a large portion of the costs often ends up burdening government budgets, thereby jeopardizing investments and development plans on a national level. Developing new risk management strategies and insurance solutions for vulnerable communities and governments in developing countries is critical to strengthen their resilience.

Improving the access to insurance typically requires a multi-stakeholder effort as basic investments into infrastructure (e.g. data on risks, payment systems, distribution channels), into the regulatory environment, into financial education and capacity building is required. These often have characteristics of public goods or costs may be so high that insurance would not be affordable, and therefore require public sector support. However, the private sector does have the capability to develop innovative products and to absorb some of the risks.

SDC and the Swiss Re parties recognize each other's strong global reputation, competencies and extensive knowledge in the area of risk management and the common interest to strengthen risk management and access to insurance. The purpose of this Memorandum of Understanding ("MOU") is to outline the basic principles for a strategic partnership between

SDC and the Swiss Re parties (hereinafter referred to as "Parties") to achieve the shared objectives and to facilitate collaboration.

A formal commitment to collaboration, clarification of the shared values and standards for engagement through this MOU are considered critical to foster collaboration.

## **II. Vision / Purpose**

SDC and the Swiss Re parties share the vision that adapted solutions for transferring risks to insurance, reinsurance or capital markets in case a disaster strikes need to be developed and implemented. Actually, the cycle in which every catastrophe imposes tremendous costs on governments and, ultimately, its citizens has to be broken; it would make societies more resilient. Emerging economies and developing countries are particularly exposed, an important part of their population being vulnerable.

The Parties seek to share their complementary strengths, experiences, technologies, methodologies, and resources to strengthen risk management and thereby increase the resilience of a growing number of people in fragile countries.

The Parties share the following goals and will focus their joint efforts to strengthen risk management and develop appropriate insurance solutions to support them:

- Enhancing food security
- Preparing for natural disasters
- Building resilience to climate change impacts and managing watersheds sustainably
- Increasing financial stability for the poor and expanding economic opportunity

The Parties share the following values, which will guide their collaboration:

- Agreement on the importance of sustainable development for assuring poverty reduction and development as well as for enabling the business environment.
- Recognition that access to insurance for all in emerging economies and developing countries requires long term commitment, innovation and up-front investments and that it can only be done in collaboration with like-minded partners from the public sector, the private sector and civil society.
- Sharing the belief that only commercially viable schemes will be sustainable in the long run.
- Recognition of each other's mission and constraints, most notably
  - SDC's overarching goals are: reduce poverty, make development sustainable and overcome global risks. No country can overcome poverty, global challenges and crises on its own.
  - Swiss Reinsurance Company Ltd. is a commercial enterprise, prepared to invest resources and knowledge to develop markets and help exposed communities get access to insurance through public-private partnerships.
  - Swiss Re Foundation is an independent, non-profit organization, which supports development efforts aimed at risk preparedness and capacity building, also providing humanitarian aid when it's needed. It aims to make people more resilient towards natural hazards, climate change, water scarcity and pandemics.

The collaboration as set forth in this MOU is subject to the respective internal objectives, functions, policies and procedures of the Parties, including public procurement regulations, if applicable. This MOU might be complemented by specific MOUs (or agreements) relating to specific projects or activities between SDC and Swiss Re or the Swiss Re Foundation, respectively.

### III. Objectives

The Parties will seek to work together on projects that reflect the shared values outlined above and will identify joint region-, country-, and/or project-specific collaboration opportunities with the following objectives:

1. Develop and scale-up insurance and other risk management instruments to increase community resilience in fragile environments
  - 1.1. Design and implement scalable insurance programs in the above mentioned areas, which protect livelihoods, communities and states, help unlock access to credit and promote productive risk-taking by households, enterprises and governments.
  - 1.2. Support risk management programs in the areas of climate change adaptation/watershed management, natural catastrophes and food security.
2. Develop a joint agenda for public policy dialogue, knowledge transfer and outreach
  - 2.1. Establish an annual high level dialogue between both Parties' senior management to discuss global development issues and agree on collaboration for policy dialogue.
  - 2.2. Share best practices, create awareness and promote success through joint events, presentations, case studies, and publications, as agreed by both Parties.
  - 2.3. Liaise with other stakeholders when opportune for impacting beyond both Parties' scoop, on the whole industry.

As a first step and to facilitate the collaboration under this MoU, the Parties will

- Publicize this MOU within the respective organizations, in view of grasping opportunities for joint collaboration.
- Develop a strategy to achieve above objectives, including existing joint initiatives and selection criteria for new initiatives (eg priority countries, sectors, types of projects).

### IV. Roles

In connection with this MOU, it is envisioned that the Swiss Re parties and SDC will endeavor, subject to the availability of funds and human resources, to:

#### *Swiss Reinsurance Company Ltd*

- Assess, structure, price and provide reinsurance capacity for insurance products that are generated under the auspices of the MOU in a manner which recognizes the strategic aspect of this partnership;

- Collaborate on developing/scaling up innovative insurance solutions tailored to the development goals and context.
- Partner with SDC to disseminate knowledge on state-of-the-art risk management and to contribute to the global policy dialogue, particularly in the areas of climate change adaptation and disaster risk reduction;
- Partner with SDC to build capacity among local insurance practitioners and government officials;
- Facilitate access, as jointly agreed, to stakeholders and 3<sup>rd</sup> parties that can play a useful role in conceptualizing and/or implementing collaborative projects under this MOU.

#### **Swiss Re Foundation**

- Bridge the gap between the development stage of vulnerable communities and commercial solutions through targeted activities;
- Co-fund selected capacity building projects in line with the mission and guidelines of Swiss Re Foundation;
- Support scaling up opportunities of innovative solutions related to sustainable watershed management;
- Host platforms for policy dialogue on selected topics and facilitate access to leading foundations and NGOs.

#### **SDC**

- Facilitate the policy dialogue with governments and other stakeholders in Switzerland and in targeted countries, particularly in the areas of climate change adaptation and disaster risk reduction
- Promote disaster risk reduction campaigns addressed to key stakeholders and the public, particularly in the areas of climate change adaptation, food security and disaster risk reduction
- Give financial incentives (subsidies) for the development of adapted insurance products and services to the benefit of vulnerable groups of population
- Encourage financial literacy allowing vulnerable groups of population to make better informed and effective decisions, based on a better understanding of insurance product and services, to be financially and physically prepared for natural disasters

The Parties enter into this MOU based on the understanding that all will maintain their own separate and unique missions and mandates and their own accountabilities. The collaboration between the Parties as outlined in this MOU shall not be construed as a legal partnership, joint venture or other type of legally binding cooperation, unless otherwise agreed by the Parties in writing, i.e. in subsequent project-specific MOUs or agreements. Each Party shall retain full and sole responsibility for its actions and each Party shall accept all liabilities and expenses incurred by itself relating to this MOU except as otherwise agreed by the Parties in writing. Nothing in this MOU shall be construed as an exclusive working relationship.

Each Party shall have the right to pursue its own interests and may also enter into similar understandings or agreements with any other parties. The Parties also acknowledge that they are not under any legal obligation to enter into a definitive agreement with respect to the collaboration described herein or to enter into subsequent project-specific MOUs or agreements.

## V. Implementation

### 1. Governance

SDC and the Swiss Re parties will facilitate collaboration by establishing a consistent framework of planning, monitoring, reporting and communication. This framework will be managed by the Partnership Committee, formed by SDC's Institutional Partnerships Division and Swiss Re's Global Partnerships Team (the latter in close coordination with the Swiss Re Foundation), whose responsibilities will include, but not be limited to, the following activities:

#### Strategic planning:

- 1.1. Annual consultative meeting with key stakeholders in each other's organization to share experiences and identify new opportunities for collaboration.
- 1.2. Annual planning meeting between SDC Domain Heads, Swiss Re Department Heads and Head Swiss Re Foundation to further develop the strategic collaboration between the Parties, review successes and failures, provide momentum to on-going initiatives, and identify and plan new initiatives in line with the shared vision.

#### Monitoring and Reporting:

- 1.3. At least half-yearly update meetings of the Partnership Committee with participants from other organizational units involved in specific projects as required, reviewing ongoing and potential projects.
- 1.4. The Partnership Committee prepares an annual collaboration report for SDC Domain Heads, Swiss Re Department Heads and Head Swiss Re Foundation, and a half-yearly project overview for project managers of the Parties. Project managers of the Parties provide the necessary input to the Partnership Committee.

#### Operational principles:

- 1.5. SDC and the Swiss Re parties may consult on matters arising out of this MOU, and on other matters of common interest, and will strive for an atmosphere of transparency and collaboration regarding the sharing of information, data, design principles, risk modeling and pricing. Any exchange of information between the Parties shall be subject to their respective policies and procedures on the disclosure of information, and subject to the provision on Confidentiality (Section V. 4).
- 1.6. The Parties acknowledge the Intellectual Property rights of each other and will refrain from activities that infringe on such rights unless written consent is given by the Party owning the Intellectual Property right.
- 1.7. In case a conflict cannot be resolved, the line management can invite the Partnership Committee to make a recommendation to senior management of the respective organization on how to resolve the issue. A protocol for conflict resolution will be developed by the Partnership Committee.

## 2. Funding

The Parties acknowledge that this MOU is not an obligation of funds. However, the Parties will endeavor to mobilize and align resources, as appropriate, to implement and scale up existing and planned programs in the aforementioned focus. The Parties will set out specific funding mechanics for each project separately.

## 3. Communications

The Parties intend to establish a public communications program in accordance with SDC's, and the Swiss Re parties' policies, and procedural requirements ensuring that appropriate publicity is provided for all activities carried out under this MOU, and that suitable attribution is given to each Party. The Parties consult each other prior to the issuance of any public announcement or communications related to the collaboration under this MOU.

The Parties may make this MOU publicly available in accordance with their policies or procedures regarding the public disclosure of information. Any press release, public commentary or other disclosure regarding the content of this MOU shall be subject to the prior written consent of all Parties.

## 4. Confidentiality

Subject to the laws that apply to each Party, the Parties respect each other's policies on maintaining the confidentiality of shared information, with the mutual understanding that the Parties intend to publicize projects developed pursuant to this MOU and to any specific Project MOUs without disclosing confidential information of external parties.

The Parties will keep documentation and information confidential that are specifically classified by any of the Parties as "confidential".

## 5. Notices

All notices to SDC shall be sent to the following Point of Contact:

[REDACTED]  
[REDACTED]  
[REDACTED]  
Swiss Agency for Development and Cooperation  
Freiburgstrasse 130  
3003 Bern, Switzerland  
[REDACTED]  
[REDACTED]

All notices to Swiss Re Reinsurance Company Ltd shall be sent to the following Point of Contact:

[Redacted]

Swiss Reinsurance Company Ltd

[Redacted]

All notices to Swiss Re Foundation shall be sent to the following Point of Contact:

[Redacted]

Swiss Re Foundation  
c/o Swiss Reinsurance Company Ltd

[Redacted]

Each Party hereto may, by notice in writing to the other Parties, designate additional representatives or substitute other representatives for those designated in this Article.

**VI. Non-binding Agreement and Governing Law**

Other than the Section on Confidentiality, which is intended by the Parties to be a binding obligation, this MOU is not intended to be a binding obligation by any Party.

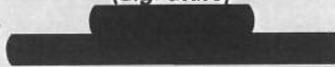
This MOU shall be governed by the laws of Switzerland.

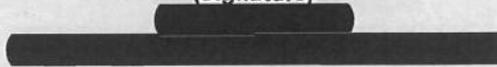
**VII. Effective Date, Amendments, and Termination**

This MOU becomes effective on the date of the last signature of all the Parties and is expected to continue for three (3) years from such effective date. However, the Parties may decide, in writing, to extend this period. In addition, this MOU may be modified or amended if all Parties agree in writing. Any Party may terminate this MOU at any time but should endeavour to provide at least 30 days' written notice to the other Parties.

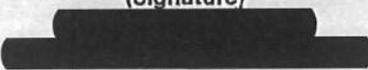
Zurich - 25 April 2014

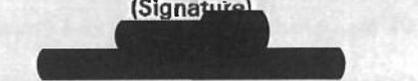
**Swiss Re Reinsurance Company Ltd**

  
(Signature)  


  
(Signature)  


**Swiss Re Foundation**

  
(Signature)  


  
(Signature)  


**SDC - Swiss Agency for Development and Cooperation**

  
(Signature)  
Martin Dahinden  
General Director

  
(Signature)  


## *Appendix*

### *Swiss Re Background*

Swiss Re is a leading and highly diversified global reinsurer, which offers financial services products in the areas of risk transfer, risk financing and asset management that enable risk taking essential to enterprise and progress. Swiss Re has been an industry leader in developing and implementing new products for weather and climate risks in developing countries.

Swiss Re is committed to help exposed communities get better insurance protection against a range of risks, by engaging in public-private partnerships and micro insurance schemes. Swiss Re also engages in regular dialogue with its stakeholders to advance the understanding of the changing risk landscape and to help societies develop effective responses to key risks.

### *Swiss Re Foundation Background*

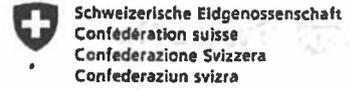
Building on Swiss Re's long tradition of philanthropic engagement and commitment to strengthening society and the environment, the Foundation makes visible and tangible the social and humanitarian values of Swiss Re, working to increase risk preparedness and resilience – with special attention to the poorest and most vulnerable. Informed by Swiss Re's deep understanding of the risks posed by natural catastrophes, climate change, population growth and pandemics, the Foundation's activities and programmes aim to predict, redress and – when possible – avert the large-scale social, environmental and economic imbalances to which such risks too often lead

### *SDC Background*

The goal of development cooperation is that of reducing poverty. It is meant to foster economic self-reliance and state autonomy, to contribute to the improvement of production conditions, to help in finding solutions to environmental problems, and to provide better access to education and basic healthcare services.

For over five decades Switzerland has been supporting the efforts of poorer countries to overcome humanitarian crises and deal with problems of poverty and development. With this commitment Switzerland is fulfilling the pledge contained in the Federal Constitution to contribute to "the relief of poverty and suffering in the world, respect for human rights and promotion of democracy, the peaceful co-existence between peoples, and the protection of the natural basis for life" (BV, art. 54). Legal basis for the Swiss Cooperation are the *Bundesgesetz über die internationale Entwicklungszusammenarbeit und humanitäre Hilfe (SR 974.0)*, the *Bundesgesetz über die Zusammenarbeit mit dem Staaten Osteuropas (SR 974.1)* and the *Message on Switzerland's International Cooperation in 2013-2016*.

Switzerland's International Cooperation is henceforth focusing more strongly on global challenges. Risks associated with climate change, lack of food security, water shortages, inadequate access to healthcare, migration, and economic and financial instability damage development opportunities, particularly for poor countries.



Swiss Agency for Development  
and Cooperation SDC

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). In operating with other federal offices concerned, SDC is responsible for the overall coordination of the technical cooperation and financial aid for developing countries, the cooperation with Eastern Europe, as well as for the humanitarian aid.