

Generali and UNDP are building SME resilience in Asia

- Launch of joint research on MSME resilience in Southeast Asia, and a focus on Malaysia and Thailand, detailing key risks and alternative approaches to insurance
- Presentation of the SME Loss Prevention Framework, a digital tool for Malaysian SMEs to better understand and manage growing climate and weather-related risks
- Showcasing Insurance Innovation Challenge Fund Malaysia solutions for protecting SMEs in the country
- Generali also expands its flagship SME EnterPRIZE project to Asia

Kuala Lumpur – **Generali** and the **United Nations Development Programme (UNDP)** brought together representatives from the Malaysian Ministry of Finance, Bank Negara Malaysia, the SME Association of Malaysia and the insurance and financial communities to present concrete solutions on how to boost small and medium-sized enterprises (SMEs) resilience against climate change and other risks.

The event built on the [partnership between Generali and UNDP's Insurance and Risk Finance Facility](#), designed to reduce the protection gap for vulnerable communities worldwide through access to insurance solutions. This work aligns to a broader commitment to raise awareness, as well as to set the path for insurance to unlock security, sustainability, and greater resilience for SMEs in developing countries.

Generali is also expanding its flagship **SME EnterPRIZE** project in Asia, building on the engagement carried out over the past three years with thousands of SMEs from across Europe to celebrate and nurture a culture of sustainability.

A joint research report titled "[Building MSME Resilience in Southeast Asia](#)" was launched, focusing on selected value chains in Thailand and Malaysia. The report proposes an alternative approach to identifying the risks and needs of micro, small and medium-sized enterprises (MSMEs), developing risk management and insurance services, and delivering these solutions to the MSME community.

MSMEs make up the majority of enterprises in Southeast Asia according to the new research, with figures as high as 99.6% in Thailand and 97.4% in Malaysia. They act as both a pillar and a driver of socio-economic development.

The report finds that **SME growth and survival are threatened by a range of risks, including climate change, business interruptions, and limited access to capital markets**. These risks are intensified by the lack of risk management, coping mechanisms, and insurance coverage. Fewer than 5% of MSMEs in Southeast Asia have any form of insurance.



The alternative approach outlined in the research starts by **segmenting MSMEs to understand their risk profiles** and address their specific needs, exploring priority value chains including natural rubber, food and accommodation, wholesale and retail, and electrical and electronics.

From this MSMEs can build resilience through holistic solutions that consider both risk transfer and risk mitigation tools, and which include bundling insurance solutions with new technologies or digital platforms and leveraging alternative distribution partners to reach MSMEs more effectively.

The research complements the [SME EnterPRIZE White Paper](#) developed in the framework of Generali's flagship initiative to boost a culture of sustainability among SMEs.

Generali and UNDP have also presented their **SME Loss Prevention Framework**, a digital tool leveraging the power of data to raise the readiness and awareness of SMEs to the risks facing vulnerable communities, starting in Malaysia with the flood risk. Technical expertise and experience in the field from one of the biggest insurers of the world are at the disposal of local entrepreneurs as a contribution to the transition towards a more sustainable economy.

Hosted on a user-friendly online platform, this framework will also be developed as a mobile app and can be spread to other countries in Asia and in the world. SMEs can find advice on how to protect their activities in the face of climate challenges and other risks, while ensuring the resilience of such an important segment for developing countries also against unpredictable events like natural catastrophes.

Following the launch of the "**Insurance Innovation Challenge Fund**" in September last year, which aims to incentivise the development of innovative insurance products and services in Malaysia, the event also showcased four innovative solutions for insurance to enhance SME resilience against climate and other risks. In the upcoming months, finalists will be announced, of which two winners will be awarded up to US \$40,000 each, along with technical assistance to support the development of their ideas and the opportunity to leverage Generali and UNDP's global presence.

Jaime Anchústegui Melgarejo, CEO International of Generali, said: *"The MSME community in Malaysia, Thailand and the broader Asia region are an indispensable part of the growth and development stories of these markets. However, they face very real and intensifying risks from climate change and other factors that are affecting business continuity and their ability to capture emerging opportunities. Insurance is at the heart of the solution for making SMEs and MSMEs more resilient and is the driving force behind Generali's partnership with UNDP. Bringing SME EnterPRIZE to Asia, launching our SME Loss Prevention Framework and progressing our Insurance Innovation Challenge Fund are key milestones in our effort to support vulnerable businesses in Asia. I'm eager to continue our collaboration with UNDP and find new ways to make a lasting impact."*

Rob Leonardi, Regional Officer International – Asia, Generali, said: *"MSMEs have long been a key driver of growth and innovation in Asia. Their contributions to the development of this region are indisputable, yet they are increasingly vulnerable to risks flowing from climate change, geopolitical tensions and market disruptions. Our partnership with UNDP recognises these challenges and is aimed at utilising insurance and risk finance solutions to increase coverage among MSMEs and boost their resilience. The various initiatives are all designed to meet businesses where they are in their journeys and ensure they have access to the solutions they need to thrive. I'm grateful for the hard work that has gone into this partnership so far, and I look forward to what more we can achieve together in the future."*

Lucia Silva, Generali Group Chief Sustainability Officer, said: *"Promoting a culture of sustainability among SMEs and ensuring their financial resilience means supporting sustainable development and reducing the protection gap for vulnerable communities. This is why we have developed SME EnterPRIZE, our flagship initiative which supports SMEs in their transition to socially and environmentally sustainable business models."*



And today, it is with great pride that we see this project growing also in Asia, building on the engagement carried out with thousands of SMEs from across Europe over the past years. We firmly believe public-private partnerships and the direct involvement of SMEs themselves will be critical to achieve the goals that we share with UNDP: that is how we will remain on the right track to build a more inclusive and greener future, for people and the planet.”

Niloy Banerjee, Resident Representative, UNDP Malaysia said: *“With SMEs making up 48.2% of national employment and 38.4% of GDP, the crucial role they play in the economic ecosystem is beyond doubt. Yet they remain most vulnerable to shocks, whether from natural disasters exacerbated by climate change, pandemics or other disruptions to the manufacturing or logistics continuum. We must rapidly support the building of resilience and staying power of SMEs against all foreseeable risks through holistic and innovative instruments and solutions. Insurance would be one of the most significant safety nets for SMEs.”*

Jan Kellett, Global and Corporate Lead on Insurance and Risk Finance, Head of the Insurance and Risk Finance Facility, UNDP, said: *“In the ASEAN, where MSMEs make up 45% of regional GDP, their vulnerability to rapidly rising climate and other risks is not only a development challenge but an immense opportunity for public and private sectors to come to together and help businesses develop their capacity to understand and manage these risks.”*

The broader Generali-UNDP partnership

Generali and the United Nations Development Programme have partnered to support developing countries with access to insurance and risk finance solutions that enhance the resilience of communities and local businesses.

Under this multi-year partnership, Generali has committed technical and financial resources to UNDP’s [Insurance and Risk Finance Facility \(IRFF\)](#) in order to increase the socioeconomic wellbeing of some of the world’s most vulnerable people and places. The partnership blends Generali’s insurance expertise with UNDP’s long-term focus on financing and development.

Moreover, through the partnership, Generali and UNDP are contributing towards the **InsuResilience Vision 2025**, which includes: reaching 500 million vulnerable people and covering them against climate and disaster shocks; protecting 150 million vulnerable people through microinsurance solutions; and putting insurance innovation at the heart of the UN’s Sustainable Development Goals and 2030 Agenda.

Generali, as a [responsible corporate citizen](#), is strongly committed to public-private partnerships and to supporting through its expertise public bodies to reach their objectives. This includes calls to both policymakers and businesses. The former are encouraged to engage with SMEs in a targeted way, with policies to direct investments toward appropriate products and services that support more agile business operations, while SMEs are invited to invest in their own adaptability to ensure business continuity and profitability in a changing climate.

THE GENERALI GROUP

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in over 50 countries in the world, with a total premium income of €81.5 billion in 2022. With 82,000 employees serving 68 million customers, the Group has a leading position in Europe and a growing presence in Asia and Latin America. At the heart of Generali’s strategy is its Lifetime Partner commitment to customers, achieved through innovative and personalised solutions, best-in-class customer experience and its digitalised global distribution capabilities. The Group has fully embedded sustainability into all strategic choices, with the aim to create value for all stakeholders while building a fairer and more resilient society.



UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet. UNDP's Insurance and Risk Finance Facility (IRFF) is a flagship initiative housed within the organization's Sustainable Finance Hub. It is currently working in 34 countries and will move to 50 countries by 2025. All of the IRFF work is aligned to the goals of the InsuResilience Vision 2025 which aims to cover 500 million people with insurance solutions in developing countries in the next three years.