



Terms of Reference

Development Insurers: Principal Research Expert for Comparative Assessment

About the Centre for Disaster Protection

The Centre for Disaster Protection plays a unique role in the global risk management and crisis financing architecture. We were established to address major challenges to effective disaster risk financing and promote more impactful and more equitable disaster risk finance at scale, that leaves no one behind.

We're helping to grow the emerging evidence base on how to better reach and support people in need to help ensure that money and plans are in place before a disaster strikes. We work with governments and organisations to create practical and policy solutions, incentivise proactive risk management and risk financing and support risk informed decision making. We are the only international organisation focused on providing impartial technical advice and training on disaster risk finance – we do not implement or sell financial instruments.

We are deliberately multidisciplinary. Our team comprises experts in risk management, actuarial science, basic service delivery, public financial management, economics, risk modelling, finance, policy and strategic communications, humanitarian delivery, gender, and inclusion. All of our work is guided by our core values of impartiality, quality, creativity and challenge.

The Centre is funded with UK aid through the UK government. Find out more at www.disasterprotection.org

Research Background

The way the world pays and responds to climate risks is fundamentally flawed- inadequate, discretionary and highly unpredictable. While there is a need for new mechanisms, there is also significant scope to strengthen the contribution of existing arrangements responding to the adverse effects of climate change. This project will explore a potentially game-changing reform of an important group of existing players in the international crisis financing system, regional risk pools. There are currently four such pools – the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), the Pacific Catastrophe Risk Insurance Company (PCRIC), the African Risk Capacity (ARC), and the Southeast Asia Disaster Risk Insurance Facility (SEADRIF). Our objective is to understand why and how regional risk pools can evolve into development insurers that better protect people when disasters strike.

Risk pools play an important role in helping governments cover losses they face from specific hazards through the provision of parametric insurance. They provide their member countries with fast insurance payouts, tools to help identify and manage disaster risks, and platforms to foster political dialogue on disaster risk management. However, based on the [Centre's previous research](#) as well as [independent evaluations](#), the risk pools pay too little attention to their impact on development. To transition from regular insurance to development insurance, risk pools need to

focus on their actual impact by ensuring that spending is going to the purposes intended and by promoting transparency, participation, and preparedness planning.

This assignment fits within the Centre's project 'A Vision for Development Insurers', which aims to articulate a compelling vision and justification for development insurers as well as identify the reforms to advance risk pools towards development insurers. The assignment will feed into this project by undertaking a comparative assessment of existing concessional development finance instruments that provide event-based financing for disasters in order to identify gaps which risk pools as development insurers can potentially fill.

Role and responsibilities

This term of reference is for a consultant to undertake research that help to answer the following question "What is the comparative advantage of Risk Pools as development insurers vis-à-vis other actors financing disaster preparedness and response (e.g. MDBs)?"

The consultant will undertake a comparative assessment (Activity 1) of the main concessional development finance instruments currently provided by Multilateral Development Banks and risk pools to governments and humanitarian organisations that provide event-based financing for disasters. This includes financing instruments arranged before or after a shock, and financing instruments that combine event-based financing with other aspects of financing for disaster risk management, such as financing for preparedness or disaster risk reduction. The assessment will include analysis of actual performance of instruments and therefore not be purely theoretical.

Within the TOR there is also an option (Activity 2), with mutual agreement of both the Centre and the consultant, to also contribute to the synthesis outputs of the overall project.

Activity 1: Comparative Assessment

The consultant will work closely with the Centre and be responsible for the following tasks:

- **Inception report-** The consultant will prepare an inception report outlining the methodology for doing this assessment including instruments to be reviewed and criteria to be used for the assessment. These criteria can relate to how well instruments are designed and implemented to provide support in a timely, well-targeted, cost-effective and transparent manner.
- **Draft and final report-** The consultant will prepare a report which includes the methodology, results of the analysis as well as limitation of the study. This report may be a published publication to be co-authored between the consultant and any contributing authors from the Centre.
- **Presentation of report findings to the Centre**

Activity 2: Contribute to synthesis report

- If mutually agreed between the Centre and the consultant, and subject to satisfactory progress on Activity 1, the consultant will also contribute other aspects of the Centre's flagship report on development insurers, such as developing briefings or presentations to inform the project's Advisory Group, or contributing directly to the flagship report on development insurers.

The contract is short-term, with:



- up to 25 days for Activity 1, to be completed by end of February 2024, or a later date as mutually agreed.
- Up to an additional 25 days for Activity 2, to be completed by September 2024.

Required skills and experience

Key competencies and qualifications of the consultant should include:

- Understanding of Multilateral Development Banks, particularly in relation to their role and approach to disaster preparedness, mitigation and response.
- Familiarity with insurance and the broader disaster risk financing agenda.
- Experience working with key institutions in the international system around DRF, including donors, multilateral development banks, development agencies, NGOs, academia, and CSOs
- Track record in applied research, organising interviews, and preparing and presenting working papers to varied audiences.

Deliverables and timeline

Activity 1	Estimated Dates
Kick-off meeting to clarify scope and purpose of consultancy	Nov 23
Inception report that provides a detailed description of methodology including the instruments to be reviewed and criteria for comparative assessment	3 weeks from contract start
Mid-term meeting to discuss emerging findings	Dec 23
Draft report that including findings	Jan 24
Presentation of findings	Jan 24
Final report	Feb 24

Deliverables and timeline for Activity 2 will be agreed in writing between the Centre and the consultant prior to commencement of Activity 2.

Fee Rates and Payments

Remuneration will be based on individual experience and skills while, as the Centre is a UK aid-funded project, all rates for consultants and staff are subject to controls. It is expected that a total of 50 days of research time would be required, additional days may be proposed where need is evidenced. Applicants should propose a gross daily fee rate in their submission (see instructions below), which should be inclusive of any applicable taxes. (NB, as one exception, any applicable UK VAT should be separately indicated).



Budgets for any proposed expenses (pass through costs) must be set out clearly and will be billable exclusively on actual cost incurred, evidenced by receipts.

Payment

Fees will be payable on actual usage of days evidenced by timesheets, subject to completion and approval of key deliverables due at the invoicing point. Any expenses will be paid on actual costs (against receipts) using an agreed invoice and timesheet template. Correctly submitted invoices will be paid within 30 days of receipt of invoice and approval of relevant work and timesheets (whichever is the later).

Negotiation and finalisation of commercial terms

DAI on behalf of the Centre reserves the right to negotiate on any aspects of the proposed costs and payment and is not bound to accept any offer.

Application Process

Submission mechanism and deadline

Please submit the following by 12pm UK time, **Monday 27th November 2023** the DAI careers portal at <https://www.dai.com/careers/>

- Your CV (max. 3 pages).
- Covering letter indicating how your experience and interest aligns with this work, and how you will approach this work (max. 2 pages).
- Indicative gross daily fee rate expectations

DAI Eligibility Criteria

All individual(s) shortlisted will undergo an initial eligibility criteria assessment. This includes vetting of the organisations in line with terrorism checks, company history of improper conduct, any legal acts against the organisation(s) and initial vetting of proposed personnel. Where disqualification factors are discovered, the application may be rejected without notification.

Successful individual(s) will be subject to detailed vetting analysis and relevant reference checks, and, in the case of organisations, also a due diligence assessment through DAI's Management Capacity Assessment Tool (MCAT). This will include an assessment of:

- Organisational details
- Safeguarding policies, procedures and systems
- Financial management policies, procedures, practises and systems
- Duty of care
- Modern Slavery policies and procedures.

Final award of contract will not be confirmed until these checks are complete.

Intellectual property

Intellectual Property Any Foreground Intellectual Property Rights (IPR) arising out of the performance of project will belong to the Managing Agent of the Centre for the purposes of awarding to the Centre perpetual, irrevocable license to use, sub-license or commercially exploit such IPRs in the delivery of its mission and likewise to the Centre's funder, the UK FCDO. The Management Agent, on behalf of the Centre, will provide the Service Provider right to use such IPRs and other Centre IPRs to the extent needed to perform their obligations under this project.



IPRs relating to any background intellectual property drawn upon by the Service Provider in delivery of the assignment shall remain with the Service Provider, who will provide the Centre (through its Managing Agent) and FCDO rights to use such intellectual property to the extent it is integrally required to enjoy their rights to use the results of the Project and the foreground IPRs.