

Terms of Reference and Instructions for Tenderers:

Crisis Protection Gap – Top-Down Costing Analysis

1. Introduction

The Centre for Disaster Protection ('the Centre') was launched by the UK Prime Minister in July 2017 to strengthen resilience in developing countries through better preparedness and planning backed by risk-based financing arrangements. The Centre is funded with UK aid from the UK government.

The Centre works to change how the world prepares and pays for disasters. Identifying, planning for and financing disasters before they strike saves lives, reduces suffering and protects livelihoods and economies, especially for the poorest and most vulnerable communities. The Centre brings countries together with international development, humanitarian and private sector organisations to find solutions and advocate for change. We find ways to stop disasters devastating lives by supporting countries and the international system to better manage risks. To do this, the Centre provides technical assistance, builds knowledge, catalyses innovation and creates partnerships across the development, humanitarian and financial sectors.

DAI Global UK has been awarded a contract by the UK's Foreign Commonwealth and Development Office (FCDO) as managing agent for the next phase of the Centre for Disaster Protection ('the Centre') project, which runs from July 2021 to July 2025 with potential for further extension. Under this contract, DAI is providing core operational and administrative support to the Centre, as well as managing a responsive Technical Assistance Facility that will provide flexible programme support through expertise and capability sourced through contracts and grants.

This piece of work is being commissioned through the Technical Assistance Facility in support of the Centre's Crisis Protection Gap research workstream.

2. Objective of this work

What crises could emerge over the coming years? How will they impact on the lives of poor and vulnerable people? And how should funds be pre-positioned to mitigate and manage the impacts of these shocks?

These are the questions that country governments, the international system, and donors will need to ask if pre-arranged financing is to become the default way to pay for managing the costs of disasters.

It is increasingly possible to estimate crisis related costs ahead of time. Combining information about crises-related expenditures with risk modelling approaches can provide realistic

estimates of the likelihood and magnitude of crisis costs over the coming years. This type of probabilistic crisis risk information¹ is critical to inform how funds should be pre-positioned to meet the costs of tomorrow's crises. However, while data, modelling methods, and metrics for quantifying and communicating risk do exist, as yet there is no single source of trusted and easily interpreted predictive crisis risk information that is directly relevant for longer term financial planning of governments and the international system.

This is the basis for the first of three critical, practical solutions identified by the Crisis Lookout Campaign² as key recommendations for the G7:

“Predict crises better by creating a Crisis Lookout function to increase engagement with risk information and support the prioritisation of crises globally, regionally, and nationally.”

In consultations for the solutions paper of the Crisis Lookout, questions were raised about what an approach to measuring the crisis protection gap could look like in practice. These questions broadly related to:

- (1) the **function** of a mechanism to measure the crisis protection gap in relation to existing crisis risk information initiatives, what role it serves and for who, and;
- (2) the technical **feasibility** of producing trusted and accessible multi-hazard risk assessments at a global scale, for crisis spanning climate events, conflicts, and disease outbreaks.

The Centre for Disaster Protection is commencing a research project to explore these issues in more detail. This work aims to explore questions around who the key users of the information are, what are their use cases, and questions regarding technical and practical feasibility.

The work will follow:

- **a policy engagement track:** to identify how a mechanism to assess the crisis protection gap best works with and within the current architecture
- **a technical track:** to explore the feasible technical approaches for producing this type of multi-hazard risk information at a global scale.

¹ <https://www.preventionweb.net/understanding-disaster-risk/key-concepts/deterministic-probablistic-risk>

² Predict & Protect: G7 solutions for a new approach to risk financing.

https://static1.squarespace.com/static/5c9d3c35ab1a62515124d7e9/t/607856e19abc3368d276132e/1618499302881/Crisis_lookout_14Aprilv4.pdf

3. Recipient

The recipient of this service will be Centre for Disaster Protection ('the Centre').

4. Scope of Work

This scope of work relates to the technical track of the Crisis Protection Gap project.

The objective of this workstream is undertake a 'top-down' quantitative analysis of the cost of humanitarian response, to understand the patterns and drivers of these costs.

The scope is expected to consist of four activities.

First, the consultant is expected to review and collate information from existing databases on the costs of international humanitarian response. This will include data from the United Nations Financial Tracking Service (FTS) and Global Humanitarian Overview (GHO) but may also include other databases. These databases should be reviewed to identify which database, or combination of databases, provides the most comprehensive perspective on the costs of international humanitarian responses.

Second, the consultant will be expected to use the selected database(s) to provide descriptive information regarding how the costs of humanitarian response vary by country/region, the crisis (crises) that trigger the need for humanitarian response, and the nature of the humanitarian response provided. In relation to the crisis (crises) events triggering a humanitarian response, there is a particular interest in the costs associated with responding to cyclones, diseases, droughts and conflict induced displacement.

Third, the consultant should assess the plausibility, and robustness, of using this data to develop explanatory (econometric) models that seek to explain humanitarian response costs. To the extent that the development of such models are considered plausible and robust, to undertake the econometric analysis and provide a commentary on the results and their reliability. The explanatory models should explore models that seek to explain the costs of responding to each of the four types of crisis identified above (cyclones, diseases, droughts and conflict induced displacement). Researchers are invited to investigate a wide range of factors that might plausibly help explain these costs but should, as a minimum, consider:

- exposure to the disaster event (this may be measured, for example, in terms of the number of poor and vulnerable people affected by the disaster);
- characteristics of the hazard event i.e. the intensity of the cyclone or severity of the drought
- the vulnerability and coping capacity of the country in relation to disaster events, as measured, for example, by indices such as INFORM;
- geographic factors (for example whether the country is landlocked or proxies for the complexity/cost of providing a response in that location)

The work should conclude with an overall assessment of whether this type of top-down quantitative analysis is likely to be useful given the overall objectives of the Crisis Protection Gap technical workstream. It should also identify further related work that might support the overall objectives as well as any recommendations on data on humanitarian response costs or drivers that are not currently (publicly) available, but which it would be valuable for the international community to collect and/or release.

5. Methodology

The work will consist of:

- identifying relevant databases and other relevant sources of information;
- literature review and consultation with experts to help identify factors which will plausibly explain costs;
- statistical and econometric analysis; and
- report writing.

The consultant will work in close collaboration with the Centre's technical Project Lead and Principal Economist for the Crisis Protection Gap project to agree the details in relation to each of the four tasks set out above. They are invited to make their own suggestions as to how the work can be best undertaken to realise the objectives of the Centre.

The consultant should anticipate fortnightly catch up calls to discuss on the tasks and agree any adjustments to the methodology as the work progresses. They may also be required to attend project workshops with a wider selection of team member to discuss the findings of their work. The Centre is also commissioning a related piece of work that seeks to review costing models and related 'bottom-up' evidence of the costs of humanitarian response. The contractor should anticipate engaging with this contractor in order to share methodological approaches and sources and to understand similarities and differences in the results.

6. Engagement with the Centre

The contractor will work in close collaboration with the Technical Lead and Principal Economist to agree the details in relation to each of the four tasks set out above. They are invited to make their own suggestions as to how the work can be best undertaken to realise the objectives of the Centre.

The contractor should anticipate fortnightly catch up calls to discuss on the tasks and agree any adjustments to the methodology as the work progresses. They may also be required to attend project workshops with a wider selection of team members to discuss the findings of their work. The Centre is also commissioning a related piece of work that seeks to understand the trends in historic costs of disaster events and the factors that help explain these costs (a 'top down' costing analysis). The contractor should anticipate engaging with this contractor in order to share methodological approaches and sources as well as to understand similarities and differences in the results.

7. Deliverables

Three outputs from the work are expected.

The first should be a brief inception note confirming the proposed methodology and, in particular, identifying any changes to the methodology that vary from the approach described above. This note should also provide the results of the first task set out above – a review of the different databases and collation of relevant material.

The second should be a draft report with the material covering tasks 2 – 4 outlined above. This should be a written report but complemented with the outputs (code and data) from whichever statistical software the consultant chooses to use, such that the work can be replicated or extended in future.

The third will be a final report responding to comments on the draft report.

As noted above, regular update calls should be expected and the consultant should anticipate presenting their results, either in person or online, in at least [1] workshop.

8. Competencies of Team and Experts

The consultant is expected to have at least [5] years of experience in relation to international humanitarian and development systems. They should also have excellent statistical/econometric skills and a demonstrable capacity to explain the results of such analysis in a clear and concise manner to stakeholders with less formal knowledge of such techniques.

All work should be conducted in a way that upholds the Centre's values (see final page) and contribute to a positive organisational culture, that builds the Centre's external reputation through professional stakeholder management and collaborative working with key partners, and that contributes to effective partnerships and relationships in the development, humanitarian and financial sectors

9. 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 licence to use, sub-licence 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.

10. Timing

The duration of the contract is expected to be from June 2022 to 30 September 2022 contributing 25-30 days.

11. Budget, costs, and payment

Expert Band/Daily rate caps

Please find below the *maximum* daily fee rate per category of expert- to consider when generating the budget.

- Principal (15+ years' relevant experience)-£750.00
- Senior Expert (10-15 years' relevant experience)- £612.00
- Expert (5-10 years' relevant experience)- £404.00
- Assistant Expert (minimum of 2 years' and up to 5 years' relevant experience)- £170.00

*These figures are exclusive of any UK VAT that may be applicable, which may be charged on top of the indicated rate.

Please note: the above rates are ceiling figures not fixed rates, and bids should not automatically default to the ceiling but instead seek to offer the best value fee rate within the indicated cap.

Any expenses should also be foreseen in your commercial proposal.

Payment

Fees will be payable monthly on an input basis, against invoice, subject to satisfactory performance and with a percentage of the fee value retained and payable on completion and approval of final deliverables.

Any expenses will be paid on actual costs (against receipts)

Invoicing will be based on an agreed invoice and timesheet template. Correctly submitted invoices will be paid within 30 days of receipt of invoice and/or approval of relevant work (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. All proposed services and costs must also receive approval from the FCDO, and DAI Global UK will not proceed to contract where such approval is withheld.

12. Tender process and deadline

Applications are welcome from individuals or organisations for this work.

Submission mechanism and deadline

Your tender must be submitted through jobs_CDP@disasterprotection.org, with copy to Niamh.Cahill-Billings@dai.com, with the subject line: 'CPG- Top down costing analysis_Application'.

All suppliers must mark their tenders as Commercially Confidential. DAI and CDP will treat all tender submission in confidentiality.

The tender must be received by **9am UK time, Monday 6th June 2022**. Any tenders received after this date will be subject to disqualification.

We are accepting written questions until 9am Monday 30th May 2022 – responses to all questions will be collated and shared on the Centre's website by close of play Tuesday 31st May 2022.

All communications and submissions should be in the English language.

Tender process

The tender process will be conducted in line with principles of fair treatment, transparency and with the aim of identifying the proposal that offers the best solution and value from a point of view of the purchasing authority, DAI Global UK. Selection criteria are outlined below for reference. These instructions are designed to ensure all tenders are given equal and fair consideration. It is important you provide all information requested in the submitted proposal.

Account will be taken of any factor emerging from the tender process which impacts a Tenderer's suitability, relating to information provided by the Tenderer within the Qualification criteria, in particular any additional information which comes to light in respect of its technical and financial standing.

Information and documents to be submitted

- CV(s) of proposed expert(s) (max. 3 pages each).
- Covering letter indicating how your experience and interest aligns with this work, and any initial observations on data and methodology questions and approaches that the supplier would foresee for the work.
- Note setting out your earliest date of availability for the assignment, and indicative workplan.
- Commercial offer including: Proposed gross daily fee rate(s) (subject to caps referenced at point 11) and proposed number of days per team member, and any proposed expenses budget.



Right to discontinue tender, issue changes and clarification, and not to award

DAI Global UK reserves the right to curtail this tender process, and/or issue any changes or clarifications it deems necessary, and/or not to make any award as a result of this tender process.

DAI Eligibility Criteria

This opportunity is open to both individuals and organisations. Any preferred individual candidate will be subject to standard vetting process in line with UK Aid and DAI policy.

All organisation(s) shortlisted will undergo an initial eligibility check. 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. Any organisation(s) discovered of disqualification factors relating to the eligibility criteria will result in rejected without notification.

Successful organisation(s) will be subject to detailed vetting analysis through DAI's Management Capacity Assessment Tool (MCAT). This will include an assessment on successful organisation(s):

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

If a successful organisation(s) is subject for grounds for exclusion based on an MCAT assessment, the organisation will be notified.





Centre for Disaster Protection – Our Values

IMPARTIALITY

We are impartial and offer fair opinions that are based on objective criteria, unbiased by personal or organisational interests or advantage.

QUALITY

We strive for quality and operate to high standards and aim to become a recognised, reliable, trusted, and authoritative voice in disaster risk financing.

CREATIVITY

We are creative and aim to bypass the boundaries of traditional thinking and practice in order to challenge the status quo.

EMPOWERMENT

We aim to empower, supporting others as they shift from reaction to readiness.

