



Terms of Reference – ToR

Assignment Title: Consulting Services for a Firm to be assigned the role of *Technical Expert in Public Disaster Finance & Planning Services for Central America SP*

1. Background

In 2007, the Caribbean Catastrophe Risk Insurance Facility was formed as the first multi-country risk pool in the world, and was the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It was initially designed as a regional catastrophe fund for Caribbean governments to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered. CCRIF was developed under the technical leadership of the World Bank and with a grant from the Government of Japan. It was capitalized through contributions to a multi-donor trust fund (MDTF) by the Government of Canada, the European Union, the World Bank, the governments of the United Kingdom and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments.

In 2014, the facility was restructured into a segregated portfolio company (SPC) to facilitate offering new products and expansion into new geographic areas and is now named CCRIF SPC. The new structure, in which products are offered through a number of segregated portfolios (SPs), allows for total segregation of risk. In April 2015, CCRIF SPC signed an MOU with COSEFIN - the Council of Ministers of Finance of Central America, Panama and the Dominican Republic - to enable Central American countries to formally join the facility. The expansion into Central America and new products for the Caribbean is supported through a new World Bank administered multi-donor trust fund established for that purpose. The MDTF channels resources from various donors, including: Canada, through the Department of Foreign Affairs, Trade and Development; the United States, through the Department of the Treasury; the European Union, through the European Commission; and Germany through the Federal Ministry for Economic Cooperation and Development. The expansion into Central America has the potential to diversify CCRIF's risk portfolio and improve access by Central American governments to reinsurance markets thus reducing the cost of risk transfer, allowing these benefits to be passed on to all CCRIF members.

CCRIF SPC is registered in the Cayman Islands with a board of directors which is responsible for governance and the strategic direction of the company and a chief executive officer with responsibility for managing the company on a day-to-day basis. It operates primarily as a virtual organization, supported by a network of service providers covering the areas of risk management, risk modelling, captive management, reinsurance, reinsurance brokerage, asset management, technical assistance, and corporate communications and information technology. CCRIF offers earthquake, tropical cyclone and excess rainfall policies to Caribbean and Central American governments. The facility helps to mitigate the short-term cash flow problems small developing economies suffer after major natural disasters. The parametric nature of the insurance that CCRIF's provides, allows the Facility to make rapid payouts after a policy is

triggered, helping member governments finance their initial disaster response and maintain basic government functions after a catastrophic event.

Nineteen Caribbean governments are currently members of the Facility: Anguilla, Antigua & Barbuda, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts & Nevis, St. Maarten, St. Vincent & the Grenadines, The Bahamas, Trinidad & Tobago and Turks & Caicos Islands. Nicaragua, Panama and Guatemala are CCRIF CA SP members.

CCRIF's sustainability relies on certain key factors:

- Continuing operations with the capacity to fund payouts, within the agreed timeframe of within 14 days after an event, while maintaining adequate capital and reserves and satisfying regulatory requirements
- Ability to attract new members by offering relevant products with competitive pricing while always reinforcing the objectives and limitations of parametric insurance coverage
- Supporting its members in areas such as disaster risk management which is offered through the provision of technical assistance and ensuring a close working relationship with members that value the need for parametric insurance coverage considering the impacts of a changing climate which is resulting in more frequent and severe natural hazards. The technical assistance program includes an internship programme, small grants program and a scholarship program as well as a range of MOUs with regional organizations that are operationalized through funded work plans and through which a range of DRM and climate change adaptation projects are implemented
- Development of new products which are based on the demand of member governments and which are aimed at addressing either economic sectors, additional hazards or economic sectors for which indemnity insurance may not be readily available (e.g. in the energy sector and particularly as it related to transmission and distribution) aimed at
- Specific to these ToR, the CA SP's growth to support overall CCRIF sustainability requires that key officials in the ministries of finance, planning and disaster risk management in particular, have enhanced knowledge and capacity in the areas of disaster risk financing. These ToR outline the services required by CCRIF SPC to support the growth and expansion COSEFIN member countries in CCRIF SPC

2. Objectives of the Services

The main objective of the services to be contracted under these ToR is to help CCRIF to deepen its strategic engagement within COSEFIN member countries, consistent with the objectives outlined in the CA SP Workplan towards enabling increased participation of COSEFIN countries in CCRIF and specifically to ensure that all COSEFIN member countries become members by June 2022.

The CA SP Workplan is overseen by CCRIF and the CA SP Management Committee and its main objective is to enable COSEFIN Countries participate in CCRIF and purchase parametric insurance cover, consistent with each country's risk profile.

The services to be provided will strengthen CCRIF's engagement at a high level with COSEFIN government officials to ensure a complete understanding of CCRIF's products and the importance of disaster risk financing to advancing countries' sustainability agendas. The services provided also will

support COSEFIN countries to transition from the current state of knowledge about the importance of disaster risk financing and risk transfer planning to budgeting and committing to purchase risk transfer instruments from CCRIF.

3. Scope of the Assignment

Under the supervision of the CEO and with responsibility to deliver the CA SP Workplan for CA SP Management Committee, the Technical Expert in Public Disaster Finance & Planning Services for Central America SP (herein referred to as ‘the firm’) will develop the CA SP Workplan in close coordination with the CEO and CA SP Management Committee to provide the services described in more detail as follows:

(a) Overview of Key Duties.

- Develop the CA SP Workplan to with the primary objective of bringing in 4-5 new COSEFIN countries and helping CCRIF to ensure renewal participation of those COSEFIN countries by 2022, including the specific tasks, schedule and milestones required to engage with key stakeholders and decision makers in COSEFIN countries to increase participation in CCRIF SPC. The CA SP Workplan should include, among other materials a case study that may help governments decide to include premium for the purchase of CCRIF parametric insurance products in national budgets.

To implement the CA SP Workplan, the firm will:

- Participate and present at seminars and conferences at COSEFIN (as invited) and within COSEFIN countries where the DRM and financial and planning stakeholders participate to focus on how disasters can impact national fiscal/financial strategies and affect efforts to achieve debt and fiscal sustainability
- Provide technical input into CA SP communications strategies and plans to incorporate feedback from COSEFIN countries gathered during consultations.
- Coordinate change-management tasks with the World Bank to align activities with the objectives of CA SP technical assistance funding provided by the donors to support the CA SP Workplan.
- Coordinate with CCRIF communications teams to support change management activities required for successful implementation of the CA SP Workplan, which include ensuring that communications, presentations, development and training materials help to raise awareness and improved knowledge and enhance capacity among COSEFIN country decision-makers relating to disaster risk financing.
- Coordinate with CCRIF SPC service-providers and other resources that have been dedicated to the CA SP to complete CA SP Workplan deliverables in a timely manner.
- Identify and advise the process for driving action among the key COSEFIN country decision-makers relating to participation in CCRIF while managing the risks to political sensitivities that create bureaucratic impasses that block decision-making through process impasses.
- Identify and convene the appropriate teams from CCRIF, COSEFIN member countries, the World Bank for participation in timely decision-making engagements where DR financing decisions may be taken.

- Convene the appropriate experts and help align technical responses from CCRIF CEO and CRO to ministries of finance/economy/planning and related agencies and insurance regulators regarding CCRIF's models, limitations and the pros/cons and value of parametric risk transfer instruments with reference to other disaster risk financing interventions and instruments.
 - Report on a monthly basis against the CA SP Workplan and escalate CA SP Workplan challenges/concerns to the CEO and Management Committee.
- Implement and maintain a progress dashboard showing CA Workplan task progress and status for; including:
 - Managing a CA SP document archive, supported by the CA SP Secretaries, to archive key documents and materials developed for the CA SP Workplan.
 - Maintain an issues-log to ensure tracking and resolution of CCRIF and CA SP Management Committee concerns.
- Leverage the firm's network of (or identify the) decision-makers in COSEFIN (and CEPREDENAC agencies) and provide technical assistance to synthesize and guide the convening of:
 - Networks with the WB, IADB, and other regional financing institutions (e.g., the Central American Bank for Economic Integration), in order to position CCRIF as a partner, and parametric insurance as a complement to development policy and budgetary decisions as well as other DRF instruments that are available
 - Federal Government agencies in all COSEFIN countries, at least from 3 basic agencies: Finance/Economy, Civil Protection, Meteorological offices; the is to position CCRIF as a reliable source of models, products and services that will help COSEFIN countries better manage their natural disaster risk.

(b) Reporting & Coordination. The firm will:

- Report to the CEO and CA SP Management Committee and the services will be coordinated with the strategic work of the CCRIF CEO.
- Work with the CCRIF COO with respect to all operational aspects of the work plan including but not limited to the CA SP Workplan on the budget and resources in the CA SP, including coordination with existing CCRIF service providers.
- Prepare monthly reports detailing progress, issues and challenges etc. on the CA SP Workplan.
- On a quarterly basis meet with the Management Committee, CCRIF CEO, COO and the World Bank team to review and adjust the CA SP Workplan as necessary to meet the Workplan's intended objectives.
- Provide final quarterly progress reports to the CA SP Management Committee which will monitor the fulfilment of the CA SP Workplan against the approved budget for the Workplan.
- Consult with the Management Committee designee regarding matters specific to engagement with COSEFIN countries.
- Consult with the Committee's Secretary regarding any MoU or other forms of agreements that will be presented to COSEFIN countries, to help ensure compliance with CCRIF, World Bank and COSEFIN Member State legal requirements applicable to cooperation mechanisms and to the issuance of insurance policies.

4. Time Schedule

The contract period for the Services will be a maximum of two years. The assignment will start upon execution of the contract and it is expected to require dedicated engagement of up to 220 working days per year.