

Request for Proposal (RfP)

For an International Actuarial Expert in Microinsurance.



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We are a leading organisation for the implementation of international development projects. We promote inclusive economic, social and ecological development to make an effective contribution towards sustainable and widespread prosperity in developing and emerging economies.

Swisscontact - Swiss Foundation for Technical Cooperation, is headquartered in Zurich and was founded in 1959 by leading figures from the Swiss private sector and Swiss universities. It is exclusively involved in international cooperation and since 1961 has carried out its own and mandated projects. Swisscontact currently employs over 1,400 staff worldwide and currently manages projects in 41 countries on behalf of public and private donors. Swisscontact is registered as an international non-governmental organisation (INGO) in Bangladesh under NGO Affairs Bureau, Government of the People's Republic of Bangladesh.

BACKGROUND OF BMMDP

Agriculture is an important economic sector in Bangladesh; however, it is also a sector highly prone to natural hazards. Data from Bangladesh Water Development Board (BWDB) and other sources shows that land areas more than the 22% threshold level are getting submerged since 2015 due to annual monsoonal floods and flash floods. This, in turn, is decreasing rice production at a rate of 70 tons per square kilometre.

This trend implies a disastrous impact on the country's farmers, most of whom are poor smallholders with a daily earning of less than \$2.5 and inadequate coping mechanisms, and, therefore, has serious consequences for the country's ability to sustain income generation, food security and poverty reduction.

Evidence suggests that agricultural insurance, which is widely available in other emerging economies such as India, could be useful to minimise the losses of farmers in Bangladesh and encourage additional investment. Microinsurance, i.e., insurance with modest premium levels, can (a) provide protection against setbacks from crop losses or deaths of fish/livestock through pay-outs and access to critical ancillary services, and (b) influence an entrepreneur's investment behaviour by encouraging them to invest in higher-value inputs but higher return activities. At a macro-level, it can stimulate growth across multiple economic sectors, such as agriculture and livestock, and minimise the burden on the government's

expenditure during disaster response and recovery.

CONTEXT

Recognising the need for an appropriate risk management tool in Bangladesh's agriculture sector, Swiss Agency for Development and Cooperation (SDC) initiated a microinsurance programme in 2017 – the Bangladesh Microinsurance Market Development Programme (BMMDP). An independent evaluation confirmed that BMMDP in its pilot phase has been successful in introducing new commercially viable products and distribution models to a context where no risk mitigation tools were previously available to farmers.

BMMDP in its second phase (August 2023 - July 2027) will take a market system development approach focusing on policy improvement, product and support service market development, and demand stimulation. The programme will begin to create pathways for an inclusive, scalable, commercially viable and climate-resilient microinsurance market in Bangladesh. A combination of technical assistance, an innovation fund, and a de-risking fund will be used to attract a wide range of partners to co-invest, deliver, and catalyse the growth of the microinsurance sector contributing to higher resilience to climatic shocks for the overall agriculture sector of the country.

The impact of BMMDP Phase-II will ensure **“Farmers have higher income and better resilience against climate change-related losses, thus improving their productivity and contribution to food security, and inclusive economic growth of Bangladesh”**. The key outcome of the programme is to increase the supply of new, commercially driven, client-focused, climate-sensitive microinsurance products in the target sub-sectors of crop, fisheries, and livestock – which will be matched by higher demand from smallholder farmers and Micro, Small and Medium Enterprises (MSMEs). A more conducive policy environment and eco-system will be facilitated by BMMDP Phase-II. Sustainability of outputs and outcomes is one of the core themes of the programme and will be built into the choice and design of the interventions from the very onset.

ABOUT THE ASSIGNMENT

The main objective of the assignment is to assist BMMDP in developing the skills and capacity of the

microinsurance industry professionals in Bangladesh who are offering microinsurance products for crop, livestock, and fisheries sectors. The Actuarial expert/consultant will develop skill-based training materials/curriculums for the insurance companies and support in taking appropriate interventions throughout the programme period.

OBJECTIVE OF THE ASSIGNMENT

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SCOPE OF WORK

- The Actuarial expert/consultant will develop skill-based training materials/curriculums targeted to the non-life/Agri-based micro insurance sector in Bangladesh to build risk assessment, pricing and actuarial capacity of the industry.
- Support BMMDP to design and deliver institutional capacity building measures to the Bangladesh Insurance Academy (BIA) and/or any other sector organizations to sustainably provide knowledge and skills to the actors, including insurance companies, Insurtech and similar entities.
- Participate as a member of the technical support unit (TSU) for Climate Risk Resilient Fund, a financing instrument that BMMDP will deploy to enable risk coverage through a reinsurance fund.
- Participate in the policy working group meetings of BMMDP upon invitation.

DURATION OF THE ASSIGNMENT

A framework type contract will be executed for the duration of October 2024- June 2027, requiring level of efforts up to maximum 55 days, where each day consists of maximum 8 hours.

REPORTING

The Consultant/Firm reports directly to the Team Leader of the Bangladesh Microinsurance Market Development Programme (BMMDP) Phase-II. However, if required, the Consultant/Firm can be

assigned permanently or temporarily to another superior as deemed appropriate by the Team Leader. As and when needed, the Expert/Consultancy Firm must abide by the instructions of the Swisscontact Executive Director who shall act as the final authority. The ToR is subject to modifications if required.

ELIGIBILITY CRITERIA

The following qualifications/competencies will be applied to screen potential offerors:

- A certified Actuary with experience in providing services as an actuarial consultant to reputed organizations.
- An expert in customer focused and data driven decision making for insurance product development/selection, including pricing new products.
- Demonstrated capacity in designing, developing and delivering training targeted to the insurance industry to strengthen capacity in product innovations, risk assessment and pricing.

PROPOSAL SUBMISSION

All prospective expert/consultancy firms are required to submit a proposal to include the following. The first two of the items listed below will be jointly construed as the technical proposal.

- A Curriculum Vitae (CV) of the Consultant(s).
- An accompanying Capacity Statement describing relevant work experiences and demonstrating capabilities to deliver on the given scope of work
- A financial proposal including hourly rate(s), indicative LoE and other expenses required for undertaking the assignment.

PROPOSAL EVALUATION

The award will be made to a responsible offeror whose offer follows the RFP instructions, meets the eligibility requirements, and is determined via a trade-off analysis to be the best value based on application of the following evaluation criteria. Points will not be awarded for cost which will be primarily evaluated for realism and reasonableness. For overall evaluation purposes of this RFP, technical evaluation factors are considered significantly more important than cost factors. If technical scores are determined to be equal or nearly equal, cost will become the determining factor. For the evaluation of the proposal, the following criteria will be applied.

The relative importance of each individual criterion is indicated by the number of points below:

Criteria	Weight
Capacity Statement describing relevant (to this scope) experience and capabilities	60
Profile (CV) of the personnel involved in the assignment	40

AWARD OF CONTRACT

An evaluation team comprising of team members of BMMDP and Swisscontact Bangladesh Country Office will evaluate each technical proposal and the corresponding financial offer, based on evaluation methodology described above. The consultant/firm achieving the highest score, determined via a trade-off analysis to be the best value, will be awarded the contract. If an agreement with the highest scorer does not materialize, the consultant /firm with the next highest score will be considered for negotiation.

SUBMISSION GUIDELINE

Interested Experts/Consultancy Firms should email the electronic copy of their proposals and other necessary documents to bd.bmmdp@swisscontact.org by 7th October 2024 on or before 5:00 PM (Bangladesh Standard Time).

BMMDP reserves the right to accept or reject any or all proposals/application without assigning any reason whatsoever. Please note that if any applicant does not meet all the above requirements, the application will be disqualified without further evaluation.

Annex-A: Terms of Reference for Technical Support Unit of the Climate Risk Resilience Fund (CRRF)

1. Role of the Technical Support Unit:

The Technical Support Unit is in charge of providing technical supervision for the operations of the CRRF. It will act as a support unit for the BMMDP team. In addition to its specific responsibilities, the Technical Support Unit will assist the BMMDP team upon their request. This includes all relevant steps in the selection and funding process and monitoring of project implementation up to the official closing of the projects. The Unit shall also be responsible for ensuring that the Funding Principles (and the associated guidelines) are applied during the evaluation of the projects and products, in particular, technical approval of products, ensuring the technical quality of applications, and jointly managing work programme planning, reporting, and communications in coordination with the BMMDP Team.

2. Responsibilities of the Technical Support Unit:

The Technical Support Unit will have the following responsibilities as the CRRF management team:

- To offer advisory to the applicants and approved (re) insurers for funding under CRRF upon request from the BMMDP team; this includes a technical review of their product proposal and business model, providing recommendations on product structure, pricing and the conditions for accessing the Fund under CRRF.
- Will support the BMMDP team in preparing investment memo particularly focusing on determining the payout ratio, trigger points for claim submission etc.
- Finalizing Policy Activities and Plans, specifically focusing on policy wording, policy Marketing – Sales Plan & Tentative Results Matrix, finalizing payout conditions and loss limits.
- To assist the BMMDP team in drafting common principles, standards and metrics to monitor product performance on a regular basis.
- To facilitate coordination with the selected partners (mainly reinsurers) in the operationalisation and implementation of the project proposal.
- To support the BMMDP team in the preparation of technical drafts to inform strategic decisions of the CRRF Steering Committee.
- Claims validation and supporting the BMMDP to make decisions on fund disbursement based on the terms and conditions as stated in the Agreement with the reinsurer or the lead project partner.
- To support the BMMDP team to facilitate knowledge and evidence sharing with different stakeholders as and when necessary.
- To support BMMDP team to determine payout conditions, loss limit thresholds, and finalising clauses of contract with the awardees.

3. Members:

The Technical Support Unit brings together relevant technical and implementation expertise from following fields:

- i. **Actuarial Expert**- who will be evaluating the pricing structures, enhancing the precision of reinsurance strategies in the project(s) being implemented.
- ii. **Claim Assessor**- who will validate insurance claims through accurate loss assessments, contributing to the overall effectiveness of reinsurance mechanisms in the implemented project(s).
- iii. **Reinsurance Expert**- who leverages in-depth knowledge in designing and implementing tailored reinsurance solutions, optimizing risk transfer and protection for the project stakeholders.
- iv. **Fellow Chartered Accountant**-who provides comprehensive guidance and strategic insights, integrating a holistic approach to risk management, compliance and financial management of the project(s).
- v. **Legal Expert**- who ensures legal compliance, draft and execute contracts, thereby safeguarding the reinsurance project against potential legal challenges and uncertainties.
- vi. **Agriculture Insurance Expert**- Who helps address specific agricultural risks, incorporating expertise in crop and livestock insurance to enhance the resilience of the project(s).

- vii. **Associate of Chartered Institute of London-** who will bring expertise in international insurance markets, facilitating global reinsurance collaborations and ensuring alignment with industry standards for the success of the project(s).

Apart from these seven experts, BMMDP BA Lead will also be part of the support Unit to facilitate the Unit to render its responsibilities effectively. So, in total, this unit will consist of eight members.

4. Formation Process and Remuneration:

BMMDP team will form this committee by recruiting experts as consultants. These consultants will be accommodated from the budget for short-term experts.

5. Voting Right:

Based on the role and responsibilities outlined earlier, the Technical Support Unit does not possess any voting rights.

6. Confidentiality Clause:

All verbal and written communication and project-related documents, whether in whole or part, will be treated as confidential. They must not be made accessible to third parties unrelated to the project nor used for purposes other than those for which they were supplied or elaborated.