

Terms of Reference

Risk transfer Mechanism Scoping Study

Introduction

Start Network is made up of more than 100 aid agencies across five continents, ranging from large international actors to local organisations. Together, our aim is to transform humanitarian action by abandoning the current reactive, fragmented and inefficient system and by instead promoting an anticipatory, collaborative and localised alternative. In the Philippines, Start Network is hosted by CARE International.

Start Network has various innovative funding mechanisms that enable fast and anticipatory action to tackle crises collectively. Start Ready is one of them: a global funding mechanism that provides pre-agreed funding to Start Network members for predictable and recurring crises that can be modelled, through a range of Disaster Risk Financing (DRF) instruments. These instruments include insurance, risk pooling and national contingency funds. The system is based on three key pillars:

- Scientific modelling: understanding recurring risks and hazards faced in different countries and using scientific models to evaluate these risks, in order to identify triggers or dangerous thresholds
- Planning interventions in advance of hazards
- Prepositioning funds so that action can occur in anticipation of a crisis.

Start Ready protects people from climate-related hazards by ensuring readily available access to funds for pre-agreed plans that can be implemented as soon as triggers are breached, ahead of a crisis. In May 2024, Start Ready launched Risk Pool 3, which aims to provide protection to over 688,000 people in the Philippines, Pakistan, Bangladesh, Madagascar, Senegal, Somalia, Zimbabwe and DRC, from 13 different climate risks.

Start Network – Philippines

The Philippines is prone to tropical cyclones due to its location in the Northwestern Pacific Basin. The country experiences on average 6 to 9 cyclones a year, which cause loss of lives, livelihoods and key infrastructure.

With the aim of protecting communities in advance of cyclones making landfall, Start Network has developed a DRF system that enables members in country to manage disaster risks proactively. It uses the 510 model, which forecasts the impact of an upcoming tropical cyclone event over a particular area using predicted number of houses damaged and converting it to forecasted number of people affected. Once pre-agreed thresholds are reached, the Start Ready Cyclone system is activated, which leads to funding being released and anticipatory action and/or early response protocols being implemented.

The Start Network system covers three provinces: Cagayan, Eastern Samar and Surigao del Norte, and each province has its separate activation matrix. In July 2023, the system activated in Cagayan for Cyclone Doksuri, and GBP 358,975.38 were disbursed to a pre-established Consortium that worked together to protect more than 28,000 people in the affected area.

Scope of Work

In several countries Start Network work in, insurance has been used to proactively manage climate-related risks. Start Network aims to use a layered approach to risk, by using a range of disaster risk finance instruments. Currently, Start Network only engage with Macro insurance in Africa through the

Africa Risk Capacity Replica programme. The overall aim of this consultancy is to understand if this financial instrument could be compatible in the Asia context, specifically in the Philippines. The specific objectives of this consultancy are to:

1. Scope the current climate-risk insurance landscape in the Philippines (and in the wider Southeast Asian region)
2. Understand if this macro insurance mechanism could/should be adopted by Start Network in the Philippines

Informed by a literature review and key informant interviews with stakeholders working in DRF in the Philippines, the consultancy will seek to answer the following questions:

Providers

- Who are the companies offering climate insurance in the Philippines (and the Southeast Asian region)?
- Which countries and organizations do these companies have engaged in the past and currently?
- Are these providers open to working with the humanitarian sector?

Product

- What are the products already available that Start Network could tap into?
- What are the requirements for these products (for example specific data, mechanisms, return periods etc)?
- What are the costs associated with these products?
- Which climate risks have existing insurance products that are currently being used?
- Which areas do these products cover and protect?
- Which vulnerable sectors does these products cover?
- Are these products open for the humanitarian sector to explore?
- Are there any humanitarian organisations/DRF systems currently using these financial services? If so, have these interventions been successful?

Country Context

- Which climate risks are currently being covered by insurance in the Philippines?
- Which areas in the Philippines have existing risk transfer mechanisms and from which company?

Further questions might arise throughout the consultancy period, which will be assessed alongside the Country Crisis Financing Advisor of Start Network - Philippines.

Activities

Key suggested activities include:

- Desk based research to develop a literature review
- Develop a stakeholder mapping of companies offering climate-risk insurance in the Philippines.
- Interview of key informants. An initial list will come from the stakeholder mapping and might be extended through snowballing and in consultation with key actors.
- Triangulation of the interview findings with other documentations
- Draft report and hold a sense-making workshops with the Start Network team to present findings before the finalisation of the report.
- Develop a final report outlining current climate-insurance status in the Philippines and recommendations on ways forward.

Further activities might arise throughout the consultancy period, which will be assessed alongside the Country Crisis Financing Advisor of Start Network - Philippines.

Timelines

The consultancy will run for three months from September to November 2024.

Activity	Month 1	Month 2	Month 3
Onboarding			
Desk based research			
Stakeholder Mapping			
Interviews			
Triangulation			
Findings presentation			
Final Report			

Qualifications

- At least five (5) years of experience in monitoring and evaluation (including quantitative, qualitative, and participatory; planning, design and implementation of M&E systems; research ; and report writing;
- Proven knowledge of disaster risk reduction and management.
- Familiarity with climate insurance practices and policies, both international and national
- Familiarity with climate insurance systems and actors in the Philippines

Submission

Please send your CVs, sample work, and proposal, including your rate to:

Lia Anne Gonzalo – CARF Officer
Lia.gonzalo@care.org

cc: Arvin Caro – Country Crisis Financing Advisor
Arvin.caro@startnetwork.org

Deadline of Submission: September 6, 2024.

Applications will be reviewed on a rolling basis and short-listed candidates will be contacted for an interview.