



REQUEST FOR PROPOSAL (RFP)

To: All Interested Bidders	DATE: September 23, 2021
	Reference: RFP/UNDP/RESTORE/153732/031/2021 - Study on Disaster Insurance Readiness in Indonesia

Dear Sir / Madam:

The United Nations Development Programme (UNDP) hereby invites you to submit a Proposal to this Request for Proposal with reference **RFP/UNDP/RESTORE/153732/031/2021 - Study on Disaster Insurance Readiness in Indonesia**.

A **bidder's conference** will be held on:

Date/Time : Tuesday, 28 September 2021 at 11.00 AM (GMT +7)
 Place : <https://undp.zoom.us/j/85745537972?pwd=UENHZ2hXcTNXOW9CcEgxWEExaEtiZz09>
 Meeting ID : 857 4553 7972
 Password : 691420

Detailed Terms of Reference (TOR) as well as other requirements are listed in the RFP available on UNDP ATLAS e-Tendering system (<https://etendering.partneragencies.org>) **Event ID: 0000010497**.

Your offer, comprising of a Technical and Financial Proposal, should be submitted in accordance with the RFP requirements, through the UNDP ATLAS e-Tendering system and by the deadline indicated in <https://etendering.partneragencies.org>.

NOTE! The **Technical Proposal and Financial Proposal** files **MUST BE COMPLETELY SEPARATE** and **uploaded separately in the system and clearly named** as either **"TECHNICAL PROPOSAL"** or **"FINANCIAL PROPOSAL"**, as appropriate. Each document shall include the Proposer's name and address.

The file with the **"FINANCIAL PROPOSAL"** must be **encrypted with a password** so that it cannot be opened nor viewed until the Technical Proposal has been found to be pass the technical evaluation stage. Once a Technical Proposal has been found to be responsive by passing the technical evaluation stage, UNDP shall request the Proposer to submit the password to open the Financial Proposal.

The Proposer shall assume the responsibility for not encrypting the Financial Proposal. **NOTE: DO NOT ENTER BID AMOUNT IN THE SYSTEM, INSTEAD ENTER THE NUMBER 1. Failed to meet this requirement, proposal will be rejected.**

In the course of preparing and submitting your Proposal, it shall remain your responsibility to ensure that it is submitted into the system by the deadline. The system will automatically block and not accept any bid after the deadline. In case of any discrepancies, the deadline indicated in the system shall prevail.

Kindly ensure that supporting documents required are signed and stamped and in the .pdf format, and free from any virus or corrupted files and the **FINANCIAL PROPOSAL IS PASSWORD PROTECTED**. **Failed to meet this requirement, proposal will be rejected.**

NOTE: The file name should contain only Latin characters (No Cyrillic or other alphabets.).

You are kindly requested to indicate whether your company intends to submit a Proposal by clicking **"Accept Invitation"** but not later than **28 September 2021**. If this is not the case, UNDP would appreciate indicating your reason, for our records.

If you have not registered in the system before, you can register by logging in using:

Username: event.guest

Password: why2change

The step by step instructions for registration of bidders and quotation submission through the UNDP ATLAS e-Tendering system is available in the attached "Instructions Manual for the Bidders". Should you require any training on the UNDP ATLAS e-Tendering system or face any difficulties when registering your company or submitting your quotation, please send an email to sri.hastutiningsih@undp.org.

Please note that ATLAS has following minimum requirements for password:

1. Minimum length of 8 characters;
2. At least one capital letter; and
3. At least one number.

New proposer registering for the first time, the system will not accept any password that does not meet the above requirement, and thus registration cannot be completed.

For existing vendor whose current password does not meet the abovementioned password requirements, the system will prompt you to change your password upon signing in. Please change your password in accordance with the abovementioned password requirements to be able to login to the system.

The user guide and video are available to you in the UNDP public website in this link: <https://www.undp.org/content/undp/en/home/procurement/business/resources-for-bidders.html>

You are advised to use Internet Explorer (Version 10 or above) to avoid any incompatibility issues with the re-tendering system.

No hard copy or email submissions will be accepted by UNDP.

UNDP looks forward to receiving your Proposal and appreciate your interest to participate in UNDP procurement opportunities.

Sincerely yours,



Martin Stephanus Kurnia
Head of Procurement Unit
9/22/2021

Annex 1**Description of Requirements**

Context of the Requirement	Study on Disaster Risk Insurance Readiness in Indonesia
Implementing Partner of UNDP	Indonesia National Disaster Management Authority (BNPB)
Brief Description of the Required Services ¹	<p>Being situated in one of the world's most active disaster areas, Indonesia is highly exposed to natural disasters, such as earthquakes, tsunamis, volcanic eruptions, floods, forest fires, and landslides. The Global Facility for Disaster Reduction and Recovery (World Bank) indicates that climate change may lead to increased uncertainty and disruption in water availability, food production, transport, commerce, and urban development. In 2018, Indonesia went through its deadliest year in a decade, where approximately 4231 deaths occurred as caused by earthquakes and tsunamis - and the incidence of natural disasters is expected to remain high in the coming years. The Meteorology, Climatology, and Geophysical Agency (BMKG) stated that along with the higher risks of tsunami due to volcanic activity, Indonesia's earthquake potential as well as trend has increased in 2021 if compared to the previous years.</p> <p>Natural disasters also have its detrimental effects to Indonesian economy. The annual economic impact of natural disasters is estimated at 0.3 percent of Indonesia's GDP. Over the last 10 years, the annual average cost of natural disasters in Indonesia is estimated at 0.3 percent of national GDP or USD 1.5 billion (EMDAT CRED). It is estimated that a major earthquake (occurring once every 250 years) could cause losses in excess of 3 percent of national GDP. Further exacerbated with 1.5-2.0 Celsius rise since the start of the industrial era, Indonesia's climate change vulnerability due to its archipelagic nature makes both mitigation and adaptation effort very costly.</p> <p>Within the Republic of Indonesia's 2020-2024 Medium Term Development Plan, Indonesia's low carbon development is targeted along with the improvement of disaster and climate resilience. The Government of Indonesia (GoI) aims and strategizes to reduce losses due to disaster impacts and climate hazards - limiting the economic loss to only 0.3% of Indonesia's GDP in 2024. After investing 17.2% of the 2019 State Budget on infrastructure (amounted IDR 420 trillion or USD 28 billion), the GoI is now investing another IDR 6,445 trillion or USD 460 billion for infrastructure projects within the 2020-2024 phase. The enormous number allocated for infrastructure project alone should already indicate the growing need for disaster risk and resilience facility to ensure the nation's fast development amid the reoccurring disasters; especially shall the country aim to accomplish its 2020-2024 Medium Term Development Plan.</p> <p>Every year, the government spends around IDR 4 trillion (about USD285.70 million) on programs to improve disaster resilience. This amount, even if added with support from international communities, still could not cover the actual economic loss of extreme events</p>

¹ A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

	<p>like Aceh's earthquake and tsunami of December 2004. As such capacity is limited by fiscal regulation, Indonesia should work toward improving the current financing capacity. Breakthroughs in financial instruments thus also play a significant role in this case, including through the introduction of a disaster risk insurance scheme.</p> <p>One of the challenges or such implementation, however, may lie in the relatively low insurance penetration in Indonesia - and it is particularly low for disaster-related products like earthquake protection. In addition, the lack or unavailability of natural catastrophe risk insurance can exacerbate the economic and social impact of natural disasters due to the significant amount of losses payment that government or development funds must make following disaster events, especially as most of the public assets (including critical ones e.g. hospitals and schools) are currently not insured against natural disasters. This could constitute a major problem for governments of emerging economies that are already struggling to balance debt obligations with delivering public services and infrastructure developments.</p> <p>Recognizing the challenges that are, not only encountered by Indonesia but also other disaster-prone nations in the region, UNDP has been dedicating its work to develop resource and unit for insurance and risk finance - setting as a collaborative platform in making insurance and risk financing a critical building block for sustainable development. In addition to the natural disaster, the current pandemic situation also brought attention on the need of insurance to reduce pressure from the economic downturn.</p> <p>At central government, there has been an attempt to develop the insurance for state own goods (Asuransi Barang Milik Negara) as priorities in the PARB (Strategi Pembiayaan dan Asuransi Risiko Bencana) . The protection of state assets (BMN) and regional assets (BMD) are important so that governments can quickly recover after a disaster. Ministry of Finance issued Regulation (PMK) Number 97/PMK.06/2019 concerning State Own Asset Insurance. Ministry of Finance has started to insure office buildings as well as health clinics as a pilot project for BMN insurance. In 2020 there are 10 other K/L will insure their assets. In 2021 all K/L without exception will have insurance protection for their assets in the form of office buildings, training and education, as well as health clinics.</p> <p>There are several other projects on disaster risk insurance in Indonesia. GIZ has been involved in the promotion of climate risk insurance in Indonesia since 2019 . Ministry of Agriculture conducted pilot projects for agriculture insurance to protect against floods, droughts and pests . Asuransi Central Asia (ACA) issued insurance to protect against earthquake, volcanic eruption and tsunami . However, the insurance rate against disaster risks in Indonesia are relatively low with the level of increase only around 0.5% per year. There many factors that could affect this, such as: low of awareness, economic capacity and also the needs of supporting policy and regulation.</p> <p>Reflecting on the need to strengthen the national disaster financing strategy, also by leveraging UNDP's network and expertise in this field, the GoI has the potential to initiate the development of a disaster risk insurance program in Indonesia, particularly for key public assets, in partnership with the insurance industry. As the initial step, UNDP in collaboration with Indonesia National Board for Disasters Management (BNPB) will conduct a policy study, to further identify and assess the enabling and inhibiting factors as</p>
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	well as to provide a basis for policy recommendations and alternatives in the development of disaster risk insurance, catered to the Indonesian context.
List and description of activities to be delivered	<p>1. Serve as the basis for necessary policy recommendations and alternatives in the development disaster risk insurance scheme in Indonesia by:</p> <ul style="list-style-type: none"> ○ Conducting interviews as necessary to the relevant parties/stakeholders/individuals in obtaining the necessary data and information regarding the existing regulatory framework. ○ Reviewing the existing regulatory framework and national strategies, and previous studies and policy on disaster risk financing; ○ Identifying and assessing the country's natural and other type of disaster risk exposure as well as the insurance needs especially for coverage of public assets; ○ Exploring the opportunities, challenges, enablers, as well as barriers for the design and development of disaster risk insurance scheme in Indonesia; ○ Filling the gap of policy recommendation needed to speed up the implementation of disaster risk insurance in Indonesia. ○ Providing benchmark on various natural and other type disaster risk insurance schemes employed in other selected disaster-prone countries within the Asia Pacific region; ○ Analyzing and discussing a series of complementary options for disaster financing schemes - including insurance - based on a preliminary fiscal risk analysis and a review of the current budget management of natural disasters. ○ Exploring potential using this instrument to support the green recovery post pandemic in Indonesia <p>2. Conduct the following activities / methodologies:</p> <ul style="list-style-type: none"> ○ Desk review to identify and elaborate previous projects (see the introduction) on disaster risk insurance in particular; present project description, various approaches to its implementation; its trends, and areas of growth; ○ Conduct Focus Group Discussion (FGD) and in-depth interviews with identified key stakeholders (e.g., the government ministries and agencies, financial institutions/insurance & re-insurance companies, development partners) to identify opportunities and challenges for the development of disaster risk insurance to support the government. These methods may also be useful to analyze relevant instruments or disaster risk insurance in particular; identify its enabling factors and barriers; as well as the trends, and areas of growth; ○ Review and assess to identify the potential risks and challenges that may be encountered during the development of the knowledge product. This includes providing detailed analysis and recommended mitigation strategies to overcome such challenges; and ○ Other relevant/ appropriate methodologies.

Person to Supervise the Work/ Performance of the Service Provider	National Project Manager RESTORE
Frequency of Reporting	Please refer to the Terms of Reference (Annex 3)
Progress Reporting Requirements	<p><u>Deliverable 1</u> A report comprising analysis on the regulatory and institutional framework as well as approaches to the development disaster risk financing scheme, including the needs and opportunities, enabling environment, risks/ barriers to the uptake, as well as best practices.</p> <p><u>Deliverable 2</u> A report on the feasibility study of natural disaster and other type risk insurance, which include the disaster risk insurance financing options and recommendations.</p>
Location of work	<input checked="" type="checkbox"/> At Contractor's Location, if required, for technical works specifically indicated in the proposal
Expected duration of work	36 working days within 3 months
Target start date	01 Nov 2021
Latest completion date	31 Jan 2022
Travels Expected	N/A
Special Security Requirements	N/A
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	N/A
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars or <input checked="" type="checkbox"/> Local Currency for Local Bidders: IDR
Value Added Tax on Price Proposal ²	<input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes

² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

Validity Period of Proposals <i>(Counting for the last day of submission of quotes)</i>	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.														
Partial Quotes	<input checked="" type="checkbox"/> Not permitted														
Payment Terms ³	<table border="1"> <thead> <tr> <th>Deliverables/Outputs</th><th>Due Dates</th><th>Payment Amount</th></tr> </thead> <tbody> <tr> <td> <u>Deliverable 1</u> A report comprising analysis on the regulatory and institutional framework as well as approaches to the development disaster risk financing scheme, including the needs and opportunities, enabling environment, risks/ barriers to the uptake, as well as best practices. </td><td>15 November 2021</td><td>50%</td></tr> <tr> <td> <u>Deliverable 2</u> A report on the feasibility study of natural disaster and other type risk insurance, which include the disaster risk insurance financing options and recommendations. </td><td>31 January 2022</td><td>50%</td></tr> <tr> <td></td><td>Total</td><td>100%</td></tr> </tbody> </table>	Deliverables/Outputs	Due Dates	Payment Amount	<u>Deliverable 1</u> A report comprising analysis on the regulatory and institutional framework as well as approaches to the development disaster risk financing scheme, including the needs and opportunities, enabling environment, risks/ barriers to the uptake, as well as best practices.	15 November 2021	50%	<u>Deliverable 2</u> A report on the feasibility study of natural disaster and other type risk insurance, which include the disaster risk insurance financing options and recommendations.	31 January 2022	50%		Total	100%		
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	Total	100%													
Person(s) to review/inspect/ approve outputs/ completed services and authorize the disbursement of payment	Saputra Liadi National Project Manager RESTORE														
Type of Contract to be Signed	<input checked="" type="checkbox"/> professional service contract														
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the Proposal.														

³ UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

Criteria for the Assessment of Proposal	<p><u>Technical Proposal (70%)</u></p> <p><input checked="" type="checkbox"/> Expertise of the Firm 30%</p> <p><input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 40%</p> <p><input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 30%</p> <p><i>NOTE: only bidder(s) who received minimum of 70 points where the financial proposal will be opened</i></p> <p><u>Financial Proposal (30%)</u></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider
Contract General Terms and Conditions ⁴	<p><input type="checkbox"/> General Terms and Conditions for contracts (goods and/or services)</p> <p><input checked="" type="checkbox"/> General Terms and Conditions for de minimis contracts (services only, less than \$50,000)</p> <p>Applicable Terms and Conditions are available at: http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html</p>
Annexes to this RFP ⁵	<p><input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2)</p> <p><input checked="" type="checkbox"/> Detailed TOR (Annex 3)</p> <p><input checked="" type="checkbox"/> Others⁶ sample written self declaration of impartiality</p>
Contact Person for Inquiries (Written inquiries only) ⁷	<p>Sri Hastutiningsih Procurement Unit Sri.hastutiningsih@undp.org</p> <p>Mandatory subject of email: RFP/UNDP/RESTORE/153732/031/2021 - Study on Disaster Insurance Readiness in Indonesia</p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>

⁴ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁵ Where the information is available in the web, a URL for the information may simply be provided.

⁶ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁷ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

Other Information <i>[pls. specify]</i>	<ul style="list-style-type: none">▪ File names must be maximum 60 characters long and must not contain any letter or special character other than from Latin alphabet/keyboard.▪ All files must be free of viruses and not corrupted.▪ Max. File Size per transmission: N/A
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Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁸

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery⁹)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions :

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following :

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contract references;*
- e) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.

⁸ This serves as a guide to the Service Provider in preparing the Proposal.

⁹ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

C. Qualifications of Key Personnel

If required by the RFP, the Service Provider must provide :

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

TABLE D & TABLE E, TO BE USED FOR SUBMITTING FINANCIAL PROPOSAL – MUST BE ENCRYPTED WITH PASSWORD & MUST BE SUBMITTED SEPARATELY FROM TECHNICAL PROPOSAL IN E-TENDERING SYSTEM

D. Cost Breakdown per Deliverable*

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price <i>(Weight for payment)</i>	Price <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1: Baseline report comprising analysis on the existing regulatory and institutional framework as well as approaches to the development disaster risk financing scheme, including the needs and opportunities, enabling environment, risk/barriers to the uptake, as well as best practise	50%	
2	Deliverable 2: A report on the feasibility study of natural disaster and other type risk insurance, which include the disaster risk insurance financing options and recommendations.	50%	
	Total	100%	

**This shall be the basis of the payment tranches*

E. Cost Breakdown by Cost Component [This is only an Example]:

No	Description	No. of Personnel	Unit	Total Period of Engagement	Unit	Price/Unit IDR	Sub Total IDR	REMARKS
I. Personnel Service Fee								
Analysis on the regulatory and institutional framework & Feasibility Study Report and Recommendation								
	Expert/Advisor level	1	person	36	day			
	Research Assistant (Support Consultant level)	1	person	30	day			
	Admin Staff (Junior Consultant level)	1	person	30	day			
Total Personnel Service Fee							IDR -	
II. Out of Pocket Expenses								
A. FGD Session and Data Collection								
	Moderator	1	person	1	day			
	Notetaker	1	person	1	day			
B. Communication								
	Internet package/Prepaid mobile credit	2	person	1	package			
	Business package zoom application	1	person	1	package			
Total Out of Pocket Expenses							IDR -	
GRAND TOTAL							IDR -	

*[Name and Signature of the Service Provider's
Authorized Person]
[Designation]
[Date]*

A. General Information

PROVISION OF SUPPORT SERVICES :

B. Background Information

Natural disasters also have its detrimental effects to Indonesian economy. The annual economic impact of natural disasters is estimated at 0.3 percent of Indonesia's GDP. Over the last 10 years, the annual average cost of natural disasters in Indonesia is estimated at 0.3 percent of national GDP or USD 1.5 billion (EMDAT CRED). It is estimated that a major earthquake (occurring once every 250 years) could cause losses in excess of 3 percent of national GDP. Further exacerbated with 1.5-2.0 Celsius rise since the start of the industrial era, Indonesia's climate change vulnerability due to its archipelagic nature makes both mitigation and adaptation effort very costly.

13

of Indonesia (GoI) aims and strategizes to reduce losses due to disaster impacts and climate hazards - limiting the economic loss to only 0.3% of Indonesia's GDP in 2024. After investing 17.2% of the 2019 State Budget on infrastructure (amounted IDR 420 trillion or USD 28 billion), the GoI is now investing another IDR 6,445 trillion or USD 460 billion for infrastructure projects within the 2020-2024 phase. The enormous number allocated for infrastructure project alone should already indicate the growing need for disaster risk and resilience facility to ensure the nation's fast development amid the reoccurring disasters; especially shall the country aim to accomplish its 2020-2024 Medium Term Development Plan.

Every year, the government spends around IDR 4 trillion (about USD285.70 million) on programs to improve disaster resilience. This amount, even if added with support from international communities, still could not cover the actual economic loss of extreme events like Aceh's earthquake and tsunami of December 2004. As such capacity is limited by fiscal regulation, Indonesia should work toward improving the current financing capacity. Breakthroughs in financial instruments thus also play a significant role in this case, including through the introduction of a disaster risk insurance scheme.

One of the challenges or such implementation, however, may lie in the relatively low insurance penetration in Indonesia - and it is particularly low for disaster-related products like earthquake protection. In addition, the lack or unavailability of natural catastrophe risk insurance can exacerbate the economic and social impact of natural disasters due to the significant amount of losses payment that government or development funds must make following disaster events, especially as most of the public assets (including critical ones e.g. hospitals and schools) are currently not insured against natural disasters. This could constitute a major problem for governments of emerging economies that are already struggling to balance debt obligations with delivering public services and infrastructure developments.

Recognizing the challenges that are, not only encountered by Indonesia but also other disaster-prone nations in the region, UNDP has been dedicating its work to develop resource and unit for insurance and risk finance - setting as a collaborative platform in making insurance and risk financing a critical building block for sustainable development. In addition to the natural disaster, the current pandemic situation also brought attention on the need of insurance to reduce pressure from the economic downturn.

At central government, there has been an attempt to develop the insurance for state own goods (Asuransi Barang Milik Negara)¹⁰ as priorities in the PARB (Strategi Pembiayaan dan Asuransi Risiko Bencana)¹¹. The protection of state assets (BMN) and regional assets (BMD) are important so that governments can quickly recover after a disaster. Ministry of Finance issued Regulation (PMK) Number 97/PMK.06/2019 concerning State Own Asset Insurance. Ministry of Finance has started to insure office buildings as well as health clinics as a pilot project for BMN insurance. In 2020 there are 10 other K/L will insure their assets. In 2021 all K/L without exception will have insurance protection for their assets in the form of office buildings, training and education, as well as health clinics.

There are several other projects on disaster risk insurance in Indonesia. GIZ has been involved in the promotion of climate risk insurance in Indonesia since 2019¹². Ministry of Agriculture conducted pilot projects for agriculture insurance to protect against floods, droughts and pests¹³. Asuransi Central Asia

¹⁰ <https://www.djkn.kemenkeu.go.id/kpkn1-purwakarta/baca-artikel/13638/Mengapa-Asuransi-Barang-Milik-Negara-Adalah-Sebuah-Keniscayaan.html>

¹¹ https://www.maipark.com/index.php/id/media_center/news/ojk_dukung_skema_asuransi_bencana-641

¹² <https://www.giz.de/en/worldwide/14131.html>

¹³ <https://www.pertanian.go.id/home/?show=news&act=view&id=1609>

(ACA) issued insurance to protect against earthquake, volcanic eruption and tsunami¹⁴. However, the insurance rate against disaster risks in Indonesia are relatively low with the level of increase only around 0.5% per year. There many factors that could affect this, such as: low of awareness, economic capacity and also the needs of supporting policy and regulation.

Reflecting on the need to strengthen the national disaster financing strategy, also by leveraging UNDP's network and expertise in this field, the GoI has the potential to initiate the development of a disaster risk insurance program in Indonesia, particularly for key public assets, in partnership with the insurance industry. As the initial step, UNDP in collaboration with Indonesia National Board for Disasters Management (BNPB) will conduct a policy study, to further identify and assess the enabling and inhibiting factors as well as to provide a basis for policy recommendations and alternatives in the development of disaster risk insurance, catered to the Indonesian context.

C. Scope of Works and Expected Outputs

In close coordination with UNDP, this assignment is for the selected company to provide policy recommendations and alternatives in the development disaster risk insurance scheme to UNDP Indonesia and its implementing partner.

The scope of works are to:

1. **Serve as the basis for necessary policy recommendations and alternatives in the development disaster risk insurance scheme in Indonesia by:**
 - a. With prior consultation with UNDP as the interview preparation, conducting interviews as necessary to the relevant parties/stakeholders/individuals in obtaining the necessary data and information regarding the existing regulatory framework.
 - b. Reviewing the existing regulatory framework and national strategies, and previous studies and policy on disaster risk financing;
 - c. Identifying and assessing the country's natural and other type of disaster risk exposure as well as the insurance needs especially for coverage of public assets;
 - d. Exploring the opportunities, challenges, enablers, as well as barriers for the design and development of disaster risk insurance scheme in Indonesia;
 - e. Filling the gap of policy recommendation needed to speed up the implementation of disaster risk insurance in Indonesia.
 - f. Providing benchmark on various natural and other type disaster risk insurance schemes employed in other selected disaster-prone countries within the Asia Pacific region;
 - g. Analyzing and discussing a series of complementary options for disaster financing schemes - including insurance - based on a preliminary fiscal risk analysis and a review of the current budget management of natural disasters.
 - h. Exploring potential using this instrument to support the green recovery post pandemic in Indonesia

The contractor is expected to use appropriate methodologies in developing the deliverables , including:

¹⁴ <https://www.aca.co.id/Product/Asuransi-Gempa-Bumi-Indonesia>

3. **Conduct the following activities / methodologies:**

- a. **Desk review** to identify and elaborate previous studies/researches (see the activity 1a) on disaster risk insurance in particular; present project description, various approaches to its implementation; its trends, and areas of growth;
- b. **Conduct Focus Group Discussion (FGD) and in-depth interviews virtually/online** with identified key stakeholders (e.g., the government ministries and agencies, financial institutions/insurance & re-insurance companies, development partners) to identify opportunities and challenges for the development of disaster risk insurance to support the government. These methods may also be useful to analyze relevant instruments or disaster risk insurance in particular; identify its enabling factors and barriers; as well as the trends, and areas of growth;
- c. **Review and assess** to identify the potential risks and challenges that may be encountered during the development of the knowledge product. This includes providing detailed analysis and recommended mitigation strategies to overcome such challenges; and
- d. **Other relevant/ appropriate methodologies.**

D. Deliverables and Due Date

No.	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price (<i>Weight for payment</i>)	Due Date
1	Baseline report comprising analysis on the existing regulatory and institutional framework as well as approaches to the development disaster risk financing scheme, including the needs and opportunities, enabling environment, risk/barriers to the uptake, as well as best practise	50%	15 November 2021
2	Report on the Feasibility study of natural disaster risk insurance, which include the disaster risk insurance financing options and recommendations to take these forward	50%	31 January 2022
	Total	100%	

E. Qualification

Organization/Company Qualifications:

- a. Organization/Incubator that have been established at least for 3 years concerning in disaster management, resilience building, rural and urban development, environmental, issues, and/or climate change related issues.
- b. Organization/Incubator that have specific experiences in disaster risk financing

- c. Have experience in working with Government agencies, donors, international organisations, universities, non-government organisations

Team Academic Qualifications:

At least the team consist of:

- a. **an Expert (Lead)** with a minimum of Doctoral degree or equivalent in the field of disaster, urban planning, engineering, business, management or any other relevant fields.
- b. **a Research Assistant** with a minimum of Bachelor degree or equivalent in the field of disaster, urban planning, business, management or any other relevant fields.
- c. **an Admin personnel** with a minimum of high school degree or equivalent

Team Working experience:

At least considered of a team with of experience in:

- a. **an Expert (Lead)** with at least 20 years experience in the field of disaster, risk financing, urban planning, business, management or any other relevant fields.
- b. **a Research Assistant** with at least 10 years experience in the field of disaster, risk financing, urban planning, engineering, business, management or any other relevant fields.
- c. **an Admin personnel** with at least 3 years experience in administrative/financial works.

Other Competencies:

- For the Expert/Advisor; a good knowledge and experience of multi-criteria assessments, stakeholder engagement and consultation; analytical skills to assess institutional capacity and to design/review practical arrangements for implementing complex projects.
- For the Expert/Advisor; demonstrated knowledge in risk management and disaster risk financing instruments especially insurance will be preferable.
- For the Research Assistant; excellent skill in conducting desk review, collecting data and information including online research as required by the Expert/Advisor.
- For the Admin personnel; excellent skill in Word, developing efficient and effective Power Point.
- For the Expert/Advisor; authoritativeness in his/her areas of responsibilities with elaborated skills in project management and planning skills on research development that focus on multi layers stakeholders. In addition to that, client-result orientation skill and time management is an advantage.
- For the Expert/Advisor; excellent report writing and drafting skills in Bahasa Indonesia and English along with a grasp of public policy, sustainable development goals , and entrepreneurship operations in the context of Indonesia, as demonstrated by previous training experience held by the incubator's team.
- For all; able to work independently with little or no supervision.

Institutional Arrangement

The project does not provide any facility, support personnel, support service, or logistics, what they will be, and at what stage of the work.