



UNITED NATIONS DEVELOPMENT PROGRAMME

TERMS OF REFERENCE

CONSULTANCY TO DEVELOP A DIAGNOSTIC REPORT FOR INCLUSIVE INSURANCE AND RISK FINANCING FOR UNITED REPUBLIC OF TANZANIA

1 GENERAL INFORMATION

Contract Type:	Individual National Consultant
Location:	Dar es Salaam
Languages Required:	Fluent English; Swahili desired
Duration of Assignment:	Four Months
Expected starting date:	4 th October 2021
Completion Date:	To be completed over a period of 4 months

2 BACKGROUND

The United Nations Development Programme (UNDP) is a global organization with 17,000 staff working in approximately 170 offices globally towards supporting governments in developing strong policies, institutions, and partnerships to achieve the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals.

UNDP's policy work carried out at HQ, Regional and Country Office levels, forms a contiguous spectrum of deep local knowledge to cutting-edge global perspectives and advocacy.

In order to streamline its financial and investment engagement, UNDP launched the Finance Sector Hub, a finance and innovation platform, that draws on a critical mass of UNDP expertise, initiatives, and partnerships to support the mobilization and leveraging of resources for the SDGs and lead the implementation of the new UNDP private sector strategy and other initiatives.

Country Context:

With a population of approximately 58 million people and the GDP of around US\$ 63 billion, Tanzania is the second largest economy in the East African Community (EAC). The performance has largely been driven by the services and industry sectors. The COVID-19 pandemic is expected to weigh heavily on the economy with estimates now at a modest 2.0% GDP growth in 2020 from an earlier estimate of 5.30%. The drop is largely driven by a decline in international trade and tourism.

The situation is not unique to Tanzania as the global economy contracted in 2020. However, the medium-term outlook is positive as growth is projected to remain strong, driven by robust performance in services and manufacturing sectors, and supported by public investment. Gold has been the sole export to benefit from the pandemic due to the sharp rise in international prices between 2019 and 2020. The longer-term growth prospects are expected to be boosted by the stability in gold price, recovery in the tourism sector and growth of the service industry and trade.

Through the Tanzania Development Vision 2025 (TDV 2025), which is being realized through frameworks of Five-Year Development Plans (FYDP I-III), the Tanzanian government is focusing on nurturing an industrial economy, as well as creating economic transformation and human development with high-quality livelihoods. The goal is achieving middle-income status, while making

progress on the sustainable development goals (SDGs), which are mainstreamed into the national development plans and strategies and which serve as a window for sustainable investment opportunities.

Tanzania is, like the rest of the world, affected by this time of unprecedented global challenges. To continue its projected growth despite the COVID-19 pandemic and to achieve its TDV 2025, sustainable finance will need to be utilized as a driving force for social and economic resilience. Public and private finance are essential for recovery from the COVID-19 pandemic, and from the wide-ranging effects on the achievements of the SDGs. Rallying private sector participation and strengthening private and public sector networks for achieving sustainable and inclusive Economic growth has taken on new urgency.

The government has developed a five-year plan designed to specifically attract insurance companies into agriculture. The plan by the Tanzania Insurance Regulatory Authority (TIRA) comes against the backdrop of insurance firms' reluctance to venture into agriculture despite the huge potentials of the sector which accounts for about 28 percent of the country's Gross Domestic Product (GDP).

Furthermore, government is implementing the Crop Insurance scheme which covers farm crops against various perils such as losses due to adverse weather conditions caused by a hailstorm, fire, drought, excessive rainfall, frost damage, flooding, and lightning.

UNDP Tanzania is seeking expert research, analysis, and consultation capacity to develop a diagnostic report for inclusive insurance and risk financing for United Republic of Tanzania

UNDP's Work on Insurance and Risk Financing

The collaboration between the insurance industry and the development sector has grown significantly over the last five years. Key initiatives, such as the Insurance Development Forum, InsuResilience Global Partnership and the Ocean Risk and Resilience Action Alliance, have evolved into significant policy and standard setting partnerships, bringing together countries, the development sector, and the private and mutual/cooperative sectors of industry. Increasingly, these partnerships are moving beyond policy to programming, with a strong focus on not only delivering insurance and risk financing solutions to countries and communities, but also on long-term transformational change of insurance markets.

UNDP's growing work in this space has led to the creation of a flagship initiative on insurance and risk finance, and the creation of a dedicated facility for supporting UNDP Country Offices and country partners worldwide, within the newly created Finance Sector Hub. This work covers a range of critical areas where insurance and risk transfer solutions and collaboration with the industry can add significantly to achieving and delivering on the Sustainable Development Goals (SDGs.) Covering inclusive insurance, sovereign risk financing, insurance investments, natural capital, health, SME development and more, UNDP will work towards developing and delivering insurance solutions together with countries and communities, as well as collaborating with partners to transform insurance markets through enhancing legislation, regulation, and institutional capacity.

Diagnostics for Insurance and Risk Finance

As part of the increasing operationalisation of the work of the Facility there is a need to prepare a full diagnostic review of all issues relevant to the Insurance and Risk Finance environment in each country of focus. This diagnostic will examine supply and demand issues, everything from the

legislative and regulatory environment through to community needs, from insurance and sovereign risk, through to insurance investments and natural capital.

3 OBJECTIVE OF THE CONSULTANCY

The purpose of this assignment is to seek the services of a very qualified consultant to undertake a comprehensive diagnostic and develop report for inclusive insurance and risk finance for United Republic of Tanzania (Mainland and Zanzibar) and providing recommendations on way forward.

4 SCOPE OF WORK

Guided by the UNDP Institutional Advisor, the National Consultant will ensure that the UNDP Tanzania has all the information needed to complete a diagnostic for inclusive insurance and risk finance. This will be achieved by connecting the UNDP to all important stakeholders in the insurance industry, guiding the UNDP on data and information to be collected, providing insurance technical advice to UNDP, and assisting UNDP with stakeholders' interview.

Generated inputs and insights will then be used for the preparation of the report.

Duties will therefore include the following:

- Mapping of key insurance stakeholders in country, focusing on providers of inclusive insurance and risk finance;
- Arranging and facilitating stakeholder workshops and strategic engagement with key stakeholders at different levels;
- Arranging and undertaking interviews with key stakeholders;
- Coordinating and collecting information and data required from key stakeholders;
- Analyzing and interpreting collected information and data;
- Facilitating training courses for UNDP country and government partners on technical aspects of inclusive insurance and risk finance;
- Facilitating surveys and focus groups with potential consumers for inclusive insurance;
 - Updating UNDP Institutional Advisor and Regional IRFF Specialist on the progress achieved;
 - Preparing full diagnostic report.

List of Stakeholders for consultations:

- Insurance regulators and supervisors;
- Ministry of Finance (Financial Institution Division)
- Other Government Ministries responsible for disaster management, environment, agriculture, health or social programs;
- Insurance associations;
- Insurance companies.
- Microfinance organizations, NGO's offering financial services etc.
- Community groups (SACCO's etc.)
- SME and farmer groups.

5 METHODOLOGY

The Diagnostic for Inclusive Insurance and Risk Finance Environment is a piece of market intelligence developed by UNDP Country Offices purposely for developing and delivering insurance solutions together with collaborating partners, to transform insurance markets through enhancing legislation,

regulation and institutional capacity. This Diagnostic provide the insight and tools needed to cover range of critical areas where insurance and risk transfer solutions and collaboration with the industry can add significantly to achieving and delivering on SDGs, this covers inclusive insurance, sovereign risk financing, insurance investments, natural capital, health, SME development

In this regard, the Inclusive Insurance and Risk Finance Diagnostic are created using an established methodology which combines both secondary data research (on existing legislative and regulatory environment, policy priorities, and market opportunities) and Primary data research to verify existing needs and contribute new insights. This includes interviews and discussions with public and private sector stakeholders to examine existing supply and demand of insurance within communities, and sovereign risk, through to insurance investments and natural capital.

The data are analyzed to distill the following: how best to integrate insurance/risk finance into development frameworks and development financing; providing a significant entry tool for UNDP CO to advocate for government increased engagement; and assessing the baseline for technical assistance work under the 'engagement initiative' and to make clear recommendations for its focus and development. The selected consultant will be taken through The Diagnostic for Inclusive Insurance and Risk Finance Environment methodology and will be expected to thoroughly follow the process in order to adhere to the principles of the newly created Finance Sector Hub

6 DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED TRAVEL

Duration of Assignment

The assignment will comprise a maximum period of 4 months. The final agreed documents will need to be delivered by end of January 2022.

Duty Station and Expected Travel

Dar Es Salaam with travel to Zanzibar, Dodoma and other selected regions or districts for consultations.

7 DELIVERABLES

- **A high-level Inception Report;** detailing work plan, timeline, a list of national government institutions with contacts of key persons, private sector, and other stakeholders to be consulted focusing on providers of inclusive insurance and risk finance and initial information and data collected, and a scan of the environment for inclusive insurance and risk finance in a format that has been standardized by international guidelines (IAIS standards). The institutional advisor will confirm the format and type of information and data required for Tanzania at the beginning of the assignment.
- **Detailed analysis of data and information collected.** The detail and approach for the analysis will be agreed with the institutional advisor once the information and data has been collected by the consultant.
 - Reports of interviews with all key stakeholders.
 - Consolidated results of surveys with consumers.
 - Reports on facilitation of focus groups.

Full diagnostic report on inclusive insurance and risk finance for URT

8 FINAL REPORT DEVELOPED IN ACCORDANCE WITH THE AGREED STRUCTURE AND SUBMITTED TO THE CO FOR FURTHER USE AND REFERENCEMANAGEMENT/ REPORTING

- The consultant will report to Head of Inclusive Growth and Sustainable Livelihoods (IG&SL) Pillar.
- The consultant will work in close collaboration with the Institutional Advisor and Regional Specialist within the IRFF team.

9 REQUIRED QUALIFICATIONS

Academic qualifications:

- University degree (Masters or above) in business administration, economics or other relevant disciplines is required

Experience:

- Proven track record of 5 years in insurance, and risk financing markets through public or private sector is required;
- Excellent understanding of both inclusive insurance and risk financing markets, in related country, with additional knowledge of the broader environmental factors is required;
- At least 5 years' of experience in research and data collection along with excellent analytical skills are required;
- Excellent understanding of key relevant areas and stakeholders, such as insurance legislation, regulation and institutions, industry capacity and engagement, consumer awareness, etc. is highly desirable;
- Experience in high-level knowledge on the important technical aspects of inclusive insurance and risk finance is highly desirable;
- Experience in collaborating with international and national experts and institutions is highly desirable;
- Ability to convey complex technical details in a concise and understandable manner is highly desirable.

Language:

- Fluency in written and spoken English is required in addition to national language.
- Working knowledge of another UN language would be an asset.

Criteria for selecting the best offer

Upon the advertisement of the Procurement Notice, qualified Individual Consultant is expected to submit both the Technical and Financial Proposals. Accordingly, Individual Consultants will be evaluated based on Cumulative Analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are;
 - (i) Technical Criteria weight is 70%
 - (ii) Financial Criteria weight is 30%

Criteria Weight Max 70.

- Understanding of the Scope of Work (SoW); comprehensiveness of the methodology/approach; and organization and completeness of the proposal **(10 points)**
- Excellent understanding of both inclusive insurance and risk financing in Tanzania, with additional knowledge of the broader environmental factors **(20 points)**

- Excellent understanding of key relevant areas and stakeholders, such as insurance legislation, regulation and institutions, industry capacity and engagement, consumer awareness et cetera **(20 points)**
- Experience in high-level knowledge on the important technical aspects of inclusive insurance and risk finance is **(20 points)**

Financial proposal - Maximum 30 points:

Appropriateness shall be computed as a ratio of the proposal's offer to the lowest price among the proposals received by UNDP.

Approved by: Sergio Valdinì

Signature: Sergio Valdinì

Designation: Deputy Resident Representative

Date: 09-Sep-2021