

DRC

Terms of Reference (TOR)-Annex F

for

Scoping opportunities for DRC to pilot a micro insurance initiative as a social protection instrument to support the economic resilience of displacement-affected informal workers in the Middle East

1. Who is the Danish Refugee Council?

Founded in 1956, the Danish Refugee Council (DRC) is a leading international NGO and one of the few with a specific expertise in forced displacement. Active in 40 countries with 9,000 employees and supported by 7,500 volunteers, DRC protects, advocates, and builds sustainable futures for refugees and other displacement affected people and communities. DRC works during displacement at all stages: In the acute crisis, in displacement, when settling and integrating in a new place, or upon return. DRC provides protection and life-saving humanitarian assistance; supports displaced persons in becoming self-reliant and included into hosting societies; and works with civil society and responsible authorities to promote protection of rights and peaceful coexistence.

Operating since 2003 in the Middle East region, DRC has addressed the needs and rights of vulnerable populations, working with both host and displaced communities, in Syria, Jordan, Lebanon, Türkiye, Iraq and Yemen.

DRC in the Middle East is delivering programming in several sectors across its countries of operations, among which Protection, Economic Recovery, WASH, Shelter, Camp Coordination and Camp Management and Humanitarian Disarmament and Peacebuilding.

For further information about DRC, please refer to our website: <https://drc.ngo/>

2. Purpose of the consultancy

The Danish Refugee Council in the Middle East would like to understand the potentials to engage programmatically in the micro insurance sector to support vulnerable and displacement-affected informal workers in one or more of its countries of operation in the Middle East. The purpose is not to produce a thesis on micro insurance but to receive tangible guidance from an industry expert on the feasibility of DRC engaging in the sector and how to approach this programmatically. The consultancy objectives are to assess the gaps and specific needs in social insurance for this specific segment of the population, the possibilities to fill these gaps with micro insurance, and design a specific program model in a specific country or for a group of countries. DRC is seeking to recruit a full-time Consultant or Consultancy firm with extensive expertise in micro insurance and networks to leverage, ideally with a Middle East regional focus, and an operational design experience to guide on program design for a micro insurance pilot.

3. Background

DRC would like to explore the potential to support access to micro insurance in the Middle East region as a social protection instrument for vulnerable and displacement-affected informal workers. Micro insurance is a social insurance product that is specifically targeting and accessible to low income working households, and those underserved by private or public insurance schemes. Social insurance is a core pillar of social protection as defined by DRC, noting that there is no universal definition of ‘social protection’.

Micro insurance offers financial security in the event of unforeseen events such as natural disasters, wars, economic crises and disease. It is an important tool for enhancing social protection and supporting poverty reduction for those households unprotected by public or private social safety nets against sudden crises. Micro insurance provides life, health, and other unique forms of insurance, providing limited benefits for very low premiums.

Due to its use in providing protection against external shocks at very low premiums, micro insurance has particular relevance for informal workers and smallholder farming communities. Poor and irregular pay, unstructured contracts or lack thereof, and unpredictable cash flows make traditional insurance inaccessible for informal workers and small holder farmers.

DRC is increasingly aligning and linking its programming to local social protection systems, including social insurance, in an effort to engage with and hold duty bearers to account. Social protection systems are of varying capacities across the region. However, they represent an opportunity for DRC to meaningfully engage in programming which extends beyond typically short-term humanitarian responses, and sustainably address the challenges of protracted displacement and associated needs across the region.

4. Objective of the consultancy

The specific objectives of the consultant will be:

1) Industry Analysis & Feasibility Assessment:

- In depth case studies and analysis of existing micro insurance programs in the region (and internationally where relevant) including interviews with key informants, analysis of insurance products, program set up, financing, and barriers. It is understood that this will likely focus on countries outside DRC’s operations in the region (e.g. Egypt and Morocco), so screening will

be required to present the most relevant case studies for DRC's Middle East (ME) operations (Jordan, Iraq, Yemen, Lebanon, Türkiye and Syria).

- Analysis of which country (or group of countries) within DRC's ME operations would be feasible for initiating a micro insurance pilot. Proceed with objectives based on this analysis.

2) Initiative Design & Technical Recommendations:

- Identification of target beneficiary group within focus country (or countries) supported by DRC regional team
- Interviews with relevant stakeholders within the focus country (or group of countries) to support the program model design
- Interviews with potential partners on a micro insurance pilot (national, regional or international), including private insurers and microfinance institutes, to explore appetite and capacity to develop a tailored micro insurance product for the target beneficiary community
- Initial micro insurance pilot design, pricing, and structure, including a funding model which requires individual contribution where possible
- Mapping of potential donors to fund the program (regional and international)
- Recommendations to ensure long term sustainability of micro insurance pilot
- Identify specific opportunities to sustain the micro insurance initiative and detailed recommendations for engagement

5. Scope of work and Methodology

The Danish Refugee Council is looking to understand better the feasibility of micro insurance and to pilot a micro insurance project to support vulnerable and displacement-affected informal workers. The consultant or consultancy firm is required to deliver:

- A comprehensive mapping and review of the micro insurance sector in the Middle East, including a detailed review of opportunities and challenges, and key stakeholders, as well as a scoping of the DRC's Middle East operations for a micro insurance pilot and a focused examination of one or more countries within DRC's Middle East operations for running a micro insurance pilot
- An actionable pilot program model for micro insurance to support social insurance for vulnerable and displacement-affected vulnerable workers, either in one country or in a group of countries, as well as a funding strategy
- A workshop to support organizational capacity to engage in next steps of pilot development.

6. Deliverables

The consultant is expected to work remotely while conducting regular calls with DRC regional office in the Middle East (based in Amman), and relevant stakeholders in the region, taking into account the time zone.

The Consultant will submit the following deliverables as mentioned below:

Phase	Expected deliverables	Indicative description tasks	Maximum expected timeframe
Phase 1 Review	Inception report	Background/desk review for the region and outside of the region	20 working days

Phase	Expected deliverables	Indicative description tasks	Maximum expected timeframe
Phase 2 Analysis	Intermediate report and draft pilot program model	Based on TORs and discussions with DRC regional team	30 working days
Phase 3 Reporting	Final report and pilot program model	Prepare first draft report Feedback from DRC to submit the final report	15 working days
Phase 3 Presentation	Final workshop	Workshop to support organizational capacity to engage in next steps of pilot development	5 working days

The Consultant will provide the documentation by email.

7. Duration, timeline, and payment

The total expected duration to complete the assignment will be no more than four (4) months, estimated 70 days.

The consultant shall be prepared to complete the assignment no later than end of June 2024.

8. Proposed Composition of Team

- Project Manager
- Expert on micro insurance

9. Eligibility, qualification, and experience required

Essential:

- Relevant background and advanced degree in financing, insurance, economics, economic development or similar, ideally including specific expertise in micro insurance
- Understanding of the regional / country context(s) as relates to challenges and programming for displacement affected communities, in particular relating to micro insurance
- Understanding of the field of social/development/humanitarian work, preferably in the social sectors in the Middle East with emphasis on program design and implementation in the area of micro insurance and social protection
- Proven track record in conducting similar studies and design of innovative humanitarian/development financing instruments for non-profits
- Sound understanding of the tools and techniques (including international models) for designing program models, including financing models;
- High capacity for organization and coordination, as well as an ability to work with a high degree of independence in a team environment.
- Ability to structure complex insights into written and visual products that bring out key features and enable decision making
- **Language requirements:**
 - Fluency in English is required, candidates should have excellent written and oral communication skills.

10. Technical supervision

The selected consultant will work under the supervision of:

- Regional Economic Recovery Coordinator
- Regional Innovative Financing Coordinator

11. Location and support

The work assignment will be conducted remotely.

The Consultant will provide her/his own computer and mobile telephone.

12. Travel

The assignment will potential require a travel to Amman for the final deliverable.

The Consultant will therefore be expected to arrange transportation, accommodation, insurance, food and to make adequate provision in the financial Proposal.

13. Submission process

Refer to the RFP letter invitation.

14. Evaluation of bids

Refer to the RFP letter invitation.