

CDRFI Request Manual

for CDRFI Requests under the

Global Shield Programme for Resilient Risk Pools



December 2023

Version 1.0



About this CDRFI Request Manual

The CDRFI Request Manual ("The Manual") for the Global Shield Programme for Resilient Risk Pools sets out the key steps and related documents for the CDRFI Request for support process.

Users are invited to provide feedback (for contact details please refer to <u>gssp@fs.de</u>) on the appropriateness and usability of the manual, related documents and forms. The Manual will be reviewed regularly and amended to reflect new and / or updated requirements as well as to incorporate feedback provided by the users.

The purpose of the manual is to provide applicants for CDRFI Requests with a sufficiently detailed description of the GSSP application and selection process. However, its content is not legally binding and does not form part of any contractual arrangement within the context of the GSSP.



Table of Contents

1.	The Global Shield Programme for Resilient Risk Pools 4	
1.1.	Mission and Vision	
1.2.	Governance Structure	
2.	CDRFI Request under GSRRP	
2.1.	Who can request support under the GSRRP?	
2.2.	Areas and Selection of Support	
2.2.1.	Detailed Support under Component 1	
2.2.2.	Detailed Support under Component 2	
2.2.3.	Detailed Support under Component 3 – to be offered only in future Calls for Request!	
2.3.	Additionality of GSSP Support	
2.4.	Budget and Schedule	
3.	Processes around the CDRFI Request	
3.1.	Application Process	
3.2.	Assessment Process	
4.	Assessment Criteria for CDRFI Requests under GSRRP11	
4.1.	Principles and Frameworks11	
4.2.	GSSP Assessment Criteria for CDRFI Request	
5.	Further Procedures	
Annex	a – Glossary	



List of Abbreviations

ARC	African Risk Capacity
ASEAN+3	Association of Southeast Asian Nations [+ China, South Korea,
	and Japan]
CCRIF SPC	Caribbean Catastrophe Risk Insurance Facility – Segregated
	Portfolio Company
CDRFI	Climate and Disaster Risk Finance and Insurance
CfP	Call for Proposals
EU	European Union
EUR	Euro (currency)
FX	Foreign Exchange [of currencies]
GSRRP	Global Sield Programme for Resilient Risk Pools
GSSP	Global Shield Solutions Platform
GSSP SC	Global Shield Solutions Platform Strategic Committee
IGP	InsuResilience Global Partnership
MoU	Memorandum of Understanding
ODA	Ordinary Development Assistance
OFAC	Office of Foreign Assets Controls
PCRIC	Pacific Catastrophe Risk Insurance Company
PCS	Premium and Capital Support
RRP	Regional Risk Pool
SEADRIF	Southeast Asia Disaster Risk Insurance Facility
SMART	Sustainable impact for the most vulnerable; Value for Money;
	Accessibility; Resilience-building incentives; Transparency and
	consistency
ToR	Terms of Reference
TSC	Thematic Steering Committee
UN	United Nations
US	United States



1. The Global Shield Programme for Resilient Risk Pools

1.1. Mission and Vision

The Global Shield-Solutions Platform (GSSP) constitutes a central element of the financing structure of the Global Shield against Climate Risks. It provides technical assistance and financial support with the objective to increase the resilience of vulnerable people of the Global South against climate risks and consequently help to avert, minimise and address losses and damages of climate change.

As a service platform, GSSP represents an impartial partner, supporting GS countries and proponents under two support mechanisms: country support packages and global and regional programmes, where these bear the potential to improve the cross-country CDRFI landscape and enable delivery at the country level in an innovative, efficient and effective manner.

The first global and regional programme – the Global Shield Programme for Resilient Risk Pools (GSRRP) – has been established to strengthen Regional Risk Pools through leveraging synergies and efficiencies across Regional Risk Pools activities and instruments, as well as supporting them individually, providing a single access route to pooled funding that adheres to standardised and common principles of support, provides more systematic and sustained support, and complementarity to existing support programmes.

The GSRRP offers Regional Risk Pools the opportunity to submit individual or joint CDRFI Requests for support.

Support for Regional Risk Pools is then structured along its three support components:

- detailed risk analysis and capacity development (Component 1),
- structuring and design of CDRFI Solutions (Component 2) and
- provision of Implementation Support, including support for climate risk insurance and other CDRFI instruments such as anticipatory and forecast-based risk financing, shock resilient loans, grants to enhance national disaster risk funds, etc. (Component 3).

Based on needs and demand, a competitive approach will be used to identify the best implementing partners and consortia to deliver the support needed, leveraging the expertise and capital of the private sector (e.g., by (co-) funding CDRFI solutions development through insurance market actors and intermediaries such as insurers, reinsurers, brokers, risk modellers and service providers). Following a Call for Proposals (CfP), a selection process will be applied in close consultation with the respective Regional Risk Pool.

The following Request Manual will guide Regional Risk Pools through the process of submitting a CDRFI Request for Support including the detailed scope of support, the Principle of Subsidiarity which underlies the GSSP, and the Assessment Criteria that will guide the assessment of proposals.

1.2. Governance Structure

The design of the GSSP governance reflects the importance of its contributors including the V20. Their role is to guide and to oversee the work of the GSSP as part of the GSSP Strategic Committee (GSSP SC). The GSSP SC is responsible for strategic oversight and overseeing the scope of support funded by GSSP under country support packages or thematic windows.



This includes decisions on the selection and grant funding processes under the three Components of GSSP support, beginning with applicable eligibility criteria, further selection criteria, and approval of proposals. The GSSP SC will also provide its no-objection to selected concept notes submitted by potential implementation partners to support applicants as well as its approval for any grants provided for CDRFI implementation support.

As a second-layer governance structure a Thematic Steering Committee (TSC) is being established under the GSRRP. With voting members being a nominated technical expert and a Frankfurt School representative, both to be announced shortly.

The TSC is responsible for overseeing the scope of GSSP support including the technical design and scope of solution, selection of proposed solutions, selection of implementing partners, and approval of final proposals following no-objection from the GSSP SC.



2. CDRFI Request under GSRRP

2.1. Who can request support under the GSRRP?

Eligible to request support under the GSRRP are the four following Regional Risk Pools¹:

- The African Risk Capacity Ltd. Acting on behalf of the ARC Group², serving member states of the African Union; ³
- The Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), serving the Caribbean and Central America;
- The Pacific Catastrophe Risk Insurance Company (PCRIC), serving the Pacific Island countries; and
- The Southeast Asia Disaster Risk Insurance Facility (SEADRIF) Insurance Company, serving the ASEAN+3 countries.

The GSRRP offers a single access route to pooled funding that Regional Risk Pools can access directly and according to their own needs.

Besides individual CDRFI Requests for support submitted separately by each risk pool, Regional Risk Pools can also file a joint CDRFI Request for support, to leverage synergies and efficiencies. Whereby this joint request shall facilitate the operationalisation of their Sovereign Risk Pools Memorandum of Understanding, a framework of cooperation between the parties agreed between all four risk pools in 2022.⁴

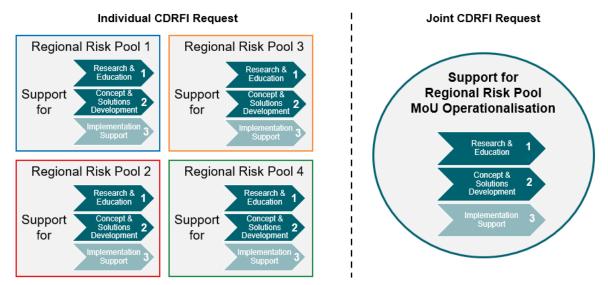


Figure 1: Types of CDRFI Requests

⁴ <u>https://reliefweb.int/report/world/ground-breaking-mou-signed-cop27-sees-global-risk-pools-join-forces-raise-visibility-and-influence</u>

¹ Further Risk Pols may become eligible in the future.

² The ARC Group consists of ARC Agency and ARC Ltd

³ Request for support and funding to ARC Group can only be provided to ARC Limited as eligibility for GSSP funding currently excludes UN organisations.



2.2. Areas and Selection of Support

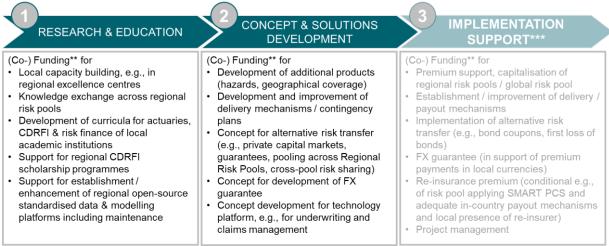
With the aim to address the RRP's challenges the GSRRP offers a **global programme** for all four existing Regional Risk Pools.

Based on the respective CDRFI Request for support, the GSSP will foster needs-based CDRFI solutions by (co-)financing all necessary activities along the value chain of CDRFI development structured along three components of support (see Figure 2):

- **Component 1:** Research and Education
- **Component 2:** Concept Solutions and Development
- Component 3: Implementation Support

Under the first Call for Requests, eligible support measures are limited to those listed under Components 1 and 2. Requests for CDRFI Support that include measures under Component 3 might become eligible in future Calls for Requests.

Figure 2: Areas of Support under the GSRRP



** Co-funding potentially provided by other parties (private sector, donors, etc)

*** Implementation Support including premium support is not offered within the current Call for CDRFI Requests

2.2.1. Detailed Support under Component 1

Under Component 1 the GSSP may support the establishment, improvement and accessibility of open-access climate databases or platforms. These will be offered for **climate and disaster risk modelling and data gaps**, building on stocktakes and gap analyses conducted within a predefined global or regional thematic context.

In order to disseminate and inform interested partners, GSSP may also support **capacity building activities and trainings** by sponsoring the participation in special CDRFI trainings and by organising workshops and trainings on CDRFI.

Under Component 1, eligible support measures are:

- 1.1 Local capacity building, e.g., in regional excellence centres;
- 1.2 Knowledge exchange across regional risk pools;



- 1.3 Development of curricula for actuaries, CDRFI & risk finance of local academic institutions;
- 1.4 Support for regional CDRFI scholarship programmes;
- 1.5 Support for establishment / enhancement of regional open-source standardised data & modelling platforms including maintenance.

2.2.2. Detailed Support under Component 2

Under Component 2, the GSSP may support the **development of specific CDRFI concepts and solutions** addressing financial protection gaps.

Concept and solutions development support under Component 2 may be granted for the development of CDRFI solutions, which include insurance products, contingent credit and grant mechanisms, contingency funds, pre-arranged finance (incl. forecast-based), and catastrophe bonds.

Under Component 2, GSSP provides grants for:

- 2.1 Development of additional products (hazards, geographical coverage);
- 2.2 Development and improvement of delivery mechanisms / contingency plans;
- 2.3 Concepts for alternative risk transfer (e.g., private capital markets, guarantees, pooling across Regional Risk Pools, cross-pool risk sharing);
- 2.4 Concepts for development of FX guarantee;
- 2.5 Concept development for technology platform, e.g., for underwriting and claims management.

2.2.3. Detailed Support under Component 3 – to be offered only in future Calls for Request!

If applicable, under Component 3, the GSSP may support the implementation of solutions to overcome existing challenges of affordability and access to CDFRI solutions.

Under the GSRRP the following measures of Component 3 are eligible for grant funding:

- 3.1 Premium support / capitalisation of regional risk pools / global risk pool
- 3.2 Establishment / improvement of delivery / payout mechanisms
- 3.3 Implementation of alternative risk transfer (e.g., bond coupons, first loss of bonds)
- 3.4 FX guarantees (in support of premium payouts in local currencies)
- 3.5 Re-insurance premium (conditional e.g., of risk pool applying SMART PCS and adequate in-country payout mechanisms and local presence of reinsurer)
- 3.6 Project management.



2.3. Additionality of GSSP Support

In accordance with its commitment to the principle of subsidiarity, the GSSP support will focus on areas that would not be financed or otherwise supported by other programmes, initiatives or institutions and assess the availability of otherwise available support.

Each Regional Risk Pool should indicate, in their CDRFI Request for support, which measurable, additional benefits the requested measures are expected to deliver, which would not have occurred without GSSP funding.

In line with this, Regional Risk Pools must also provide a comprehensive understanding of the specific financial needs of the end-beneficiaries, to tailor the technical advice and support to effectively meet those needs.

2.4. Budget and Schedule

Under the Global Shield Programme for Resilient Risk Pools the **maximum eligible funding amount** for **individual** CDRFI Request for support per Regional Risk Pool is EUR 2.5m. Joint CDRFI requests for support by multiple Regional Risk Pools with the goal of operationalising the RRP MoU are eligible up to the maximum amount of EUR 5m.

The maximum eligible **implementation period** for individual support measures is 36 months.



3. Processes around the CDRFI Request

3.1. Application Process

Eligible entities that wish to request support under the GSRRP need to apply by filling out the CDRFI Request Template provided here: <u>https://global-shield-solutions.org/publications</u>.

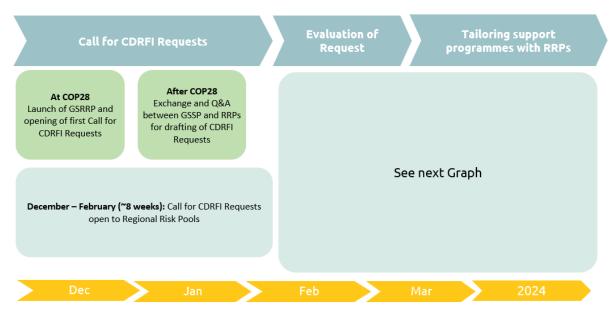
The filled-out request template as well as any supporting documents to the CDRFI Request are to be submitted to the GSSP via mail to <u>gssp@fs.de</u> before the closing of the first Call for Requests Window on February 29, 2024, on 23:59:59 CET.

CDRFI Requests submitted after the closing of the Window will not be eligible for receiving support under the GSRRP.

While the window for submission of CDRFI Requests for support is open, the GSSP will offer an open Q&A session with the aim to support the risk pools in drafting their CDRFI Requests.

Figure 3 presents an overview of the processes and timeline of the CDRFI Request for support process under the first Call for Requests Window of the GSRRP.





3.2. Assessment Process

After the CDRFI Requests for support have been submitted the GSSP Team will start the assessment process. CDRFI Requests will be assessed against the principles and criteria laid out in the following chapter *4. Assessment Criteria for CDRFI Requests under GSRP.*



4. Assessment Criteria for CDRFI Requests under GSRRP

4.1. Principles and Frameworks

The GSSP will adhere to overarching principles for selecting CDRFI solutions and partners for the requested support reflecting the Principles and Frameworks established by the InsuResilience Global Partnership and the Global Shield to foster the development of needs-based and sustainable CDRFI solutions. This includes the *InsuResilience Principles*, the *InsuResilience SMART Principles for Premium and Capital Support* as well as the *IGP Declaration on Gender* and the *Guidance on integrating gender and socially inclusive approaches into the Global Shield Financing Vehicles*. Next to GSSP's own operational frameworks, the following Principles and Frameworks will guide the assessment of proposals implemented under all three components of the GSSP:

- 1 The **InsuResilience Principles** were developed to align all Partners to promote a human rights-based approach to CDRFI, and actively support endeavours for more gender responsive disaster risk financing mechanisms.
- 2 The **InsuResilience SMART Principles for Premium and Capital Support** constitute the guideline on the sustainable, fair and effective allocation of such support, and to improve the coherence and transparency of the various support formats, and ultimately help CDRFI solutions achieve the necessary scale.
- 3 The **IGP Declaration on Gender** highlights the importance of integrating gender-smart solutions within the climate and disaster risk finance and insurance framework. The objective of this declaration is to take into account the different impacts of climate change and disaster risks on women and men in all their diversity, including their specific needs and roles.

Based on the above-mentioned Principles and Frameworks, the GSSP develops detailed support programmes.

In accordance with its commitment to the principle of subsidiarity, the GSSP support will focus on areas that would not be financed or otherwise supported by other programmes, initiatives or institutions. E.g., if premium support is already provided via other institutions or donors, this measure will only be offered if the respective Regional Risk Pool can validate that existing support is inadequate.



4.2. GSSP Assessment Criteria for CDRFI Request

Upon receipt of CDRFI Requests the GSSP will assess the requests against a set of assessment criteria as listed in Table 1: *Assessment Criteria* below. Requests not meeting the assessment criteria will not be considered for the further procedures and thus not be eligible for receiving support under the GSRRP.

Table 1: Assessment Criteria

Criterion	fulfilled
Completeness, causality and comprehensibility of application documents as well	
as of the support requested.	
Eligibility of applying entity, requested measures and their envisioned funding	
volume, and support request procedure.	
The expected impact of the objectives to be fulfilled benefit the cross-country	
CDRFI architecture and enable delivery at the country level in an innovative,	
efficient and effective manner?	
Suitability of expected impact to reach the vulnerable people either directly or	
indirectly; tangible contribution to the objectives of the Global Shield Initiative	
and to the InsuResilience Global Partnership.	
Coverage of at least one of the following perils: wind / storm, excess rain,	
drought, heat wave, cold spell, or flood either directly or indirectly.	
End-beneficiaries are exclusively domiciled in countries with ODA status.	
Legal entities or individuals on United Nations (UN), United States (US) Office	
of Foreign Assets Control (OFAC), or European Union (EU) sanctions lists, or	
on the French financial sanctions list ⁵ and projects that violate these sanctions	
lists are not eligible and will be excluded.	
The envisioned objective and impacts can be reached within 36 months from	
project start.	
The support requested is additional in terms of existing support programmes.	
The principles of subsidiarity and additionality apply (cf. Chapter 2.3 Addition-	
ality of GSSP Support).	

⁵ <u>https://gels-avoirs.dgtresor.gouv.fr/List</u>



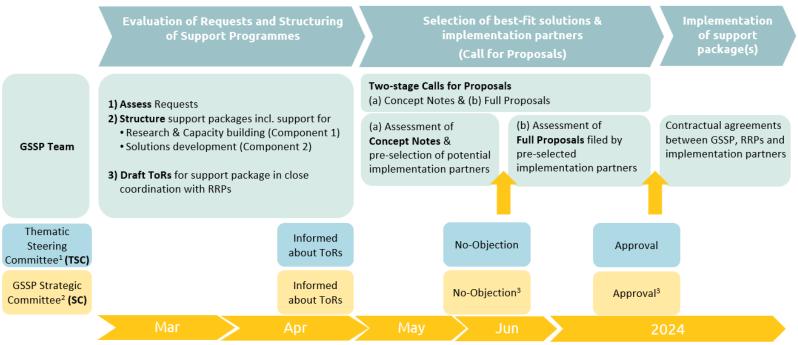
5. Further Procedures

Once the CDRFI Request has been assessed against the set of assessment criteria listed above, the GSSP will start the structuring of the support programme. The structuring of the support programme will be based on the respective CDRFI Request and in consultation with/of the Global Shield Coordination Hub to ensure subsidiarity of the support offered.

Once the support programme is structured the GSSP, in collaboration with the respective risk pool, will structure Terms of Reference (ToR) which will lay out the general information, expectations and deliverables for proposals from potential CDRFI implementation partners on the supply side.

An estimated timeline and the envisioned procedures after the submission of CDRFI Requests are depicted in the graph below.

Figure 4: Further Procedures and Timeline



1) One vote each: GSCH Technical Expert, and Frankfurt School representative; 2) Contributors to GSSP incl. V20; 3) According to GSSP SC Rules of Procedure



Annex – Glossary

Alternative risk transfer	Refers to non-traditional methods that businesses use to man-
	age and mitigate their risks, beyond conventional insurance
Applicants	Refers to the entities that are eligible to request support under
	the GSRRP and submit a CDRFI request for support.
Beneficiary(ies)	Refers to the (Sub-)Sovereign(s) or Region(s) subject of the
	CDRFI solutions.
Call for CDRFI Re-	An invitation or announcement made by the GSSP to solicit Re-
quests	quests from eligible entities on the demand side.
Call for Proposals	Specific public call for applications in which GSSP seeks a ser-
	vice provider (consultancy firm/consortium) to provide the ser-
	vices laid out in the respective Terms of Reference.
Capacity building	Refers to the process of developing and strengthening the skills,
	abilities, resources, and structures of individuals, organisations,
	and communities to effectively address challenges, achieve
	goals, and improve overall performance. It involves enhancing
	the knowledge, expertise, and capabilities of individuals or
	groups to better carry out their responsibilities and functions.
	Capacity building can take various forms, including training pro-
	grams, skill development initiatives, institutional strengthening,
	and the provision of resources and support.
CDRFI	CDRFI refers to instruments and strategies that improve finan-
	cial preparedness, response and recovery after disasters occur.
	It aims to protect the lives, livelihoods, infrastructure and finance
	of vulnerable people, thus strengthening resilient economic de-
	velopment.
CDRFI Instruments	Refer to financial instruments that improve financial prepared-
	ness to climate hazards such as anticipatory and forecast-based
	risk financing, shock resilient loans, grants to enhance national
	disaster risk funds.
CDRFI Request Tem- plate	The template to be used by applicants to submit their Request
piace	for CDRFI Support.
CDRFI Requests for	In order to receive support under the GSRRP, Applicants first
Support	must submit a CDRFI Request for Support using the template
	provided here: https://global-shield-solutions.org/publications.
Climate risk	In a narrow sense includes adverse, sudden onset, extreme
	weather events such as tropical storms, floods or droughts.
	While these risks are expected to be exacerbated by climate
	change, they are not primarily caused by climate change. On a
	broader sense, climate risks also include slow onset events
	such as sea level rise, glacier melting and ocean acidification,
	which are a direct effect of climate change. However, these risks
	are generally not addressed via climate risk insurance, as their
	slow onset character calls for different adaptation measures.



Climate risk insurance	All insurance products and schemes providing directly, indi-
	rectly, solely or partly coverage for climate change related perils,
	e.g., drought, flood, heat waves, etc.
Complementarity	The presence of complementary, not duplicative CDRFI solu-
	tions that collectively manage risks comprehensively, build on
	existing institutional frameworks, and address pre-existing vul-
	nerabilities, with the aim to lower overall costs and maximize re-
	silience. This specifically includes fostering combinations of ad-
	aptation and risk finance measures, which reduce the overall
	cost of both, while avoiding maladaptation. It also aims to make
	use and build on existing institutions embedded within national
	policy frameworks or socio-economic contexts on the sub-na- tional and communal levels. Doing so, also necessitates the pro-
	motion of stakeholder collaboration and coordination.
Concept Note	A summary of a CDRFI proposal handed in by a potential CDRFI
	implementing partner in a Call for Proposal or Limited Competi-
	tive Bidding procedure, laying out the concept.
Consortia	Refer to associations or collaborations of multiple individuals,
	organizations, companies, or entities that come together to sub-
	mit a Concept Note or Full Proposal in response to the Call for
	Proposals.
Country Support Pack-	Country Support Packages refer to the support programmes tai-
ages	lored by the Global Sheid Financing Vehicles based on the out-
	comes of the In-Country Processes.
Cross-pool risk sharing	Refers to a strategy that involves sharing / exchanging pre-de-
	termined risks across Regional Risk Pools. Thus, collectively
	benefitting from diversification effects due to non- or low-corre- lated hazards across the different regions.
Disaster Risk Finance	In the humanitarian and international development context, it de-
Disaster Nisk i mance	fines all instruments aimed at strengthening financial resilience
	or providing financial protection against natural disasters and
	extreme weather events for vulnerable countries and communi-
	ties. This encompasses both insurances as well as risk financing
	elements.
Eligibility Criteria	Criteria to define eligibility for CDRFI support.
End beneficiaries	Refers to those benefitting from the CDRFI solutions (i.e., vul-
	nerable population). Note that end-beneficiaries may only be
	domiciled in ODA Countries as defined by the OECD Develop-
	ment Assistance Committee (<u>Link</u>).
Global Shield against	A joint G7/V20 initiative to strengthen the financial protection
Climate Risks Global Shield Solutions	and resilience of vulnerable countries and people.
Platform	Constitutes a central element of the financing structure of the Global Shield against Climate Risks. It provides technical assis-
	tance and financial support to partner countries with the objec-
	tive to increase the resilience of vulnerable people of the Global
	South against climate risks and consequently help to avert, min-
	imise and address losses and damages of climate change.



0000.00	
GSSC SC	The GSSP SC is responsible for overseeing GSSP principles, policies, and implementation standards in line with GS principles and the strategic topics related to the further development of the GSSP.
Guarantees	A guarantee can be a promise to assume responsibility for the repayment of a loan or debt in the event that the borrower is unable to fulfil their obligations. This provides a level of assurance to lenders or investors.
IGP Declaration on	Highlights the importance of integrating gender-smart solutions
Gender	within the climate and disaster risk finance and insurance frame- work. The objective of this declaration is to take into account the different impacts of climate change and disaster risks on women and men in all their diversity, including their specific needs and roles
Implementation period	Refers to the specific duration in which the activities outlined in the Proposal are executed. The implementation period com- mences upon signature of the respective Agreement and lasts for up to 36 months.
Implementing Partners	Entities from the supply side that implement the support pro- grammes developed by the GSSP based on the CDRFI Re- quests for support.
InsuResilience Princi- ples	Principles that were developed to align all Partners to promote a human rights-based approach to CDRFI, and actively support endeavours for more gender responsive disaster risk financing mechanisms.
InsuResilience SMART Principles for Premium and Capital Support	Constitute the guideline on the sustainable, fair and effective al- location of such support, and to improve the coherence and transparency of the various support formats, and ultimately help CDRFI solutions achieve the necessary scale.
Joint Request	CDRFI Requests submitted jointly by multiple Regional Risk Pools. Joint Requests shall facilitate the operationalisation of their Sovereign Risk Pools Memorandum of Understanding
Principle of Subsidiar- ity	Principle that GSSP support will focus on areas that are not al- ready financed or otherwise supported by other institutions. Support measures will only be offered if the Applicant can vali- date that existing support is inadequate.
Proposal	A full-fledged proposal of a CDRFI implementing partner sub- mitted in a Call for Proposal or Limited Competitive Bidding pro- cedure. Addressing the Terms of Reference outlined in the Call for Proposals in detail.
Recipient	Refers to the actual recipient of CDRFI support (i.e., Regional Risk Pool).
Supporting documents	Along with the CDRFI Request Template, Applicants may sub- mit further documents that may support their Request.



Terms of Reference	Refer to a formal document that lays out the general information,
	expectations and deliverables for proposals from potential
	CDRFI implementation partners on the supply side.
TSC	The Thematic Steering Committee (TSC) will oversee imple-
	mentation of GSSP support within the GSRRP.