

Terms of reference (ToRs) for the procurement of services

Feasibility Study and Pilot Design for Climate De-Risking Financial Products for Rural India	Project number/ cost centre: G-012417-002 & G- 012232-106
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0. List of abbreviations

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract (AVB) for supplying services and work 2024
AVCERR	Adaptive social protection of Vulnerable Communities through Enhanced Rural Resilience
BMZ	German Federal Ministry for Economic Cooperation and Development
FPO	Farmer Producer Organisation
DRR	Disaster risk reduction
DRM	Disaster risk management
FK	Expert
FKT	Expert Days
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Gol	Government of India
KZFK	Short-term expert
iDPP	Integrated Development Partnership with the Private Sector
MoRD	Ministry of Rural Development
Munich Re	Munich Reinsurance Company
NABARD	National Bank for Agriculture and Rural Development
NRLM	National Rural Livelihoods Mission
SHG	Self-Help Group
VB-G RAM G	Viksit Bharat – Guarantee for Rojgar and Aajeevika Mission Gramin
ToR	Terms of reference

1. Context

Climate change is increasingly exposing rural communities in India to frequent and severe weather-related shocks, including droughts, floods, heatwaves, erratic rainfall, cyclones, and pest outbreaks. These events significantly affect agricultural productivity, household incomes, livestock, natural resources, and rural livelihoods. Although several government programmes provide relief and social protection, existing financial risk management mechanisms remain fragmented and are often inadequate to address increasing climate risks, particularly for smallholders, tenant farmers, women farmers, Self-Help Groups (SHGs), and other vulnerable rural households.

Recognising this challenge, GIZ India and Munich Re have initiated an Integrated Development Partnership with the Private Sector (iDPP) to explore innovative climate de-risking financial products that strengthen the resilience of rural communities while complementing existing government programmes and financial systems. The proposed feasibility study will provide the analytical foundation for designing scalable climate de-risking financial products suitable for India's diverse agro-climatic conditions.

About the Indo-German Project: AVCERR:

The Indo-German Development Cooperation Project "**Adaptive Social Protection of Vulnerable Communities for Enhanced Rural Resilience (AVCERR)**" is implemented by GIZ India on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) in partnership with the Ministry of Rural Development (MoRD), Government of India. The project is being implemented over three years (September 2024 – August 2027) to strengthen adaptive social protection and enhance the resilience of vulnerable rural communities to climate risks.

The project AVCERR Project, which aims to strengthen the resilience of vulnerable rural communities to climate-induced extreme weather events through the Viksit Bharat – Guarantee for Rojgar and Aajeevika Mission Gramin (VB-G RAM G). The project focuses on strengthening institutional capacities, promoting climate-resilient planning, improving disaster risk management, developing digital decision-support tools, building the capacities of local institutions, and enhancing convergence among government programmes.

Purpose of the Assignment:

Under the iDPP initiative, and the project - Climate De-Risking Financial Product for Rural India, Project AVCERR and Munich Re jointly propose to undertake a feasibility study to assess the potential for developing climate de-risking financial products for rural communities in India. The study will explore opportunities for introducing innovative financial solutions such as climate risk insurance, parametric insurance, weather index insurance, livelihood protection products, savings-linked resilience products, climate contingency credit, blended finance instruments, and community risk pooling mechanisms.

The study will assess climate risks, existing financial protection mechanisms, institutional and regulatory readiness, and delivery models across representative agro-climatic zones in India. Based on the findings, it will recommend suitable climate de-risking financial products, implementation approaches, and scaling pathways for selected agro climatic zones.

The development of climate de-risking financial products complements these efforts by improving the financial resilience of rural households against climate-related livelihood risks.

The study will identify suitable financial solutions, assess their feasibility, and recommend practical approaches for implementation and scaling. The findings will support the integration of climate risk financing into existing rural development programmes, contributing to the long-term resilience of rural communities and the overall objectives of the AVCERR Project.

An agency is required to undertake this feasibility study and provide technical recommendations for the design of climate de-risking financial products for rural communities in India.

Objectives of the assignment:

To conduct a comprehensive feasibility study to assess, design, and recommend climate de-risking financial products for strengthening the resilience of vulnerable rural communities across different agro-climatic regions of India.

Specific Objectives

- a) Assess climate-related livelihood risks across 15/representative agro-climatic zones, analyse existing climate risk financing and insurance mechanisms, evaluate financial protection gaps, and develop a climate risk screening framework to identify priority risk profiles and product opportunities.
- b) Assess the institutional, regulatory, market, financial, and operational feasibility of climate de-risking financial products, including supply-side readiness and stakeholder capacities, and recommend suitable products for selected 3 regions based on technical, financial, and implementation considerations.
- c) Develop pilot-ready implementation frameworks and implementation models for the preferred climate de-risking financial products, including institutional arrangements, financing mechanisms, partnership models, and operational processes.
- d) Develop a scale-up and replication roadmap, including product evaluation, policy recommendations, financing pathways, and institutional measures to facilitate sustainable adoption of climate de-risking financial products across agro-climatic regions in India.

Tasks to be performed by the contractor.

The contractor will be responsible for following Tasks.

Work Package 1: National Climate Risk Screening and Synthesis Framework

The contractor shall:

1. Conduct an inception meeting with GIZ, Munich Re, and relevant stakeholders to finalise the methodology, assessment framework, work plan, timelines, and data collection approach.
2. Review relevant literature, policies, government schemes, climate risk financing mechanisms, insurance products, and international best practices related to climate resilience and rural livelihoods.
3. Undertake desk across the selected 15 agro-climatic zones to assess climate risks, livelihood vulnerabilities, existing coping mechanisms, financial protection gaps, and the institutional and financial ecosystem.
4. Consolidate the assessment findings to identify priority climate risks, financial protection gaps, institutional readiness, market opportunities, and strategic recommendations for the design and feasibility assessment of climate de-risking financial products.

Deliverables:

- a) National Climate Risk Screening and Synthesis Framework (covering the dominant climate-related hazards, livelihood profiles, financial protection gaps, institutional readiness, market ecosystem, and product suitability across the 15 selected agro-climatic zones)

Work Package 2: Stakeholder Consultation, Financial Ecosystem Analysis and Strategic Recommendations

The contractor shall:

1. Assess the supply-side readiness of insurers, financial institutions, banks, microfinance institutions, SHG federations, FPOs, cooperatives, business correspondents, digital platforms, and other potential delivery partners to design, distribute, and sustain climate de-risking financial products.
2. Map and engage key stakeholders at national, state, district, and local levels, and conduct stakeholder consultations, key informant interviews, focus group discussions, and consultations with policymakers, regulators, insurers, financial institutions, and other market actors to validate assessment findings, identify product needs, assess policy and institutional considerations, and identify implementation partnerships.
3. Consolidate the consultation findings to identify institutional readiness, market opportunities, strategic recommendations, and implementation partnerships to inform the design and feasibility assessment of climate de-risking financial products.

Deliverables:

- a) **Stakeholder Consultation, Financial Ecosystem Analysis and Strategic Recommendations Report** (documenting the consultation process, financial ecosystem and supply-side readiness assessment, stakeholder insights, policy and institutional considerations, implementation partnerships, and recommendations to inform the design, feasibility assessment, piloting, and scaling of climate de-risking financial products)
- b) Stakeholder consultation workshop participants list and photographs

Work Package 3: Design and Feasibility Assessment of Climate De-Risking Insurance Products

The contractor shall:

- Identify and shortlist suitable climate de-risking insurance and financial product options based on the assessment findings and stakeholder consultations.
- Assess the technical, financial, operational, and regulatory feasibility of the shortlisted products, including affordability, accessibility, and inclusiveness for gender specification and rural households.
- Develop product concepts and business models, including coverage features, delivery channels, premium structures, claims mechanisms, and roles of relevant institutions.
- Recommend the most suitable product(s) for pilot implementation, with clear justification and implementation considerations.

Deliverables:

- a) Climate Risk Matrix and Product Feasibility Assessment Report (develop a risk matrix - a decision-making tool to define risks (H, M, L) based on different criteria e.g. hazards, livelihood exposure & vulnerability and institutional & community-based capacity etc.

This risk matrix will provide justifications for selecting sites/geographies and insurance product design & delivery model)

- b) 3 Nos Pilot-Ready Products Concepts and Business Models (develop pilot-ready concept notes representing different hazard-livelihood systems on risk transfer instruments (they could be income, livelihood, crop or heat/weather index based, community risk pools, blended financing etc. The concept notes will cover product design, trigger threshold, premium & payouts, as already highlighted)

Work Package 4: Pilot Design, Product Evaluation and Scale-Up Roadmap

The contractor shall:

1. Develop a Pilot Design and Implementation Framework for the recommended climate de-risking financial product(s), including pilot objectives, target geographies, beneficiary segments, delivery mechanisms, institutional roles and responsibilities, and implementation arrangements.
2. Prepare a Pilot Operational Plan covering beneficiary enrolment, awareness generation, capacity building, claims management, grievance redressal, institutional coordination, financing arrangements, risk mitigation measures, and convergence with relevant public programmes and private sector partners.
3. Develop a Product Evaluation Matrix to assess and compare the shortlisted climate de-risking financial products using agreed technical, financial, operational, institutional, implementation readiness, and scalability criteria, and recommend the preferred product(s) for pilot implementation.
4. Prepare a Final Feasibility Report and Scale-Up Roadmap summarising the product evaluation findings, justification for product selection, implementation readiness, policy recommendations, institutional arrangements, financing pathways, partnership models, and strategic recommendations for scaling the selected product(s) across suitable agro-climatic regions in India.

Deliverables

- a) Pilot Design and Implementation Framework (A framework defining the pilot design, target areas, beneficiaries, delivery approach, and stakeholder roles)
- b) Pilot Operational Plan, Financing and Scaling Strategy (A plan outlining pilot implementation, financing, risk mitigation, and scaling strategy)
- c) Product Evaluation Matrix (A matrix comparing shortlisted products and justifying the selection of the most suitable product(s) for pilot implementation)

Certain milestones, as laid out in the table below, are to be achieved by certain dates during the contract term, and at locations:

Milestone	Timeline
1) Inception Report including methodology, assessment framework, sampling approach, work plan, and implementation timeline.	Oct-26
2) National Climate Risk Screening and Synthesis Framework	Dec 2026
3) Stakeholder Consultation, Financial Ecosystem Analysis and Strategic Recommendations Report	
4) Stakeholder consultation workshop participants list and photographs	
5) Climate Risk Matrix and Product Feasibility Assessment Report	Feb 2027
6) 3 Nos Pilot-Ready Products Concepts and Business Models	March 2027
7) Pilot Design and Implementation Framework	
8) Pilot Operational Plan, Financing and Scaling Strategy	
9) Product Evaluation Matrix	

10) Stakeholder consultation workshop participants list and photographs

In addition to the reports required by GIZ in accordance with the AVB, the contractor submits the following reports:

- Implementation plan
- Brief quarterly reports on the status of the assignment (1-2 pages)

Period of assignment: from October 2026 until 31st March 2027.

3. Concept

Technical-methodological concept

Strategy: The bidder is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1). Following this, the bidder presents and justifies the strategy with which it intends to provide the services for which it is responsible (see Chapter 0).

The bidder is required to present the actors relevant for the services for which it is responsible and describe the **cooperation** with them.

The bidder is required to present and explain its approach to **steering** the measures with the project partners and its contribution to the results-based monitoring system.

The bidder is required to describe the key **processes** for the services for which it is responsible and create a schedule that describes how the services according to Chapter 0 are to be provided. In particular, the bidder is required to describe the necessary work steps and, if applicable, take account of the milestones and contributions of other actors in accordance with Chapter 0.

The bidder is required to describe its contribution to knowledge management for the partner and GIZ and promote scaling-up effects (**learning and innovation**).

Other specific requirements

Project management of the contractor

The bidder is required to explain its approach for coordination with the GIZ project.

Typical project management requirements

- The contractor is responsible for selecting, and steering the experts (international and national, short, and long term) assigned to perform the advisory tasks.
- The contractor makes available equipment and supplies (consumables) and assumes the associated operating and administrative costs.
- The contractor manages costs and expenditures, accounting processes and invoicing in line with the requirements of GIZ.

The contractor reports regularly to GIZ in accordance with the AVB of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH from 2024

In derogation from GIZ AVB, the contractor makes contributions to reports to GIZ's commissioning party instead of submitting its own reports.

Or:

In addition to the reports required by GIZ in accordance with AVB, the contractor submits the following reports:

- Inception report
- Contributions to reports to GIZ's commissioning party.
- Brief quarterly or half-yearly reports on the implementation status of the project (5-7 pages)

The bidder is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the bid; the plan includes information on assignment dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

Details about backstopping

The bidder is required to describe its backstopping concept. The following services are part of the standard backstopping package, which (like ancillary personnel costs) must be factored into the fee schedules of the staff listed in the bid:

- Service-delivery control.
- Managing adaptations to changing conditions
- Ensuring the flow of information between GIZ and field staff
- Contractor's responsibility for seconded personnel
- Process-oriented technical-conceptual steering of the consultancy inputs.
- Securing the administrative conclusion of the project
- Ensuring compliance with reporting requirements
- Providing specialist support for the on-site team by staff at company headquarters
- Sharing the lessons learned by the contractor and leveraging the value of lessons learned on site.

4. Criteria for Eligibility of firms

Note: Bidders have to submit the documentary evidence for the criteria's specified below.

The eligibility criteria for the firms include the following points-

I. Commercial Eligibility

- a) In case of bidding consortia: Declaration by consortium.
- b) The agency must submit a declaration on company's letterhead, signed & stamp (if adhere). Refer Annexure – **Compliance declaration.**
- c) Average annual turnover for the last three financial years should be at least 70,000 Euros.
- d) The number of employees as on 31.12. of the previous year has to be minimum 10

II. Technical Eligibility Assessment

- a) There is a minimum requirement of at least 3 reference projects in technical field of designing, assessing, or evaluating financial or insurance products for climate resilience, agriculture, or rural livelihoods and
- b) 1 reference projects in Policy and regulatory analysis related to climate resilience or financial services in the last three years India with minimum commission value of Euro 30,000.

III. Weighted Criteria

1. Technical Experience –

- a) Minimum 3 years' experience in climate risk assessment, climate adaptation, disaster risk financing, climate finance, agricultural insurance, and insurance market assessment.
- b) Minimum 3 years' experience in risk modelling, policy and regulatory analysis, and developing innovative financial solutions for climate resilience.
- c) Minimum 3 years' experience in working with the Government of India, State Governments, multilateral agencies, bilateral development organisations, or international development partners.
- d) Minimum 3 years' experience in working with banks, financial institutions, insurance companies, reinsurance companies, or other organisations involved in climate risk financing and financial product development will be considered an added advantage.

2. Regional Experience: The agency should have regional experience of working in different agro climatic zones in India.

3. Experience of Development projects:

5. Personnel concept.

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs, the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team Leader / Climate Risk Financing and Financial Product Development Specialist

Tasks of the team leader

- Lead the overall planning, coordination, technical implementation, and timely delivery of all work packages.
- Provide technical leadership in assessing climate risk financing mechanisms and designing innovative climate de-risking financial products, including their technical, financial, and commercial feasibility.
- Develop business models, financial models, delivery mechanisms, implementation options, and scaling pathways for recommended climate de-risking financial products.
- Coordinate with GIZ, Munich Re, government agencies, insurers, financial institutions, and other stakeholders, and identify suitable implementation partners and public-private partnership opportunities.

- Lead stakeholder consultations, validation workshops, and the presentation of study findings, ensuring effective engagement with key stakeholders.
- Develop the pilot implementation framework, including institutional arrangements, financing mechanisms, operational modalities, and implementation pathways for recommended products.
- Supervise the project team, ensure the technical quality of all deliverables, and lead the preparation of the final feasibility study report, implementation roadmap, and strategic recommendations for scaling climate de-risking financial products.

Qualifications of the team leader

- **Education/training (2.1.1):** Postgraduate degree (master's or higher) in Economics, Finance, Agricultural Economics, Rural Development, Climate Change, Disaster Risk Management, Insurance, or a related discipline.
- **General professional experience (2.1.3):** 9 years of professional experience in climate resilience, climate finance, rural development, disaster risk management, financial inclusion, or related sectors.
- **Specific professional experience (2.1.4):** 7+ years of experience in climate risk financing, agricultural insurance, climate finance, disaster risk financing, financial product design, feasibility studies, and policy advisory. Experience in leading feasibility studies and developing innovative fi
- **Leadership/management experience (2.1.5):** 7+ years of experience in leading multidisciplinary consulting teams, managing large assignments, coordinating stakeholders, ensuring quality assurance, and preparing technical reports.
- **Development Cooperation (DC) experience (2.1.7):** 3 years of professional experience in DC-funded projects

The expert must have proficiency in English

Other positions stipulated by GIZ.

Expert 1: Policy, Regulatory and Institutional Specialist

Tasks of expert 1

- Review national and state policies, regulations, government programmes, and institutional frameworks related to climate resilience and climate risk financing.
- Assess the institutional and regulatory feasibility of introducing climate de-risking financial products.
- Analyse the roles and capacities of government departments, regulators, financial institutions, and development partners.
- Facilitate consultations with ministries, regulatory agencies, and other key stakeholders.
- Recommend policy, regulatory, and institutional measures to support implementation and scaling of climate de-risking financial products.
- Contribute to the preparation of the implementation roadmap and policy recommendations.

Qualifications of expert 1

- **Education/training (2.2.1):** Postgraduate degree in Public Policy, Law, Development Studies, Economics, Rural Development, Public Administration, or a related discipline.

- **General professional experience (2.2.3):** 7+ years of professional experience in policy research, governance, institutional development, or regulatory analysis.
- **Specific professional experience (2.2.4):** 7+ years of experience in policy and regulatory analysis related to climate resilience, rural development, financial services, or insurance. Experience in institutional assessments/stakeholder engagement with government departments, regulatory agencies
- **Leadership/management experience (2.2.5):** 5+ years of experience in leading policy reviews, facilitating consultations, and coordinating with government institutions.
- **Development Cooperation (DC) experience (2.2.7):** 3 years of professional experience in DC-funded projects

The expert must have proficiency in English

Expert 2: Survey, Research and Data Analytics Specialist

Tasks of expert 2

- Lead the design and implementation of quantitative and qualitative data collection methodologies for the feasibility study, including surveys, stakeholder consultations, focus group discussions, and key informant interviews.
- Develop sampling frameworks, survey instruments, data collection protocols, and quality assurance mechanisms to ensure robust and representative evidence generation across selected geographies.
- Analyse climate, socio-economic, livelihood, and financial datasets to assess climate risk exposure, vulnerability patterns, existing coping mechanisms, and access to financial protection instruments.
- Support the assessment of climate and disaster risk trends through the use of geospatial, meteorological, agro-climatic, and other relevant secondary datasets.
- Conduct statistical and quantitative analysis of survey findings and integrate evidence from primary and secondary data sources to support product feasibility assessments and recommendation
- Develop databases and data management systems for stakeholder consultations, field assessments, and study findings, ensuring data integrity, documentation, and accessibility
- Contribute to the preparation of assessment reports, feasibility analyses, presentations, and final recommendations based on data-driven insights.

Qualifications of Expert 2

- **Education/training (2.3.1):** Postgraduate degree in Statistics, Economics, Data Science, Agricultural Economics, Development Studies, Climate Science, Geography, Public Policy, or a related discipline.
- **General professional experience (2.3.3):** 5+ years of professional experience in data analytics, research, survey design, statistical analysis, impact assessments, or socio-economic studies.

- **Specific professional experience (2.3.4):** 5+ years of experience in designing and managing surveys, stakeholder consultations, quantitative and qualitative research, sampling methodologies, database management, and statistical analysis for development, climate resilience, agriculture, insurance, rural finance, or rural livelihoods programmes.
- **Leadership/management experience (2.3.5):** 2 years of experience in managing field research teams, coordinating data collection exercises, overseeing data quality assurance processes, and synthesising findings into policy and strategic recommendations.

The expert must have proficiency in local languages

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

Team skills

Initiative

Communication skills

Sociocultural competence

Efficient, partner- and client-focused working methods

Interdisciplinary thinking

6. Costing requirements

Sr. No.	Work Package	Activities	No. of Output / Deliverables	% of Cost
1	Work Package 1: National Climate Risk Screening and Synthesis Framework	Conduct an inception meeting, review relevant literature and policies, assess climate risks across the 15 selected agro-climatic zones, and consolidate findings to identify financial protection gaps and recommendations for climate de-risking financial products.	• Inception Report including methodology, assessment framework, sampling approach, work plan and timeline; • National Climate Risk Screening and Synthesis Framework	24%
2	Work Package 2: Stakeholder Consultation, Financial Ecosystem Analysis and Strategic Recommendations	Assess the readiness of financial institutions and delivery partners, conduct stakeholder consultations, and consolidate findings to identify implementation partnerships and recommendations for climate de-risking financial products.	• Stakeholder Consultation, Financial Ecosystem Analysis and Strategic Recommendations Report • Stakeholder consultation workshop participants list and photographs	28%

3	Work Package 3: Design and Feasibility Assessment of Climate De-Risking Insurance Products	Identify and shortlist suitable climate de-risking financial products; assess their technical, financial, operational, and regulatory feasibility; develop product concepts and business models; and recommend the most suitable product(s) for pilot implementation.	• Climate Risk Matrix and Product Feasibility Assessment Report • 3 Nos Pilot-Ready Products Concepts and Business Models	22%
4	Work Package 4: Pilot Design, Product Evaluation and Scale-Up Roadmap	Develop a pilot implementation framework and operational plan, prepare a product evaluation matrix for shortlisted climate de-risking financial products, and develop a final feasibility report with policy recommendations and a scale-up roadmap.	• Pilot Design and Implementation Framework • Pilot Operational Plan, Financing and Scaling Strategy • Product Evaluation Matrix • Stakeholder consultation workshop participants list and photographs	22%

It is a work contract. Thus, bidders are expected to submit a lumpsum value (including work package cost and travel cost).

Any individual cost shall not be considered for evaluation.

7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in ENGLISH (language).

The complete tender must not exceed 20 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 5 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in ENGLISH (language).

Please calculate your financial tender based exactly on the parameters specified in Chapter 6 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops, or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.