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ADAPTATION FUND

Terms of reference:

Development of the flood risk financing mechanisms in the Drin Basin

In the framework of the: “The Integrated Climate-Resilient Transboundary Flood Risk Management in the Drin River Basin in the Western Balkans”
(Drin FRM Project)

February 2024

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Introduction

Cooperation in the extended Drin basin

1. The Drin Basin covers a large part of the Western Balkans (almost 19 000 km²); and is inhabited by more than 1,6 million people. It consists of several sub-basins, the uppermost of which is that of the Prespa Lake, while the lowest that of the Buna/Bojana River, adjacent to the Adriatic Sea. Shared among Albania, Greece, Kosovo*, Montenegro, and North Macedonia (the five 'Riparians'), the Drin River Basin provides water resources for drinking, energy, fisheries, agriculture, biodiversity, tourism and industry.
2. Coordinated action at the Drin Basin level has been absent until the development of the Shared Vision for the sustainable management of the Drin Basin and the signing of a related Memorandum of Understanding (Tirana, 25 November 2011) by the Ministers of the water and environment management competent ministries of the Drin Riparians.
3. The main objective of the Drin MoU is the attainment of the Shared Vision: *“Promote joint action for the coordinated integrated management of the shared water resources in the Drin Basin, as a means to safeguard and restore, to the extent possible, the ecosystems and the services they provide, and to promote sustainable development across the Drin Basin”*.
4. Following the provisions of the MoU an institutional structure was established in 2012. It includes:
 - The **Meeting of the Parties**.
 - The **Drin Core Group** (DCG). This body is given the mandate to coordinate actions for the implementation of the MoU.
 - Four **Expert Working Groups** (EWG) to assist the DCG in its work:
 - Water Framework Directive implementation EWG.
 - Monitoring and Information exchange EWG.
 - Biodiversity and Ecosystem EWG.
 - **Floods EWG**.

The **DCG Secretariat** provides technical and administrative support to the DCG; Global Water Partnership – Mediterranean (GWP-Med) serves by appointment of the Parties through the MoU as the Secretariat.

5. The Parties to the MoU agreed to undertake concrete short, medium and long-term actions to address various issues, towards the integrated management of the Basin; **Developing cooperation and measures to minimize flooding especially in the lower parts of the Drin Basin** is one of the 7 identified issues (Article 3, iii) and **enhancement of cooperation in the field of flood risk preparedness, management and mutual support** is one of the short-term actions (Article 4, d) that should be implemented for achieving the MoU objective.

The Drin Coordinated Action

6. While the process of cooperation is on-going, a number of activities have already been implemented under the Drin Coordinated Action for the implementation of the Drin MoU.
7. The Global Environment Facility (GEF) supported project “*Enabling transboundary cooperation and integrated water resources management in the extended Drin River Basin*” ([GEF Drin Project, 2016-2021](#)) implemented by UNDP and executed by the Global Water Partnership (GWP) through GWP-Mediterranean (GWP-Med) has been pivotal in the implementation of the Drin MoU.
8. The GEF DRIN Project resulted in the development and the endorsement by the Drin riparians of the joint Strategic Action Plan (Drin SAP, in 2020) with more than 100 actions to be implemented in the short, medium, and long-term. The SAP further substantiates the Drin MoU. Under the SAP Goal 3: *Develop cooperation and measures to minimise flooding especially in the lower parts of the Drin Basin* Objective 1 was set to be: Management of floods risks, and droughts risks by 2030 (please see Drin [SAP](#) for more details).
9. The Adaptation Fund supported Project entitled “*The Integrated Climate-Resilient Transboundary Flood Risk Management in the Drin River Basin in the Western Balkans*” (Drin FRM Project) is designed so it is supportive to implementation of the Drin SAP’s Goal 3. The Drin FRM Project provides the framework for this assignment (more details are available in the [AF](#) project document).

Drin FRM Project

10. *The Integrated Climate-Resilient Transboundary Flood Risk Management in the Drin River Basin in the Western Balkans*” (Drin FRM Project, 2019-2024) is executed by the UNDP (IRH) for the components 1 & 3 and the Global Water Partnership – Mediterranean (GWP-Med) for the component 2.
11. The objective of the project is to assist the riparian countries in implementing an integrated climate-resilient river basin flood risk management approach to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance resilience of vulnerable communities in the Drin River Basin (DRB) to climate-change induced floods.
12. Drin FRM Project is implemented through 3 components: Component 1 – Hazard and risk knowledge management tools; Component 2 -Transboundary FRM institutional, legislative and policy framework and Component 3 -Priority community-based climate change adaptation and FRM interventions.

13. This assignment is part of Component 2, Outcome 2: *“Improved institutional arrangements, legislative and policy framework for FRM, and development of climate change adaptation and flood risk management strategy and plans at the basin, sub-basin, national and subnational levels”*- **output 2.1.e.**

Background

14. The Drin riparians are increasingly exposed to the effects of climate change. They are experiencing more extreme heat in the summer months and more precipitation during the cooler seasons. According to long-term projections, the average annual temperature will increase by 2° C to 3° C by 2050 and summer precipitation will decrease, resulting in longer dry periods followed by more sudden heavy rains. This combination increases the likelihood of floods as well as their destructive nature.
15. Historical flood data from the Drin riparians suggests a more frequent occurrence of flood events, characterized by more extreme and rapid water level rises, attributed to an uneven distribution of precipitation and torrential rains, especially in the last decade.
16. The indicative flood risk maps¹ for the Drin basin show that there have been floods occurring and there is an associated increased risk in the White Drin in Kosovo*², the Struga area around Lake Ohrid in North Macedonia while there are high-risk areas all along the valley of the Black Drin and around Lake Skadar. More and larger areas and, therefore, a larger population, are affected by floods with a strong impact on the national economies.
17. The socio-economic vulnerability is also high due to the high poverty rate (9-21%) of the riparian countries. Vulnerability factors also include poor urban planning, unsustainable water management and agricultural practices, deforestation, industrial pollution, and poor waste management in flood-prone areas. Poverty and unemployment are particularly prevalent in rural and mountainous areas of the basin.
18. In Albania, the 2010 flood event caused USD \$35 million in damages, while in Montenegro it caused USD \$45 million, most of which occurred in the downstream areas of the Drin basin. This resulted in at least USD \$80 million in total damages reported; comparable data for North Macedonia are not available and included. The average expected losses for Albania are estimated to be around USD \$3.2 million per year, which, if prorated would result in average annual losses of about \$10 million basin wide.
19. Flood protection and flood risk management in the Drin riparians is carried out in a reactive manner and to the extent that budgets allow (which are usually very limited for all Drin riparians). As a result, relevant institutions focus only on urgent issues (such as immediate

¹ Preliminary Flood Risk Assessment for the Drin/Drim – Buna/Bojana River Basin, GIZ (2018)

² this designation is without prejudice to positions on status and is in line with UN Security Council resolution 1244

structural defence needs), with little investment in flood prevention and preparedness and usually without a climate risk-informed strategic approach (e.g., river basin approach) to other flood risk management needs.

20. Relief, recovery, and reconstruction efforts are often constrained by limited fiscal capacity and capability, with governments often relying on short-term international assistance as their primary source of post-disaster funding.
21. There is no flood risk financing strategy or plan to address climate-induced flood risks in any of the Drin riparians although flooding is one of predominant hazards. National flood risk management investments are not supported by robust climate risk informed analysis, and there are no investment plans and no comprehensive financial risk transfer mechanisms to address flooding.
22. In addition, there is limited to no private sector involvement in climate risk financing, despite the large damages the private sector suffers due to flooding, and the significant commercial benefits that a functioning integrated flood risk management system would bring. The private sector (hydropower, forestry, and agriculture) has a role to play in flood risk management and therefore needs to engage in its financing.
23. The DRIN FRM project addresses these challenges by supporting the development of the appropriate risk transfer mechanism and tools that can help to build national resilience.
24. As a first step in this regard, a *simplified damage and loss estimation model*³ has been developed for the riskiest communities of Albania (10) and North Macedonia (5) resulting in an estimate of the annual average damage (in Euros) of 1 and 10.8 mil. (respectively). In Albania 85 % of the annual average damage is concentrated in 4 communities (Shengjin, Lezhe, Shkoder, and Balldren), whereas in North Macedonia 91 % of the annual average damage is concentrated in the community of Ohrid. The main receptors are properties (buildings, mostly residential) and agriculture in flood prone areas.
25. Building on the above, another activity of the Drin FRM project has provided an overview of the main factors related to flood-induced risk profiles and the road map for the introduction of the risk transfer mechanisms to the basin level: *Drin Basin Flood Risk Financing and Risk Transfer Strategy (the Strategy)*. The Strategy shows that insurance market of catastrophe and natural peril in the Drin River Basin is very limited with insurance penetration levels ranging between 1% to 2% in Albania, Montenegro, and North Macedonia. The interaction in the Drin River Basin between private sector insurers and individuals exposed to flood (as well as for other natural perils) risks has not facilitated a solid organic growth of commercially viable disaster risk financing and insurance markets. Further on, existing risk transfer mechanisms are scarce and there is a very limited activity in the region on government-initiated ex-ante risk transfer solutions. Supply and demand remain poor today and market forces are highly unlikely

³ From the: Socio-economic Risk Model to support the detailed engineering design of structural measures, the Drin FRM project, 2022.

to induce any growth of the risk financing market without the implementation of pro-active measures.

26. The Strategy proposes the implementation of 12 solutions (intervention measures/tools) to facilitate critical reforms in this area of which two: **S1: Tax Benefits and S2: Linking Grants to Insurance** are selected to be addressed under the Roadmap as the ones that could/should be put forward the soonest. This selection was done taking into consideration the current institutional and legislative setup, insurance market maturity and also transitional costs for this initial phase aiming to build the Drin riparians' financial resilience to floods were taken into consideration.
27. **Additional accompanying work is necessary for the implementation of the Strategy**. This would include detailed feasibility studies and various assessments to understand the effects of the implementation of priority solutions (S1 and S2) to the existing policy and practices including state budgets hence, to assess the extent to which the proposed priority risk transfer solutions are feasible, sustainable and acceptable in the long term.

Aim and Objectives of the assignment

28. The aim is to increase the financial response capacity while reducing the fiscal burden generated by the government liabilities related to the floods.
29. The objective is to develop two feasibility studies on prioritized flood risk transfer mechanisms (**S1: Tax Benefits and S2: Linking Grants to Insurance**) to support the adoption and operationalisation of the flood risk transfer mechanisms by the Drin Riparians.

General approach

30. To achieve the objective of this assignment, the consultant will:
 - a) Need to reach a very good understanding of the results and outputs of the DRIN FRM Project and GEF Drin Project (listed in Annex I), the flood risk situation, management as well as the status and potential for flood risk financing in the Drin Riparians and the Drin River Basin.
 - b) Consider that all tasks in this assignment should be looked at and presented (whenever possible) on all levels including local, sub-national, national and basin.
 - c) Be responsible for collecting and using all available information, including that which will be in local languages.
 - d) Clearance for each of the outputs/deliverables should be obtained by the GWP-Med assigned manager before engaging into next tasks and consultation with the stakeholders. This could be extended to the Drin FRM project team and/or structures under the Drin corda (Drin Core Group and EWG on Floods).
 - e) Be responsible for presenting the results, moderating the meetings, and keeping the minutes of the meetings during the consultation process.

- f) The consultant should keep a record of comments received from stakeholders during consultation meetings and report on how these are being addressed.
- g) Be available for discussion/consultation with the assigned project manager and/or members of the GWP-Med /AF team as required. Frequent communication is required for this assignment.
- h) Build upon the other deliverables of the Drin AF project (where applicable).
- i) Seek additional information and support by the GWP-Med staff as needed and based on prior agreement. This support could be in the form of relevant documentation, contacts, assistance in organizing meetings, etc.
- j) Integrate a gender disaggregated approach following on the support and recommendations of the GWP-Med Gender Officer (if any provided).

Scope of work

- 31. The Consultant will develop two feasibility studies on prioritized flood risk transfer mechanisms (S1: Tax Benefits and S2: Linking Grants to Insurance) to support their further implementation by providing more information on the necessary actions and their associated impacts (legal, economic and fiscal) in each of the existing Drin riparian settings.
- 32. The consultant will cover with her/his work three Drin Riparians: Albania, North Macedonia, and Montenegro (according to the Drin FRM project scope). The information should be presented at least at the national level and, if information is available, at the level of the Drin basin (parts of the sub-basin belonging to the Drin riparian).
- 33. Kosovo* is not a beneficiary of the Drin FRM project, but related information should be considered and presented (at least to the extent that is available in the background documentation) particularly in assessments carried out at the basin level.
- 34. This assignment needs to start from an in-depth understanding of the related situation in the Drin countries and then further elaborate and quantify the potential impacts of the proposed solutions at the national or/and local level (whenever possible only for the part of the basin belonging to specific Drin Riparian⁴).
- 35. In this respect, the assignment will focus on exploring the potential for flood risk transfer through 1) introducing tax benefits (i.e., through changes in national or local tax policy and/or tax schemes for flood prone areas) and 2) linking grants/subsidies to insurance (i.e., to agricultural and other subsidies in flood prone areas) in each of the Drin riparians. The possibility of modifying the current national or local existing mechanisms should be considered firstly.
- 36. The consultant is strongly encouraged to propose additional or alternative methodologies for Task 2 and 3 (see below) and should not be limited by proposals presented in this ToR.

⁴ See the basin boundaries at: <https://dringis.org/>

Currently the ToR focus on the utilization of tax systems and agricultural subsidies to facilitate achieving of the aim of the assignment. The focus of the flood risk transfer mechanisms proposed here could change towards other sectors/professions/spatial domains/population groups if the consultant considers that this change in focus could result in increased likelihood of achieving the overall aim as well as increased likelihood of sustainability of solutions proposed. This Consultant suggestion should be presented in the Inception report (see below).

37. A more detailed description of the work requirements is provided in the following sections.

Description of tasks:

TASK 1: Inception Reports

34. The consultant will prepare:

a) Draft Inception report including (but not limited to):

1. Suggestions for possible changes on the focus of the ToR (see under scope above) including potential proposals for alternative methodologies for Tasks 2 and 3
2. Description of the consultant's approach for compliance with the assignment requirements with consultants' activity plan⁵ and allocation or resources included.
3. Description of identified gaps/risks related to the implementation of the assignment and proposal on how to overcome these.
4. Description of required data content and collection process.

b) Final inception report including consideration of the review process by the GWP-Med assigned manager

35. Deliverables:

- D1. Draft Inception Report
- D2 Final Inception report

TASK 2: Background report on the conditions for the implementation of identified priority mechanisms (at least two)

36. Based on the background documents (listed in Annex I, in particularly the results of the detailed socio-economic risk, damages, and losses assessment) and additional data collected, the consultant will describe the following:

⁵ Activity plan should include any proposal for any potential field visit and/or online consultation meetings (or other appropriate consultation tool) deemed necessary by the Consultant to successfully finalize the tasks. GWP-Med will facilitate organization of the meetings while the Consultant is required to organize it's own travel arrangements (if applicable).

37. Mechanisms for mainstreaming flood risk transfer into existing agricultural grant/support schemes and Tax-related mechanisms **or any other two mechanisms as agreed in the Inception report** to allow the offsetting of premium costs (and other flood insurance expenses) against tax liabilities. The consultant is expected to (inter alia):

- a) Analyse in-depth- the existing relevant policies/mechanisms at the national and local levels⁶ (in each of the Drin riparian's) and assess these from a legal and financial point of view for their suitability to be used to introduce/develop flood risk transfer mechanisms (FRTM).
- b) Identify existing policies/mechanisms (e.g., tax relief, tax rates etc.) suitable for introducing/developing FRTM.
- c) Propose two most applicable FRTM. Describe their characteristics and ways/mechanisms for their application/implementation and prioritize these according to criteria that the consultant will develop for this cause (e.g., operating costs, efficiency etc.)
- d) Analyze any existing policies/measures⁷ that can be used as support mechanisms for the proposed FRTM and propose those that are most appropriate to support application/implementation of the FRTM.
- e) Provide comparative examples of FRTM and policies/measures from other countries (if available).
- f) Describe in detail spatial domains and population groups/socioeconomic activities that the proposed FRTM will apply at/to, considering that the potentially affected areas are spread throughout the river basin, but that the risk is concentrated in a few areas.

38. It is expected that the reports will draw on/build upon the findings of the reports on flood risk financing listed in Annex I. However, it is anticipated that substantial data collection will be required in addition. It will be the responsibility of the consultant to supplement the information received with new information and data collection, particularly from national and local sources.

39. The reports should be comprehensive and include an executive summary and the elaboration of the flood risk transfer mechanisms for each of the Drin Riparians. Any technical support material developed should be presented as an annex to the Reports.

40. Deliverables:

D3. Background report on the conditions for the introduction and implementation of **at least two best applicable risk transfer mechanisms (as described in this ToR or as agreed from the Inception report)**

TASK 3: Preparation of Feasibility Study

⁶ For communities in flood prone areas only

⁷ e.g., zoning restrictions in flooded areas by **|**of the planning policy/instruments.

41. On the basis of Task 2 the Consultant will prepare feasibility studies for two selected mechanisms, each of which will need to include (inter alia):

- a) Description of the proposed FRTM along with steps for its introduction/application/implementation.
- b) Overview of the related analyses of the relevant legal and financial environment for the introduction/application/implementation of the FRTM.
- c) Legal analyses and proposal of any necessary legal/regulatory adjustment (proposing new legislation or amendments to existing legislation⁸) necessary for the introduction/application/implementation of the FRTM.
- d) Financial analyses to assess fiscal related effects from the introduction/application/implementation of the FRTM.
- e) Identification of key stakeholders and potential partner agencies with description of their role(s) for the FRTM introduction/application/implementation.
- f) Assessment of acceptance of the FRTM by users and stakeholders.
- g) Presentation of the weakness and strengths of the FRTM and potential benefits of the FRTM for the economy of the Drin Riparian or community in relation to flood risk damages without FRTM in place.
- h) Relation of the findings to the potential development of the basin flood insurance model
- i) Description of the potential and opportunities for increased private sector involvement (national, regional, and local level).
- j) Detailed implementation plan (including necessary actions, timeline, and responsible party) which should be provided as an annex to the document.

42. The Feasibility study should have an executive summary and information presented per Drin Riparian and will be subject to the consultation/validation process. The validation and consultation process in the Drin Riparians will be supported by GWP-Med.

43. Deliverables:

D4. Feasibility study for the introduction and implementation of **the two selected FRMT mechanisms** in the Drin Basin.

SCHEDULE OF ACTIVITIES AND MILESTONES

Table 1: Schedule of activities and timeline

| Task | Deliverables | Deadline After date of contract signing. |
|------|--------------|---|
|------|--------------|---|

⁸ e.g., including insurance, fiscal, tax, agriculture or other laws or by-laws

| | | |
|---|--|----------|
| TASK 1: Inception Reports | D1. Draft Inception Report | 3 weeks |
| | D2. Final Inception report | 5 weeks |
| TASK 2: Background reports (2) on the conditions for the implementation of identified priority mechanisms | D3. Background report on the conditions for the introduction and implementation of the at least two best applicable risk transfer mechanisms (as described in this ToR or as agreed from the Inception report) | 3 months |
| | D4. Feasibility study for the introduction and implementation of the two selected FRMT mechanisms in the Drin Basin. | 6 months |

Contract Price

44. The maximum available budget for this contract is **44.000 USD**, including VAT.

This amount includes all other costs, income taxes and any other amount payable or cost that may be required for the completion of the work/service⁹.

Duration of the Contract

45. The overall duration of the contract will be maximum 8 months.

Schedule of Payment

⁹ Including any potential consultants travel costs for the activities as Described in D2 Final Inception report.

46. All payments shall be upon reception and acceptance/verification of the deliverables, as laid out in the table below.

Table 2: Schedule of payments

| Deliverable | Verification | Payment | Scheduled |
|--|-------------------------------------|---------------------------------|---|
| D1. Draft Inception Report D2. Final Inception report | Accepted by GWP-Med Project Manager | Tranche 1 (20%) | Upon the successful delivery of D1 and D2 |
| D3. Background report on the conditions for the introduction and implementation of the at least two best applicable risk transfer mechanisms (as described in this ToR or as agreed from the Inception report) | Accepted by GWP-Med Project Manager | Tranche 2 (30%) | Upon the successful delivery of D3 |
| D4. Feasibility study for the introduction and implementation of the two selected FRMT mechanisms in the Drin Basin | Accepted by GWP-Med Project Manager | Tranche 3 – Final Payment (50%) | Upon the successful delivery of D4 |

Awarding Criterion and Evaluation Process

47. The Award criterion is the most economically advantageous tender on the basis of best price / quality ratio.

The proposers shall pass through two stages of evaluation, the first stage is their evaluation according to the On/Off disqualification and selection criteria. Those successfully passing through this first stage will be Qualified and eligible to continue in the second stage of evaluation based on the Award Criteria.

Selection criteria (on/off)

48. Successful participants must (in case of a group of experts / company the experience listed below applies for the lead expert) have:
- a. Have a university degree (BSc or equivalent) in relevant field: i.e., law, economics, finance, environmental economist, development economics or related quantitative or natural sciences (in the case of a more general first university degree a master or equivalent degree closely related to the scope of the work).
 - b. Be fluent/proficient in both written and spoken English.

Failure to comply with the above ON/OFF requirements and provide relevant proof with the application is considered ground for exclusion.

Qualification and Experience

49. The required and desired qualifications are presented below. Failure to provide the minimum required qualifications is considered ground for disqualification. Qualifications additional to the minimum requested per category will receive additional score under the evaluation process as described in section "Awarding Criterion and Evaluation process". In case of a group of experts / company the experience listed below applies only for the lead expert

Award criteria to be evaluated

50. Participants in the call are required to have solid experience in developing and managing complex projects in the field related to the tasks described in the ToR. This needs to be demonstrated by submitting the **technical offer** for which template is provided separately as Annex III.

Expertise and Work Experience requirements

The required and desired requirements for the **Lead Expert** are listed below. **Failure to meet the minimum required qualifications will be considered grounds for disqualification.**

Qualifications additional to the minimum requested per category will receive additional points under the evaluation process as described in section “Awarding Criterion and Evaluation process”. In the case of a group of experts / company the experience listed below applies only to the lead expert.

- At least fifteen (15) years of experience in legal, economic, or financial analysis. **(required)**
- At least seven (7) years of experience in the development of the financial and/or legal analyses of comparable nature and degree of complexity. **(required)**
- At least one (1) relevant project/assignment in development of the feasibility studies of similar nature and degree of complexity in the last 15 years. **(required)**
- Experience in developing products and tools for flood risk financing and transfer mechanisms (minimum 1 product/project) **(desirable)**
- Experience in working on water/flood related issue (minimum 1 year) **(desirable)**
- Experience in working in one of the Drin countries. (minimum 1 year) **(desirable)**
- Knowledge of one of the three Drin riparian languages (minimum one language). **(desirable)**

Evaluation process

51. Offers qualified in terms of exclusion grounds and selection criteria will be further evaluated on the basis of the requirements presented under section “Award Criteria”, as follows:

| (1) Criterion | (2) Weighting (w) | (3) Points of criterion (c) | (4) Score= (2) x (3) |
|--|----------------------|-----------------------------|----------------------|
| Section 1: Expertise and work experience | 85 % of total | | |
| <i>Team Leader - Consultant</i> | 85% | | |
| An university degree (BSc or equivalent) in relevant field: i.e., law, economics, finance, environmental economist, development economics or related quantitative social quantitative or natural sciences (in the case of a more general first university degree a master or equivalent degree closely related to the scope of the work) (required) on /off | N/A | | |
| - Fluency/proficiency in both written and spoken English (required) on off. | N/A | | |
| - At least fifteen (15) years of experience in legal, economic, or financial analysis.- required | 20% | | |
| - At least seven (7) years of experience in the development of the financial and/or legal analyses of | 25 % | | |

| | | | |
|---|----------------------|--|--|
| comparable nature and degree of complexity.(required) | | | |
| - At least one (1) relevant project/assignment in development of the feasibility studies of similar nature and degree of complexity in the last 15 years required | 10 % | | |
| - Experience in developing products and tools for flood risk financing and transfer mechanisms (minimum 1 product/project) (desired) | 10% | | |
| - Experience in working on water/flood related issue (minimum 1 year) (desired) | 5 % | | |
| - Experience in working in one of the Drin countries (minimum 1 year) (desired) | 10% | | |
| - Knowledge of one of the three Drin riparian languages (desired) | 5 % | | |
| Section 2: Approach and methodology | 15 % of total | | |
| Methodological approach as from technical offer | 15% | | |

Scoring for each evaluation criteria starts from 100 points (when minimum requirements are met) up until maximum 150 points (100p Base +10p for extra criteria over base up to 50 additional points) . Each Section/evaluation criterion is evaluated autonomously. The final scoring of each evaluation criterion is the outcome of its scoring multiplied by the corresponding weighting factor. The overall score of the technical offer is the sum of the final scoring of all the Sections/evaluation criteria

The overall score of the technical offer is calculated on the basis of the following formula:

$$B_i = w_1 \times c_1 + w_2 \times c_2 + \dots$$

For the overall score which will determine the ranking of offers, technical evaluation will be weighted with 80%, and the financial offer with 20%.

The final listing of the most advantageous offers will be made on the basis of the following formula:

$$\lambda_i = 0.8 * (B_i/B_{max}) + 0.2 * (K_{min}/K_i).$$

Where:

- Bmax: the max score received by the best of the technical offers received
- Bi: the score of the technical offer
- Kmin: The cost of the financial offer with the minimum price offered.

- Ki: The cost of the financial offer

The most advantageous offers is the one with the greater value of Λ .

In case of equality of overall scores, the winning proposal is the one whose corresponding technical proposal received the highest rating.

Terms and Conditions

Language

52. The language of the required deliverables/outputs is English; executive summaries of the final products should be translated in the languages of the beneficiary countries. All produced documents shall be subject to proofreading by qualified personnel, while the quality of the final versions is subject to approval by the project manager.

Legal requirements

53. The content of the requested documents shall conform to the pertaining relevant legislation of the respective countries and to the international best practices and models.

Sources of data

54. All necessary data shall be collected by the Consultant. The Consultant shall also be responsible for identifying and collecting additional information necessary for implementing the assignment. The AF project will support the Consultant and the experts in the data and info collection process by providing data at its disposal and by enabling communication with relevant national authorities -should be necessary.

Review and quality assurance

55. Review of the work carried out by the Consultant throughout the implementation of the assignment as well as review of the deliverables may be carried out by an independent external expert or expert team, including: the AF project CTA, Expert Working Group and the Drin Core Group and should be finally approved by GWP-Med contract manager

56. All relevant comments and suggestions made by the reviewer(s) will be documented by the consultant and must be taken into consideration by the Consultant and integrated in the final versions of the deliverables.

Duration of the assignment

57. The expected duration of this assignment is 7 months

Reporting requirements

58. The expert team will report to the contract manager from GWP-Med.

Submission of data, reports and other material produced

59. All primary data, reports, other documentation, and the GIS files produced during this assignment shall be made available to contract manager in electronic format. All data acquired and products developed during the assignment will be in the ownership of the AF project and cannot be used by the Contractor and its team without prior written permission.

Public consultations / meetings

60. The responsibility for organizing workshops, public participation and consultation or working meetings will be shared between the Consultant and the GWP-Med as described in the D2 Final Inception report. Payment schedule

61. The payment will be processed in instalments based on the milestones defined in the contract and in accordance with the schedule of payment section or if necessary accepted changes based on the company's proposed methodology and approach.

Annex I

1. **Results of the Socio-economic Risk Model to support the detailed engineering design of structural measures, Dr John B Chatterton, The DRIN FRM Project, 2022**
2. **Drin Basin Flood Risk Financing and Risk Transfer Strategy Report, Dr. Rom Aviv, The DRIN FRM Project, 2022**
3. **Flood Insurance in the areas of Skadar/Shkoder Lake-Buna/Bojana River, and Struga in Ohrid Lake- Outputs developed under the GEF Drin project (2021):**
 2. Report on data availability and quality, characterization of the socio-economic status of the communities and their vulnerability to flood
 - 3.1 Report on Flood vulnerability, flood damages and losses in the study areas
 - 3.2 Feasibility studies into various types of ex-ante flood insurance including indemnity and index-based flood insurance schemes for Drin Basin and cost-benefit analysis of flood insurance for Drin Basin
 - 4.1 Existing Flood-related Disaster Risk Management Legislative and Policy Frameworks and Financing Mechanisms
 - 4.2 Existing and indicative insurance products for ex-ante risk management
 - 4.3 Report of results of the willingness to pay surveys and recommendations for the flood product/insurance scheme as well as the willingness to pay of households, business sector, public sector, and agricultural households.
 5. Report of private sector willingness to contribute to flood risk management activities and to contribute to/subsidise flood insurance
4. **Report on Flood Risk Financing and Risk Transfer in North Macedonia** by dr. Rom Aviv and dr. Darko Blazevski , developed under the UNDP's Improving Resilience to Floods in the Polog Region Project
5. **Socio-economic thematic report – for the Drin Basin (2020)**
6. **Preliminary Flood Risk Assessment for the Drin/Drim – Buna/Bojana River Basin, GIZ (2018)**
7. **Background report and review of the legislative and policy framework in Integrated Flood Risk Management (IFRM) in the Drin basin**