INCLUSIVE CLIMATE FINANCE FOR VULNERABLE COMMUNITIES IN ASIA PACIFIC - ICCAP

NATIONAL COORDINATORS COUNTRIES: BANGLADESH, BHUTAN, CAMBODIA, LAOS, NEPAL AND FIJI
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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ADA</td>
<td>Appui au Développement Autonome</td>
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<tr>
<td>APRACA</td>
<td>Asia Pacific Rural and Agricultural Credit Association</td>
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<td>BMUV</td>
<td>Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection</td>
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<td>BMWK</td>
<td>Federal Ministry for Economic Affairs and Climate Action</td>
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<tr>
<td>CV</td>
<td>Curriculum Vitae</td>
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<tr>
<td>HR</td>
<td>Human Resources</td>
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<tr>
<td>ICCAP</td>
<td>Inclusive Climate Finance for Vulnerable Communities in the Asia Pacific</td>
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<tr>
<td>IKI</td>
<td>International Climate Initiative</td>
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<td>FSP</td>
<td>Financial Service Provider</td>
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<td>MAL</td>
<td>Multistakeholder Action Lab</td>
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<td>NAP</td>
<td>National Adaptation Plan</td>
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<td>NC</td>
<td>National Coordinator</td>
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<tr>
<td>NDC</td>
<td>Nationally Determined Contribution</td>
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<td>RAIF</td>
<td>Regional Adaptation Investment Facility</td>
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<tr>
<td>SEI</td>
<td>Stockholm Environment Institute</td>
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<tr>
<td>TA</td>
<td>Technical Assistance/ Technical Advisor</td>
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<tr>
<td>VAT</td>
<td>Value Added Tax</td>
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<td>WP</td>
<td>Work Package</td>
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1. **PROJECT BACKGROUND**

1.1 ABOUT ICCAP

The Inclusive Climate Finance for Vulnerable Communities in the Asia Pacific (ICCAP) is a regional project to be implemented by a consortium of three partners, namely Appui au Developpement Autonome (ADA), the Asia Pacific Rural and Agricultural Credit Association (APRACA) and the Stockholm Environment Institute (SEI), to improve and scale up international and national private climate finance flows through FSPs to vulnerable communities in Asia.

The project is financed by the International Climate Initiative (IKI) as part of the German government's international climate finance commitment. During 2022 and 2023, the consortium conducted a preparation phase, which included among other activities market studies and needs assessments in the target countries as well as identification of potential partners. The preparation phase also contributed to the design of the final 5-year project, which implementation is expected to kick off in January 2024.

The ICCAP project will use a multipronged stakeholder-centred approach that focuses on the development and consolidation of the pipeline of inclusive finance to adaptation solutions for vulnerable communities in Bangladesh, Bhutan, Cambodia, Laos, Nepal and Fiji. The project is divided into 7 Work Packages (WP).

It will support policymakers in developing an enabling evidence-based policy environment to enhance green financial inclusion and ensure unhindered flows of climate finance along the whole chain of actors to reach vulnerable communities (WP1).

In parallel, it will support Financial Services Providers (FSPs) in target countries in developing client-centric green financial products tailored to the needs of vulnerable communities (WP2). Financial and technical assistance will be provided throughout all stages of the product development cycle, to ensure engagement with targeted beneficiaries and relevant stakeholders to understand, design and test green financial solutions to enhance adaptive capacities and build the resilience of vulnerable communities.

The project will also improve the flows of climate finance investment (dedicated finance from international, regional, and, where available, national, private, and public institutional investors) to increase the flows of climate finance investment to FSPs and through FSPs towards vulnerable communities (WP3). WP3 will do so by setting up a Regional Adaptation Investment Facility (RAIF), which will aim to mobilise and catalyse private investment to finance climate change adaptation activities of vulnerable groups and communities through the FSPs in the target countries.

Finally, the project will set up Multistakeholder Action Labs (MAL, WP4) where barriers to accessibility, affordability, and availability will be identified and addressed by deploying an enabling ecosystem, favourable to attract international private climate finance targeting adaptation solutions that will be co-developed by the stakeholders.

Gender equity and social inclusion are transversally embedded from conception to implementation in all project activities (WP5).

Thus, the ICCAP project will significantly contribute to making inclusive and sustainable finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (Art. 2c, Paris Agreement) and the global goal of adaptation (Art. 7). It will advance the target countries’ implementation of National Adaptation Plans (NAPs) and achieve the objectives set out in their Nationally Determined Contributions (NDCs), expand cooperation between citizens, civil society, private sector, national and local governments, and research sector, foster inclusive employment growth, social and climate justice, and empower women and vulnerable groups and communities.
1.2 ABOUT THE CONSORTIUM PARTNERS AND THE FUNDER

The implementation of ICCAP will be under the responsibility of the Consortium formed by SEI, ADA and APRACA.

SEI is an international non-profit research and policy organization that tackles environment and development challenges. They connect science and decision-making to develop solutions for a sustainable future for all. Their work spans climate, water, air and land-use issues, governance, the economy, gender and health. SEI is the consortium overall lead and is specifically in charge of WP3 (with ADA as co-lead), WP4 and WP5.

ADA is a Luxembourgish, non-governmental organisation that has been increasing the autonomy of vulnerable people in Africa, Latin America and Asia with inclusive finance since 1994, thereby contributing to achieving the sustainable development goals. ADA leverages its resources and expertise to innovate, support local partners, implement technical support programmes, provide investment advice and manage knowledge to positively and sustainably impact targeted populations. ADA’s activities focus on three main topics: youth entrepreneurship, agricultural and forestry value chains as well as access to basic services. These activities touch upon three transversal themes: climate change, gender and the use of digital technologies. In organisational terms, the team includes around 45 employees and a dozen technical advisors in the field. ADA manages an average annual budget of 15 million euros. In ICCAP, ADA specifically leads WP2 (detailed description provided in section 1.3) and co-leads WP3.

APRACA is a non-profit organisation for rural and agricultural finance that helps to improve access to financial services for the rural poor in Asia-Pacific. It is headquartered in Bangkok and spans 86 institutions in 24 countries of the region. APRACA has long-standing experience implementing international programmes in partnership with the International Fund for Agricultural Development (IFAD) to combat rural poverty through rural microfinance and sustainability practices across the region. In ICCAP, APRACA specifically leads WP1.

ICCAP is financed by the International Climate Initiative (IKI). IKI is an important part of the German government’s international climate finance commitment. Since 2022 the IKI is implemented by the Federal Ministry for Economic Affairs and Climate Action (BMWK) in close cooperation with the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the Federal Foreign Office.

1.3 ADA’S ROLE IN ICCAP

ADA is primarily responsible for managing Work Package 2, which focuses on developing innovative financial products and services that enable climate adaptation financing. This involves creating and piloting financial models and solutions that are accessible and effective for vulnerable communities.

ADA will lead the collaboration with FSPs to ensure the development and dissemination of suitable financial products for climate adaptation. This includes liaising with banks, microfinance institutions, and other financial entities to tailor products for the specific needs of local communities.

Work package 2 intends to directly support FSPs that have been identified during the preparation phase. A deep understanding of the target market will allow these FSPs to lay the foundation for designing client-centric green products. Financial and technical assistance will be provided throughout the different steps of the product development cycle to ensure their engagement with target groups and relevant stakeholders to understand, design and test green financial solutions. Awareness raising and technical assistance (such as financial literacy capacity building, training, and support to farmers to foster the adoption of sustainable practices, etc.) will be embedded in the assistance provided to clients.

This work package will also include tailored technical assistance activities to support the FSPs to improve their investment readiness.
A differentiated approach will be considered according to FSPs capacity in each country as highlighted during the preparation phase. For instance, different types of activities will be combined, different implementation speeds will be considered, and targets will be set accordingly per country and per FSP.

Partnership agreements will be elaborated with FSPs which will include an action plan. FSPs will lead product development cycles, engaging customers in the design process and building required partnerships with technology/Technical Assistance/service providers with ADA support.

ICCAP is expected to initially work with the FSPs identified in the preparation phase. At least 14 FSPs are expected to join the project during the five years in the six target countries as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>FSPs to be supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>At least 3 FSPs to be supported</td>
</tr>
<tr>
<td>Bhutan</td>
<td>At least 2 FSPs to be supported</td>
</tr>
<tr>
<td>Cambodia</td>
<td>At least 3 FSPs to be supported</td>
</tr>
<tr>
<td>Laos</td>
<td>At least 2 FSPs to be supported</td>
</tr>
<tr>
<td>Nepal</td>
<td>At least 3 FSPs to be supported</td>
</tr>
<tr>
<td>Fiji</td>
<td>1 FSP to be supported</td>
</tr>
</tbody>
</table>

Each FSP is expected to be accompanied for a period of three or four years (six months for the preparation and market analysis phase, 12 to 18 months for the product design, pilot and evaluation phase, 12 to 18 months for the roll-out, green portfolio classification and access to foreign investment phase). If the FSP needs institutional capacity building the support would be extended to 1 additional year.

Additionally, ADA will support the implementation of the Regional Adaptation Investment Facility (RAIF) in close collaboration with SEI and the Facility Manager. The RAIF will focus on catalysing (and eventually mobilising) private finance through existing instruments and novel instruments. The RAIF will be raising additional funding from institutional public investors, e.g., central banks, national governments, and ministries in Germany, in the target countries, and other countries internationally, and from international agencies to leverage private finance. The management of the facility will be outsourced through an open tendering process.

## 2 Scope of Work

ADA is seeking six experienced National Coordinators (NC), one per target country (Bangladesh, Bhutan, Cambodia, Laos, Nepal and Fiji) to:

- Coordinate the implementation of ICCAP in the country
- Support ADA for the implementation of the WP2
- Facilitate effective collaboration among local stakeholders

The NC serves as the primary liaison between local stakeholders, ADA and the two other WP leaders. In addition to the National Coordinators, the core of our team will consist of a Head of Programme overseeing operations, supported by a Programme Manager for daily project management tasks. Two Project Advisors will provide technical assistance, directly or indirectly, leveraging national and international experts through the partnerships with FSPs.
2.1 Geographical Coverage and Contract Duration

- Location: Bangladesh, Bhutan, Cambodia, Laos, Fiji and Nepal
- Proposed contract duration: 5 years
- Estimated starting date: 01/02/2024

The NC works under the supervision and closely with ADA’s TAs based in the region and reports to ADA’s Programme Manager based in ADA’s Office in Luxembourg.

2.2 Key Responsibilities

Support to implementation of WPs led by ADA

- Act as the key liaison between local stakeholders, especially FSPs, and ADA’s team based outside the country.
- Support ADA in national annual planning, ensuring strategic alignment of project objectives and budget allocations for FSPs’ grantees.
- Collaborate closely with ADA to define clear, measurable indicators for FSPs.
- Monitor performance indicators, ensuring they accurately reflect project progress and outcomes and consolidate them at a national level.
- Continuously monitor the progress of project activities through regular visits and direct communication with the FSPs. Inform ADA’s TAs and programme officer of any potential challenge.
- Oversee the production of project deliverables, ensuring they are completed on schedule and meet quality standards.
- Prepare and contribute to periodic national technical and financial reports (monthly, quarterly, annual), aligning with project’s internal procedures. Provide comprehensive and timely information to ADA about project implementation and developments.
- Manage procurement processes with external service providers when needed, including drafting Terms of Reference, expert identification, and contract preparation, in consultation with ADA.
- Oversee quality control of services from external stakeholders and maintain constructive engagement with them.
- Manage local expenses in accordance with the agreement signed with ADA.
- Provide comprehensive logistical and operational support to ADA’s team for smooth project implementation including translation and support to ADA’s onsite missions.

Support to General Coordination of ICCAP implementation in the target country:

- Collaborate with other work packages, particularly WP1, WP3, WP4, and WP5, to ensure cohesive project implementation.
- Support the gender equity and social inclusion objectives of WP5 in all national project activities.
- Participate in the planning, organization, and documentation of peer learning events, presentations, briefings, seminars, workshops, and other initiatives hosted or facilitated by ADA, including identifying and inviting participants, developing agendas, and producing meeting reports.
- Support the knowledge management activities, collecting lessons learned and managing communication efforts related to the project.
- Support for the coordination of institutional relationships and the mobilization of key stakeholders in the country.
- Ensure the communication of the project in the country.
3 APPLICATION SUBMISSION GUIDELINES

3.1 WHO CAN APPLY?

Organizations or firms having established national offices in one or more of these countries. This presence is necessary for ensuring the accessibility, responsiveness and context-specific approach needed for the project’s success.

The organisation or firm can be a national association, a consulting firm, a NGOs or a similar organization.

To ensure the role of national coordinator, the organisation or firm must rely on a part-time high-level expert with proven experience in leading complex projects supported by 1 or 2 team members according to the type of activities to be performed.

For Bhutan and Fiji, individual consultants may apply.

3.2 REQUIRED DOCUMENTS

Interested candidates must include in the application per country, the following documents:

- Detailed technical proposal including:
  - Company profile (description of its governance and management structure, accounting and financial internal procedures, local presence and affiliations/networks);
  - Motivation for the assignment;
  - Understanding of the TOR;
  - Proposed methodology;
  - Proposed team composition and roles description;
  - CVs of the proposed team;
  - List of projects and assignments undertaken by the firm to demonstrate its capacity and experience in managing similar projects in financial inclusion and climate adaptation (assignment/project name and brief description of the assignment/project, approx. of the total value of the program/contract in current US$ or euros, countries, duration of the assignment/project, name of the client including address and contact details, approx. value of the services provided by the firm under the contract in current US$ or euros, start and completion dates (month/year), description of actual services provided in the assignment/project, provided details if the assignment/project dealt/coordinated/worked with any local government authority and ministries);

- Financial proposal
  - The budget must encompass HR costs, local transportation expenses, administrative fees and other local expenses. All expenses related to trainings, seminars and similar activities will be covered by the project through the partnerships with FSPs or by the other WP.
  - The budget must be in EURO and provide the cost break down, including information about rates per person/days and other local expenses. All amounts must include VAT and/or taxes where applicable.
  - The maximum annual budget per country for this role is 70,000 euros (average), with variations based on the number of Financial Service Providers (FSPs) ranging from 40,000 to 80,000 euros.
  - Copy of the latest audited financial statements
  - Copy of legal registration

The application must be sent to ADA by email no later than 08/06/2024. The email should be sent to Wendy Medrano – Head of Programmes w.medrano@ada-microfinance.lu
4 SELECTION PROCESS

4.1 ELIGIBILITY CRITERIA

- Comprehensive knowledge of the financial inclusion sector and stakeholders as well as the green finance ecosystem in the country
- Local firm/organization registered under applicable laws in the target countries
- Incorporation certificate/ Certificate confirming the non-lucrative statement if applicable
- Regularly audited
- Demonstrated track record in project planning, development, monitoring, control, and steering
- Well defined governance and management structure
- Well established financial policies and procedures
- Extensive experience in working with international organizations and donors
- Proven track record in working with government authorities and ministries
- Positive financial standing for the last 3 years
- Capacity development proved experience ideally in financial inclusion and climate change adaptation

4.2 TIMELINE

The indicative recruitment timeframe is shown below:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
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<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>Receipt of proposals</td>
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<td>Evaluation and final selection</td>
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<tr>
<td>Negotiation</td>
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<tr>
<td>Signing the contract with the selected firm</td>
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<tr>
<td>Mobilization and Kick-off meeting</td>
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<tr>
<td>Project activities Implementation</td>
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4.3 EVALUATION

The proposal will be evaluated against the following criteria:

- Technical proposal quality
- Track record in project management and qualification and experience of the firm
- Knowledge of the country and its financial inclusion and climate adaptation background
- Accuracy of documentation provided
- References