

# TERMS OF REFERENCE

Green Inclusive Finance Policy and Regulatory Frameworks Assessment  
&  
Inventory and assessment of suitable “green” technologies, services, and supply chain actors and stakeholders for improving livelihood of Vulnerable Communities facing the effects of climate change

<b>Project framework</b>	Preparing the inclusive green finance ecosystem for scaled-up international private sector climate finance for adaptation and mitigation by vulnerable communities in Asia-Pacific.
<b>Target countries</b>	<b>South Asia:</b> Bangladesh Bhutan Nepal <b>Southeast Asia:</b> Cambodia Lao PDR
<b>Objectives of the external consultancy</b>	<ol style="list-style-type: none"> <li>1. Conduct Green Inclusive Finance Policy and Regulatory Frameworks Assessments in 5 target countries to understand the existing conditions and/or identify the gaps to creating an enabling regulatory environment for inclusive green finance.</li> <li>2. Inventory and assessment of suitable “green” technologies, services, and supply chain actors and stakeholders for improving livelihood of Vulnerable Communities to Climate Changes in applying mitigation measures, adopting adaptation techniques, and insuring their green transition and resilience in 5 target countries.</li> </ol>
<b>Allocated budget</b>	Maximum 93 000 EUR (for all 5 countries)

## 1. Background

SEI, in consortium with ADA, Pandan Green and APRACA, is setting up a new green finance programme aiming at “Preparing the inclusive green finance ecosystem for scaled up international private sector climate finance for adaptation and mitigation by vulnerable communities in Asia Pacific”.

The project outline was submitted to the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and has successfully passed the pre-selection process. **The project expected outcome is to scale private sector financial flows from international debt capital markets for smallholder farmers and vulnerable communities. It aims to establish a Technical Assistance Facility to prepare countries to build a pipeline of green, private-sector investments, as well as increase the local market’s readiness for absorbing greater amounts of future private climate finance looking for green investment opportunities in potentially 10 countries Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Nepal, Fiji, Samoa, Solomon Islands, Tonga and Vanuatu.**

The programme concept proposes to engage on four levels:

- It will prepare vulnerable local communities for the take-up of green processes and technologies for improved livelihoods
- It will create local, sustainable capacity and expertise on Inclusive Green Finance by supporting responsible Financial Service Providers (FSPs) to develop tailored financial products for climate change resilience and adaptation among other activities.
- **It will support regulators in the target countries to create an enabling regulatory environment of incentives and regulations; taxonomies for inclusive green finance; and policy reform measures to address regulatory hurdles such as funding rate caps, ownership restrictions and tax regimes.**
- It will prepare the local ecosystem for a new asset class, namely, direct investments from debt capital markets (through regional hubs) to vulnerable communities for climate action, through local FSPs.

The programme foresees the implementation of a preparation phase, which includes among other activities market studies and needs assessments in the pre-selected countries as well as identification of potential partners including Financial Service Providers (FSPs) and technology providers in order to develop new green financial products addressing the needs of the communities (with a main focus on agriculture and green energy). The results of the preparation phase activities will contribute to the design of the final proposal and theory of change for the 5 year programme.

## 2. Description of the assignments

The Consultant is expected to fulfil two assignments in parallel:

- **Assignment 1: Conduct Green Inclusive Finance Policy and Regulatory Frameworks Assessments in 5 target countries of South and Southeast Asia**
- **Assignment 2: Inventory and assessment of suitable “green” technologies, services, and supply chain actors and stakeholders in 5 target Pacific Islands.**

It is expected that the bidder will perform both assignments in each of the 5 countries. However, the Consortium reserves the right to split the Tasks between two or more bidders.

### 2.1 Assignment 1: Conduct Green Inclusive Finance Policy and Regulatory Frameworks Assessments in 5 target countries of South and Southeast Asia

In order to prepare the long-term engagement with regulators and other institutional stakeholders to promote and facilitate inclusive green finance, the objective of the consultancy is to assess the Policy and Regulatory Frameworks in target countries to understand the existing conditions and identify the gaps to creating an enabling regulatory environment for inclusive green finance and provide recommendations for support actions and development of synergies with existing support programs at national and regional levels. The assessment should look at the following aspects (but not exclusively):

- Institutional actors and key stakeholders' landscape in green climate finance per country:
  - who/what are the specific actors in each country influencing/ promoting green climate finance initiatives?
  - What is their level of influence (relative power) in the policy-making landscape? Why? And with what implications for policies?

- Are gender equality and human rights reflected in the value, vision and operation of these actors?
- Identification of green financing regulatory gaps and barriers
- Existing or potential links between the National Financial Inclusion Strategies (NFIS) and green inclusive finance. How do the NFIS and the green inclusive finance include, benefit and empower climate-vulnerable and marginalized groups?
- Existing or potential direct interventions from Governments to address environmental change through financial sector policies.
- List and analysis of policies that target low-income groups and micro, small and medium enterprises to mitigate and build resilience against the impacts of climate change.
  - Which sector/interventions are mostly targeted by those policies?
  - Which social groups are engaged and dependent on these targeted sectors? Are they climate-vulnerable and marginalized groups?
  - Who are leaders/owners of the targeted SME?
- Existing or potential Governments initiatives supporting the private sector in making financial resources available to low-income populations to build their resilience, adapt to the changing environment and reduce their environmental footprints.
  - Who are the low-income populations targeted by these initiatives and what are the gender and other socio-economic characteristics of those low-income groups?
  - What are the dynamics, including informal power relations and formal contractual arrangements, between public sector, private sector actors and the low-income groups? Why? Implications?
  - What are risk/benefit for those low-income groups posed by those contractual arrangements and the initiatives more broadly?
- Taxonomies for inclusive green finance implemented or in the government's pipeline in target countries, or any other reporting and/or disclosure requirements related to social and environmental performance (there may not be a taxonomy yet but more general reporting/disclosure rules).
- Barriers and opportunities to enable private sector—and in particular micro, and SMEs and women-led businesses--participation in climate investment planning and decision-making?
- What are potential incentives (and current disincentives) for financial institutions to increase lending to gender and socially-equitable green projects and to invest in gender transformative change of the climate financing sector? What case examples exist of role models and successful transformative change at this scale?
- In which way could the climate-vulnerable and marginalized groups influence the making of finance policy and regulation? (Assess both processes and capacities (what is needed to enable vulnerable groups to contribute effectively, what is needed to enable more powerful actors to listen effectively).

#### *METHODOLOGY AND SCOPE OF WORK*

1. Consultants will work closely with the consortium project team to ensure good coordination with other components of the preparation phase.
2. An inception Report, with research framework and methodology, initial data collection tools and instruments, and detailed work plan and schedule will be submitted and presented to the consortium during a coordination and feedback session.

3. Desk review of existing data (primary and secondary) and In-depth review of the financial policies and regulations will be carried.
4. Interviews with institutional partners and regulators will be organised in close collaboration with ADA (and other members of the consortium if necessary). Consultants should also coordinate and interview the regulators network AFI (Alliance for Financial Inclusion). Interviews guidelines will be designed by the consultants and validated by the consortium in advance.
5. A draft assessment and recommendations report will be submitted to the consortium for feedback and will be presented during a technical session. A draft Theory of change addressing the conditions for an enabling regulatory environment for inclusive green finance should be discussed and areas of potential intervention should be identified.
6. Final reports will be submitted to the steering committee for validation.

*DELIVERABLES AND TIME TABLE*

Activities	Deliverables	May 2022		June 2022		July 2022		August 2022
		1-15	16-30	1-15	16-31	1-15	16-30	1-15
Signing of Service Agreement								
Presentation of detailed methodology concept note to the consortium	Inception report							
Desk review of existing data and In-depth review of the financial policies and regulations	List of references used							
Design and validation of interviews guidelines	Interviews questionnaires List of interviewees							
Conduct interviews	Interviews summaries							
Draft report writing and presentation to consortium members	draft assessment recommendations report draft TOC							
Integration of feedback from the consortium	Na							

Final report writing and presentation	Final report (word version) and summary PowerPoint presentation							
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## 2.2 Assignment 2: Inventory and assessment of suitable “green” technologies, services, and supply chain actors and stakeholders in 5 target countries of South and Southeast Asia

The impacts of climate changes fall disproportionately on Vulnerable Communities in Developing World.

Lack of Climate Financing is one of the most important limiting factors to enable these populations to improve their livelihood in the climate change context in applying mitigation measures, adopting adaptation techniques, and insuring their green transition and resilience. The second main limiting factor is on the supply side of the equation.

The first question to address is to identify which are those technologies and services that are adapted and suitable for those Vulnerable Communities that address their transition and resilience. The availability, affordability and accessibility of each technology and services should be discussed, likewise the impact on climate changes in term of mitigation and adaptation.

Further, the issue of procurement, manufacturing, installation, and maintenance of these technologies is to be addressed, to measure the effective sustainability on the long run of the proposed technologies for these communities.

The assessment should look at the following aspects (but not exclusively):

- Identify “green” technologies and services that are already present and available in country and assess each of them based on Climate Changes criteria (CO2 emission avoided, Clean energy generated, land surface sustainably cultivated, volume of water saved ,...). Provide costs of equipment and services, likewise installation and maintenance cost. Estimate their use (number of end-clients already reached – disaggregated by gender) and sustainability. Point out the ones that are targeting Vulnerable Communities, women-entrepreneurs. Assess their availability, affordability and accessibility of each technology and services
- List all technology supply chain stakeholders present and active in country: developers, manufacturers, importers, resellers, installers, maintenance service providers, etc.
- List all support organisations including NGOs, development projects, Associations, local and international organisations, Government agencies, and other stakeholders involved in the green transition
- Identify other “green” technologies that could be introduced later.
- Develop a cost-benefit analysis with objective measurable criteria that will show why certain technologies are more beneficial and suitable than others for specific country/market
- Identify barriers and opportunities to enable private sector participation and analyse potential incentives for stakeholders to increase participation to green projects.
- Identify barriers to scaling up, challenges in general to develop/grow their businesses and make products available for vulnerable populations.

*METHODOLOGY AND SCOPE OF WORK*

7. Consultants will work closely with the consortium project team to ensure good coordination with other components of the preparation phase.
8. An inception Report, with research framework and methodology, initial data collection tools and instruments, and detailed work plan and schedule will be submitted and presented to the consortium during a coordination and feedback session.
9. Desk review of existing data and In-depth review of the existing technologies, services, and Stakeholders.
10. Interviews with key stakeholders of various categories will be organised in close collaboration with ADA (and other members of the consortium if necessary). Interviews guidelines will be designed by the consultants and validated by the consortium previously.
11. A draft assessment and recommendations report will be submitted to the consortium for feedback and will be presented during a technical session. A draft Theory of change addressing the conditions for an enabling regulatory environment for inclusive green finance should be discussed and areas of potential intervention should be identified.
12. Final reports will be submitted to the steering committee for validation.

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Conduct interviews	Interviews summaries							

Draft report writing and presentation to consortium members	draft assessment recommendations report draft TOC							
Integration of feedback from the consortium	N/A							
Final report writing and presentation	Final report (word version) and summary PowerPoint presentation							

### 3. ELIGIBILITY REQUIREMENTS

We are looking for a reputable consultant, consultancy firm or consortium with:

- Innovative postgraduate hands-on experts (MSc and PhD in related fields) with a proven combination of minimum 10 years of experience in Sustainable finance, Green Finance, Financial Inclusion, Climate change adaptation and mitigation and Rural Development.
- Considering the range of countries and expertise needed for this assignment, experts/organizations are encouraged to form consortiums for applying.
- Experience undertaking similar assignments in the region will be an added advantage.

### 4. PROPOSAL SUBMISSION

Interested consultants/consultancy firms are invited to submit their bids in the following format:

- Background and capability statement of the firm,
- An understanding of the consultancy requirements
- A detailed full-fledged proposal detailing how the consultants/consultancy firms propose to undertake the whole exercise,
- Initial methodology
- Work-plan and proposed timeline for performing the assignment, including check-in moment with the consortium, regarding field data collection.
- All-inclusive budget in (EUR), including a detailed cost breakdown (e.g. daily staff rates, hours per deliverable/activity, ect.) and must include all logistical and material costs (e.g. regional travel, local travel, accommodation, etc.). All amounts must be stated in EUR, and include VAT and other taxes where applicable.
- Detailed reference list indicating the scope and magnitude of similar assignments,
- Time Commitment/Availability,
- The CVs of the team that will work on this assignment specifying their respective roles,

· List of the previous contracts for similar services provided in the last 5 years, indicating information on: contractor, year when services were provided, short description of provided services, experience with public authorities, NGOs, farmers, international organizations.

## **5. SUBMISSION PROCESS**

All applications should be sent to Wendy Medrano at w.medrano@ada-microfinance.lu by close of business on May 15th, 2022 at 17.00 Hours Bangkok Time (GMT+7) and clearly marked

“[Application] Green Inclusive Finance Policy and Regulatory Frameworks Assessments & Inventory and assessment of suitable “green” technologies, services, and stakeholders”.

All applicants must meet the minimum requirements described above, and those unable to meet these requirements will not be considered.

The consultants/consultancy firms will be selected on the basis of the solidity of their proposed approach, proven experience, qualifications, and ability to deliver quality deliverables in time and in efficient manner.

## **6. GENERAL TERMS AND CONDITIONS**

Grounds for Exclusion

Service Providers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which ADA can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
- e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity.

Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Service Providers must confirm in writing that they are not in one of the situations as listed above.

ADA will reject offers if any illegal or corrupt practices have taken place in connection to the award or the tender procedure.