

Terms of reference



Empowered lives.
Resilient nations.

GENERAL INFORMATION

Title: *Specialist on Innovative financing for development*

Project Name : Social and Islamic finance portfolio development

Reports to: Assistant Country Director & Head of Environment Unit, UNDP Indonesia

Duty Station: Jakarta, UNDP Indonesia

Expected Places of Travel (if applicable): Java, Jambi, NTT (to be paid by project when needed)

Duration of Assignment: 3 (Three) Months

REQUIRED DOCUMENT FROM HIRING UNIT

	TERMS OF REFERENCE
	CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT , please select :
	(1) Junior Consultant
	(2) Support Consultant
	(3) Support Specialist
	(4) Senior Specialist
	(5) Expert/ Advisor
	CATEGORY OF INTERNATIONAL CONSULTANT , please select :
	(6) Junior Specialist
7	(7) Specialist
	(8) Senior Specialist
✓	APPROVED e-requisition

REQUIRED DOCUMENTATION FROM CONSULTANT

✓	CV or P11 with three references
✓	Copy of education certificate
✓	Completed financial proposal
✓	Completed technical proposal

Need for presence of IC consultant in office:

☐ partial (explain)

☐ intermittent (explain)

☒ full time/office based (the work is sensitive and complex, and requires constant deliberation with programme staff to ensure the work is carried out correctly)

Provision of Support Services:

Office space: ☒ Yes ☐ No

Equipment (laptop etc): ☐ Yes ☒ No

Secretarial Services ☐ Yes ☒ No

If yes has been checked, indicate here who will be responsible for providing the support services:

The head of the UNDP Environment Unit, Mr. Budhi Sayoko

I. BACKGROUND

“UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in 177 countries and territories, UNDP offers global perspective and local insight to help empower lives and build resilient nations.”

UNDP Indonesia's mission is to be an agent for change in the human and social development of Indonesia. We aim to be a bridge between Indonesia and all donors as well as a trusted partner to all stakeholders. We work in four key areas of development: Governance Reforms, Pro-Poor Policy Reforms, Conflict Prevention and Recovery, and Environment Management, with the overarching aim of reducing poverty in Indonesia. Besides the four priority areas, UNDP Indonesia is also engaged in a variety of crosscutting initiatives focused on HIV/AIDS, gender equality, and information and technology for development. In this context, the CO is aiming to strengthen and diversify its portfolio in the three following interlinked areas:

Social and Blended finance

In July 2015, prior to the announcement of the Sustainable Development Goals (SDGs), world leaders gathered at Addis Ababa for the Third International Conference on Financing for Development. Following the four-day event, the United Nations released the Addis Ababa Action Agenda (AAAA), a document affirming global leaders' commitment to addressing the challenges of financing for development. One of the key messages of the AAAA was that funding from the public sector was not enough to finance the SDGs; UNCTAD estimated that the development shortfall was as large as \$2.5 trillion annually for key sustainable development segments. In order to help the public sector in financing development projects, the AAAA suggests a greater role for private sector funding. One way to do this is by leveraging blended finance, defined by the World Economic Forum as “the strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets,” aimed at channeling private investment to sectors of high-development impact while delivering risk-adjusted returns.

Rationale of Post

To explore the utility and issues related to blended finance, the UNDP Indonesia CO decided to develop capacity in the area of social finance, (the sector providing funds to social enterprises-hence contributing to development results), which is actually the exploration of blended finance in a wider context. This is because UNDP cannot provide risk capital and make returns, but UNDP can provide an enabling environment and also facilitate specific programmes by establishing consortiums, linking actors through platforms etc. The area has huge potential to guide UNDP's future role in facilitating the achievement of the SDGs.

For this reason, an international level expert with a strong track record in the private sector as well as international development is required to support the development of such a portfolio.

II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

Organizational context

The expert will work under the UNDP Indonesia CO environment unit, ensuring alignment and synergies within environmental management portfolio. The expert will also liaise with BRH colleagues particularly on social finance, the latter falling under the innovation portfolio in BRH. The role will also involve supporting developing and maintaining a close relationship with major global and domestic partners involved in financing for development and the private sector. The role includes the preparation of proposals for resources mobilization in partnership with the Government of Indonesia.

The selected candidate is expected to coordinate complex streams of work and for this will work closely with internal and external counterparts, including Government, national institutions, civil society, private sector, both international and domestic, to successfully deliver, strengthen and expand the CO's portfolio in the area outlined above.

The selected candidate is expected to coordinate all the production of reports required in terms of using UNDP reporting standards, providing quality assurance, prepared on time for reviews, and submitted recipients (such as donors, HQs, and the Government of Indonesia) in timely manner.

Scope of work

Summary of requirements for the development of social and blended finance portfolio

- Setting strategic direction and vision for UNDP Indonesia's social finance/Islamic finance portfolio, taking into account evidence based needs of the sector, link with SDGs and UNDP corporate strategies, donor interest, political will etc.
- Securing funding for expansion of UNDP Indonesia social finance/Islamic finance portfolio, focusing on bilateral and non-traditional donors such as banks and Islamic states
- Development of a roadmap for upscaling social finance in Indonesia including recommendations on major policy revisions. This includes a concept paper/feasibility study of the social finance and social enterprise sector to clarify general capacity gaps and training/support needs for social finance (including social enterprises)
- A platform for sharing information and strengthening the voice of social enterprises
- Clarity on the regulatory environment including (1) foreign investors channelling capital to Indonesian social enterprises (through social finance providers or directly) and (2) blending public finance with private finance
- Furthermore, establishment of a pilot fund including:
 - A pipeline of social enterprises requiring funding, and design of specific training/enabling interventions to make the social enterprises bankable
 - Partnership with willing social finance providers, and initial design of appropriate funding arrangements for social enterprises identified above
 - Design of a social environmental safeguard mechanism and social finance impact monitoring framework to ensure gender and social positive impacts are achieved

Deliverables/ Outputs	Estimated number of working days	Completion deadline	Review and Approvals Required <i>(Indicate designation of person who will review output and confirm acceptance)</i>
Report outlining progress on blended finance fund, including: <ul style="list-style-type: none"> • Pipeline development • Fund legal discussion • Validate legal structure • Validate economics 	20	June 30	Head of the environment unit
Report outlining progress on blended finance fund, including: <ul style="list-style-type: none"> • Commitment of Investors • Legal structure established • Governance structure • Investment guidelines 	20	July 25	Head of the environment unit
Final report on progress of blended finance fund, including: <ul style="list-style-type: none"> • Funds secured • Fund economic options/cash flow analysis • Fund SDG impact indicators and targets 	20	August 30	Head of the environment unit

III. WORKING ARRANGEMENTS

Institutional Arrangement

- The Contractor will be directly responsible to, reporting to, seeking approval/acceptance of output from the head of the environment unit
- The frequency of progress reporting is minimum weekly, verbally to the Head of the environment unit, if not more frequent to ensure alignment of work with expected outputs. Ad-hoc updates of the deputy country director are also required as requested.
- The expert will also liaise with BRH colleagues particularly on social finance, the latter falling under the innovation portfolio in BRH. The role will also involve supporting developing and maintaining a close relationship with major global and domestic partners involved in financing for development and the private sector.

Duration of the Work

The duration of the work will be for 3 (three) months

Duty Station

The selected consultant will be stationed in Jakarta, UNDP Indonesia

Travel Plan

There is no expected travel plan for the duration of the assignment. If the Consultant is required to travel, during the execution of the contract this will be agreed on an ad-hoc basis.

IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

Academic Qualifications:

Master's Degree in social science, business administration, international project management and/or other relevant subjects.

Years of experience:

- Programmatic and professional expertise: at least 10 years' professional full time working experience in relevant fields such as business development, social finance, micro-finance, fund structuring etc.
- At least 3 years' experience working full time in the private sector, preferably in sector such as finance.
- Demonstrated ability and expertise on social and blended finance preferably in the context of the Asia Pacific region.
- Experience in developing concept notes and project proposals on social and blended finance.
- Demonstrated ability related to management of project cycles, including project formulation, budgeting, monitoring, reporting and evaluation
- Experience with UN/UNDP standards and procedures would be preferred.
- Proven ability to negotiate and troubleshoot relationships with national and international stakeholders, including government, NGOs and private sector
- Experience working with Government officials in the context of development projects
- Experience in the production of visual publications and various knowledge products is an asset.
- Experience in the usage of computers and office software packages (MS Word, Excel, PowerPoint) and knowledge of web based management systems is required.

III. Competencies and special skills requirement:

- ☐ Promoting ethics and integrity, creating organizational precedents
- ☐ Building support and political acumen
- ☐ Building staff competence, creating an environment of creativity and innovation
- ☐ Building and promoting effective teams
- ☐ Creating and promoting enabling environment for open communication
- ☐ Creating an emotionally intelligent organization
- ☐ Leveraging conflict in the interests of UNDP & setting standards
- ☐ Sharing knowledge across the organization and building a culture of knowledge sharing and learning. **Promoting learning and knowledge management/sharing is the responsibility of each staff member.**
- ☐ Fair and transparent decision making; calculated risk-taking

V. EVALUATION METHOD AND CRITERIA

Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

a) responsive/compliant/acceptable, and

b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

** Technical Criteria weight; 70%*

** Financial Criteria weight; 30%*

Only candidates obtaining a minimum of 70 point would be considered for the Financial Evaluation

Criteria	Weight	Maximum Point
<u>Technical</u>	70%	70
Criteria A: qualification requirements as per TOR:		
• Master's degree in relevant fields such as business administration		5
• Demonstrated expertise on establishing funds and/or social impact bonds (15), involving private (10) as well as public investors (10)		35
• Track record of fund raising for projects and initiatives involving small-medium business development, including in the context of funds and bonds		10
• Minimum 10 years of experience working in the private sector		5
• Experience working in financial sector and/or business development		5
• Demonstrated ability and expertise on social and blended finance preferably in the context of the Asia Pacific region.		10
• Criteria B: Brief Description of Approach to Assignment	30%	