

Terms of reference



Empowered lives.
Resilient nations.

GENERAL INFORMATION

Title: Social Finance Specialist

Project Names Sustainable Development Goals Impact Funds

Reports to: UNDP Innovative Financing Lab Team leader

Duty Station: UNDP Indonesia offices in Jakarta

Expected Places of Travel (if applicable): N/A

Duration of Assignment: 120 working days within 6 (Six) months

REQUIRED DOCUMENT FROM HIRING UNIT

<input checked="" type="checkbox"/>	TERMS OF REFERENCE
6	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) Specialist (8) Senior Specialist
X	APPROVED e-requisition

REQUIRED DOCUMENTATION FROM CONSULTANT

<input checked="" type="checkbox"/>	CV
<input checked="" type="checkbox"/>	Copy of education certificate
<input checked="" type="checkbox"/>	Completed financial proposal
<input checked="" type="checkbox"/>	Completed technical proposal

Need for presence of IC consultant in office:

☐ partial (explain)

☐ intermittent (explain)

☒ full time/office based (requires a number of meetings in office to discuss design, progress, consultation logistics etc.)

Provision of Support Services:

Office space: X Yes ☐ No

Equipment (laptop etc): X Yes ☐ No

Secretarial Services X Yes ☐ No

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

Signed by: Mohamad Ikhsan Modjo, Team Leader – Innovative Financing Lab, UNDP Indonesia CO

I. BACKGROUND

Indonesia's economic development has resulted in overall GDP growth, but has not necessarily advanced inclusive economic development especially in rural areas. Yet, Indonesia has a growing social finance sector, which promises to bridge big finance and micro-enterprises, addressing inequality by helping private investors help the poor not as a form of charity but as an investment, which is ultimately more sustainable. Furthermore, Indonesia has a burgeoning Islamic finance sector, with Islamic banking assets nearly tripling in value from US\$8 billion in 2010 to US\$22 billion in 2014¹.

Improving the access to social finance and improving the economic development of the rural poor is one of President Joko Widodo's development agendas called 'Nawa Cita', consisting of nine priorities to realise his vision of national sovereignty in political, economic, and cultural arenas. Environmental degradation and national resource over-exploitation, as well as inequality and poverty, are identified as some of the underlying challenges to address in order to achieve the President's development vision for Indonesia. The nine development priorities are captured in the National Medium Term Development Plan for 2015-2019 (RPJMN 2015-2019) and promote financial access to farmers and small businesses. The Indonesian government has further instructed Indonesian financial institutions to support micro businesses development to encourage economic growth.

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 channelling private investment to sectors of high-development impact while delivering risk-adjusted returns.

Purpose

The activity is also expected to broaden UNDP Indonesia's development portfolio and partners, including international and domestic financing institutions. As UNDP cannot provide risk capital and make returns, UNDP will explore the viability of creating an enabling environment and facilitating specific programmes by establishing consortiums, linking actors through platforms etc. In addition, UNDP will research and test new instruments and activities that contribute to financing SDGs by leveraging private sector contributions and investments. This will lead to crowding in private sector capital and has a huge potential implication for UNDP's future role in facilitating the achievement of the SDGs.

Context and relevance of required services

In light of the development of these on-going projects, the UNDP Innovative Financing Lab needs immediate support to maintain the current momentum and ensure both the rapid development and finalization of the project proposals as well as some initial work on starting off the projects. The projects are at a critical state where much legwork in terms of meetings, data gathering and the preparation of documents in order to secure a successful outcome. Hence, temporary support is needed for data gathering and analysis, literature research, engaging with stakeholders, writing documents. The overall project will require three teams which will need to be guided and coordinated in order to achieve the set of objectives.

Key stakeholders on social finance are: BAPPENAS (Indonesian) Ministry of National Development Planning; OJK (Financial Services Authority), Ministry of Finance, BKF
Donor: Canadian Embassy, Embassy of the Netherlands, UKCCU, DFID,
Partners: Angel Investment Network in Indonesia (ANGIN), 500 Startups, UNSIF

Upon arrival, the IC will receive access to several reports and publications compiled by Innovative Financing Lab Team. These reports map the social finance landscape in Indonesia and include all relevant information for operating and navigating in the environment.

II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

UNDP Innovative Financing Lab in Indonesia is planning to expand its portfolio on social entrepreneurship and impact investment, and support the development of Indonesia's social finance sector, with the overall aim of increasing financing for social enterprises, strengthening their social/environmental impacts and introducing new tools such as Pay for Success mechanisms (Social Impact Bonds), thereby contributing to the achievement of the SDGs.

Objectives:

- 1) Establish and advance a joint agenda on Social Impact Bonds with the relevant government agencies
- 2) Develop an SDG Impact Accelerator for impact ventures
- 3) Develop an SDG Impact Fund
- 4) Develop proposals for resource mobilisation on the different projects
- 5) Plan and organise outreach events to promote the work of the Innovative Financing Lab, engage in discussions with stakeholders and advance the projects' agendas
- 6) Develop the Accelerator's programme for the first batch of impact ventures.

Expected Outputs and deliverables

The consultant is expected to work in close cooperation with the UNDP Innovative Financing Lab Team, and the UNDP country Office over a period of 6-months to produce the following deliverables:

Output 1: Report (3-Pages) on the development and implementation of a joint agenda on the introduction of Social Impact bonds in Indonesia. The report should include:

- Consultations with relevant government agencies such as Bappenas, Ministry of Finance, and BKF
- Consultations with potential partners such as UNESCAP and AVPN
- The result of a dedicated event to establish the joint agenda
- Coordination with UNSIF and other country/regional offices working on the Social impact bonds.

Output 2: Report (3-Pages) on the support provided to the set-up of a SDG Impact Accelerator. The report should include:

- Support to the partner identification and selection process
- The formation of a timeline for setting up the accelerator
- Consultations and discussions resulting in the shaping of the accelerator's first batch and mandate.

- Support to the creation of the accelerator business and workplan

Output 3: Report (3-pages) on the support provided for setting-up the SDG Impact Fund. The report should Include:

- A clear timeline on the SDG Impact Fund's set-up and activities
- Support provided to the partner selection process
- Support to the negotiation process with the selected partner

Output 4: report (3-Pages) outlining the various proposals and consultations held towards mobilizing resources for the projects above, or new work streams related to the Innovative Financing Lab's mandate. The report should include:

- Consultations held with stakeholders
- Contributions and creation of proposals
- Participation in the Innovative Financing Lab's events to showcase and present the current projects

Output 5: Report (3-pages) on the events planned, organised and attended. The report should include:

- A detailed description of the event's goals and objectives as well as the support provided to their organisation.
- A list of key organisations and individuals encountered at these events, with a description of their core activities, mandates and potential collaboration
- Support provided to the elaboration of event related communication materials
- Recommendations on future approaches and partnership with these organisations/individuals

Output 6: Report (3-Pages) summarizing support provided to the Accelerator's program of first batch of impact ventures. The report should include:

- Support provided at the different steps of the first batch
- Coordination between the project manager and impact specialist
- Reporting and consultations with regional experts

Deliverables/ Outputs	Estimated number of working days	Completion deadline	Review and Approvals Required
Deliverable 1: Report (3-Pages) on the development and implementation of a joint agenda on the introduction of Social Impact bonds in Indonesia.	20 days	28st of February 2019	Team Leader Innovative Financing

<u>Deliverable 2:</u> Report (3-Pages) on the support provided to the set-up of a SDG Impact Accelerator.	20 days	30th of March 2019	Team Leader Innovative Financing
<u>Deliverable 3:</u> Report (3-pages) on the support provided for setting-up the SDG Impact Fund.	20 days	30th of April 2019	Team Leader Innovative Financing
<u>Deliverable 4:</u> Report (3-pages) on the support provided for setting-up the SDG Impact Fund.	20 days	31st of May 2019	Team Leader Innovative Financing
<u>Deliverable 5:</u> Report (3-pages) on events planned, organised and attended.	20 days	28th of June 2019	Team Leader Innovative Financing
<u>Deliverable 6:</u> Report (3-Pages) summarizing support provided to the Accelerator's program of first batch of impact ventures.	20 days	31st of July 2019	Team Leader Innovative Financing

III. WORKING ARRANGEMENTS

Institutional Arrangement

The incumbent will report to the Team Leader, Innovative Financing Lab, UNDP Indonesia. He will also obtain guidance from UNDP CO on applicable formats and templates and ensure that his/her work is compliant with UNDP requirements.

The work is based in the UNDP Indonesia office in Jakarta although sporadically working remotely is possible if agreed by the Team leader of the Innovative Financing Lab. The work outlined in this TOR is expected to be carried out on a desk review basis with any additional information gained through electronic means. However, in the event that travel is necessary, all necessary costs will be borne by the project.

Duration of the Work

The IC will be working for 6 months, no more than 20 days per month. The target date to start the work is February 1st 2019 and the work is expected to be completed by August 1st 2019.

Travel Plan

N/A

IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

Academic Qualifications:

Master's degree in economics or development, natural science, and environmental studies

Experience:

- A minimum 2 (Two) years' experience on work related to social enterprises, social finance and social impact, and innovative financing mechanisms for development;
- Experience in engaging with various stakeholders;
- Experience in preparing and writing proposal;
- Experience in social entrepreneurship, business incubator and accelerator;
- Experience in conducting workshops and organising events.

Competencies and special skills requirement:

- Have good interpersonal and communications skills;
- Ability to work independently and in a team;
- Fluency in English and good written communication skills;
- Good time management skills;
- Ability to work on several issues and prioritize.

V. EVALUATION METHOD AND CRITERIA

1. 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
Criteria A: qualification requirements as per TOR:	70%	
<ul style="list-style-type: none"> • Minimum 2 years for Master Degree or 6 years for Bachelor Degree of professional experience, preferably in public policy, public and private partnership, or other relevant experience. 		25 points
<ul style="list-style-type: none"> • A minimum 2 (Two) years' experience on work related to social impact, social finance and social impact, and innovative financing mechanisms for development. 		20 points
		15 points

<ul style="list-style-type: none"> • <i>Demonstrated experience in engaging with various stakeholders.</i> • <i>Demonstrated in presentation preparation and proposal writing.</i> • <i>Previous work experience in social entrepreneurship, business incubator and accelerator.</i> • <i>Some experience conducting workshops and organising events.</i> 		15 points 15 points 10 points
<i>Criteria B: Technical Proposal containing:</i> 1. <i>A brief approach to the work</i> 2. <i>A detailed workplan</i> 3. <i>List of potential stakeholders to be engaged and potential events to be organised</i>	30%	1. 40 points 2. 35 points 3. 25 points

ⁱ <http://www.clydeco.com/insight/article/islamic-finance-in-indonesia>