

Terms of reference



Empowered lives.
Resilient nations.

GENERAL INFORMATION

Title: Senior Specialist – Innovative Finance (International Consultant)

Project Names: Impact Fund – Social Investment Bond project

Reports to: UNDP Innovative Financing Team leader

Duty Station: UNDP Indonesia offices in Jakarta

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

Duration of Assignment: 15 working days within 2 (two) months (November – December 2019)

REQUIRED DOCUMENT FROM HIRING UNIT

	TERMS OF REFERENCE
8	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

V	CV or P11
V	Copy of education certificate
V	Completed financial proposal
v	Completed technical proposal

Need for presence of IC consultant in office:

partial (explain)

intermittent (explain) The consultant should be present in UNDP when particular meetings are taking place and when project activities are conducted.

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

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: UNDP Indonesia

Signed by: Muhammad Didi Hardiana, Head of Innovative Financing Lab, UNDP Indonesia

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 Innovative Financing Lab is expected to broaden UNDP Indonesia's development portfolio and partners, including international and domestic financing institutions. As UNDP cannot manage capital, it 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.

¹ <http://www.clydeco.com/insight/article/islamic-finance-in-indonesia>

Context and relevance of required services

In light of the development of these on-going services, 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.

Upon arrival, the IC will receive have 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 continue the expansion of 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. The main objectives of this assignment are:

- 1) Develop proposals for resource mobilisation on the different projects
- 2) Advance the Social Impact Bonds discussion with Bappenas
- 3) Support the development of SDG Impact Fund

Expected Outputs and deliverables

The consultant is expected to work in close cooperation with the UNDP Innovative Financing Lab Team, the UNDP Indonesia Country Office, and UNDP Bangkok Regional Hub, over a period of 2-months to produce the following deliverables:

Output 1: Report on the development of a project document draft, (or Project Initiation Plan as required) to support Bappenas on the design and establishment of a Pay-for-Success mechanism/ Social Impact Bond: The report should include:

- Consultations with relevant government agencies such as Bappenas, Ministry of Finance, and BKF and securing a letter from Bappenas requesting UNDP support
- Consultations with potential partners: potential investors and service providers
- Coordination with UNSIF and other country/regional offices working on the Social impact bonds.
- Outline and key aspects of the PD/PIP

Output 2: Report on the support provided to the set-up of Impact Fund. The report should include:

- Discussions and negotiations with APEC Business Advisory Council (ABAC) Indonesia on the development of SDG Impact Fund
- Secure agreement with selected fund manager regarding the contribution of the fund to UNDP on a cost-recovery basis

- Policy advocacy support provided to the implementation of SDG Impact Fund activities as well as outreach actions undertaken

Output 3: Report on the different proposals drafted and finalized internally; the report should include:

- Discussions and negotiations with ADB on the Impact Aim proposal, ADB Ventures and Canada on Impact Fund proposal
- Debriefing of follow ups with partners regarding the shared 2-pagers on the different portfolio projects
- Discussions with UN RC Office and other UN agencies on SDG joint fund on Innovative Financing
- Other inputs to proposals and documents drafted by the IFL team

Deliverables	Estimated number of working days	Completion deadline	Review and Approvals Required
<p><u>Output 1:</u> Report (3-Pages) on the development of a project document draft, (or Project Initiation Plan as required) to support bapenas on the design and establishment of a Pay-for-Success mechanism/ Social Impact Bond: The report should include:</p> <ul style="list-style-type: none"> • Consultations with relevant government agencies such as Bappenas, Ministry of Finance, and BKF and securing a letter from Bappenas requesting UNDP support • Consultations with potential partners: potential investors and service providers • Coordination with UNSIF and other country/regional offices working on the Social impact bonds. • Outline and key aspects of the PD/PIP 	5 days	29 November 2019	Approval by: Reviewed and approved by Head of Innovative Financing Lab
<p><u>Output 2:</u> Report on the support provided to the set-up of Impact Fund. The report should include:</p> <ul style="list-style-type: none"> • Discussions and negotiations with APEC Business Advisory 	5 days	16 December 2019	Approval by: Reviewed and approved by Head of Innovative Financing Lab

<p>Council (ABAC) Indonesia on the development of SDG Impact Fund</p> <ul style="list-style-type: none"> • Secure agreement with selected fund manager regarding the contribution of the fund to UNDP on a cost-recovery basis • Policy advocacy support provided to the implementation of SDG Impact Fund activities as well as outreach actions undertaken 				
<p><u>Output 3:</u> Report on the different proposals drafted and finalized internally; the report should include:</p> <ul style="list-style-type: none"> • Discussions and negotiations with ADB on the Impact Aim proposal, ADB Ventures and Canada on Impact Fund proposal • Debriefing of follow ups with partners regarding the shared 2-pagers on the different portfolio projects • Discussions with UN RC Office and other UN agencies on SDG joint fund on Innovative Financing • Other inputs to proposals and documents drafted by the IFL team 	5 days	31 December 2019	Approval by: Reviewed and approved by Head of Innovative Financing Lab	

III. **WORKING ARRANGEMENTS**

Institutional Arrangement

The incumbent will report to the UNDP Innovative Financing Team Leader , UNDP Indonesia and to UNDP's selected implementation partner on the project. He/she 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 Innovative Financing Lab office in Jakarta. 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 to other regions or cities is necessary, all necessary costs will be borne by the project.

Duration of the Work

The IC will be working for 15 working days within 2 months. The target date to start the work is November 2019 and the work is expected to be completed by December 2019.

Travel Plan

There may be unforeseen travel that will come up during the execution of the contract which will be agreed on ad-hoc basis.

IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

Academic Qualification:

- Master's Degree in business administration, economics, finance, international development; or relevant fields

Years of Experience:

- At least 6 years of Experience in working in the domains of Social Entrepreneurship; or Innovation; or Venture Capital, or Private Equity, or Impact Investment, or Project Incubation & Acceleration, or Project Finance;
- International Experience in the fields of fundraising, business and economic research as well as working in SME environment and understanding the issues and challenges facing SMEs in Indonesia is a strong assets;
- Experience and understanding of policy, advocacy, evaluation, business, and finance.

Competencies or Special skills: :

- Passion for social innovation, entrepreneurship, impact investments
- Knowledge of major impact investment developments, emerging markets and development economies will be a strong asset;
- Strong project management skills (organization and implementation)
- Excellent quantitative and analytical skills
- Ability to work under the pressure, with minimum supervision and on-distance;
- Demonstrated initiative, tact and high sense of responsibility and discretion;
- Strong teamwork skills;
- Excellent communication skills, written and oral;
- Strong computer literacy and proficiency in MS Office (MS Word, Excel, etc.);

- Proficiency in written and spoken English.

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
<u>TECHNICAL:</u>		100
<p>Criteria A: qualification requirements as per TOR:</p> <p>a. Master's Degree in business administration, economics, finance, international development;</p> <p>b. At least 6 years of Experience in working in the domains of Social Entrepreneurship; or Innovation; or Venture Capital, or Private Equity, or Impact Investment, or Project Incubation & Acceleration, or Project Finance;</p> <p>c. Experience in the fields of fundraising, business and economic research as well as working in SME environment and understanding the issues and challenges facing SMEs in Indonesia is a strong asset.</p> <p>d. Experience and understanding of policy, advocacy, evaluation, business, and finance</p>	70%	70 a. 15 points b. 15 points c. 25 points d. 15 points
<p>Criteria B: Brief Description of Approach to Assignment</p> <p>A brief approach to the work</p> <p>1. A detailed workplan</p> <p>2. List of potential stakeholders to be engaged and potential events to be organised</p>	30%	1. 15 points 2. 10 points 3. 5 points