



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

National Consultant to Support for Preparation of National Private Sector Financing Strategy for Productive Sectors to identify Investment Opportunities through Private Sector Partnerships

Reference No.: UNDP/PN/02/2020

Date: 3 January 2020

Country: NEPAL

Description of the assignment: As per the attached Terms of Reference (ToR)

Project name: UNCDF Nepal

Period of assignment/services (if applicable): 30 days (spread from 1 Feb to 31 March 2020)

Proposal should be submitted by email to procurement.np@undp.org not later than **1700 hours (Nepal Standard Time) on 17 January 2020** mentioning reference No. **UNDP/PN/02/2020 – National Consultant (UNCDF)**.

Any request for clarification must be sent in writing, or by standard electronic communication to the e-mail: query.procurement.np@undp.org mentioning Procurement Notice Ref: **UNDP/PN/02/2020: National Consultant (UNCDF)**, on or before **13 January 2020**. The procurement unit will respond in writing, including an explanation of the query without identifying the source of inquiry and post in UNDP website: <http://www.np.undp.org/content/nepal/en/home/procurement.html>. Inquiries received after the above date and time shall not be entertained.

1. BACKGROUND

The purpose of the assignment is to conduct technical and financial feasibility of productive sectors in Nepal where the private sector can mobilise and invest their resources on climate based solutions that contribute to national climate change priority actions, mitigation and adaptation priorities and also demonstrate their linkages with GCF strategic areas of investment. The technical and financial feasibility of the productive sectors is envisaged to attract private sector investments on climate-based solutions to mitigation and adaptation priorities by leveraging opportunities available from GCF Private Sector Facility (PSF).

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

For detailed information, please refer to the Terms of Reference – ToR

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

I. Academic Qualifications:

- Master's Degree in Business Administration, Finance, Economics and/or other relevant areas.

II. Years of experience:

- Minimum 7 years' work experience in banking sector supporting private sector and working with MSMEs or local financial institutions and funds or green banking.
- Experience on designing financing strategy on productive sectors.
- Work experience in an international organization is an advantage, as is knowledge of UNDP policies and procedures.

III. Required Languages:

- Fluency in written and spoken English and Nepali are required.

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

- Offeror's Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment
- A cover letter with a brief presentation of your consultancy explaining your suitability for the work;
- A brief methodology on how you will approach and conduct the work

Note:

- a) Applicants of 62 years or more require full medical examination and statement of fitness to work to engage in the consultancy
- b) The candidate has to be an independent consultant (If the candidate is engaged with any organization, the organization employing the candidate will be issued with a Reimbursable Loan Agreement (RLA) to release the employee for the consultancy with UNDP.)

c) Due to sheer number of applicants, the procurement unit will contact only competitively selected consultant.

- **Financial Proposal**
- **Personal CV including past experience in similar projects and at least 3 references**

5. FINANCIAL PROPOSAL

- **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount.

6. EVALUATION

Individual consultants will be evaluated based on the following methodologies:

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 49 point would be considered for the Financial Evaluation

Criteria	Weight	Max. Point
<u>Technical</u>		
<ul style="list-style-type: none">• Criteria A Experience in banking and cost-benefit analysis of development projects	20%	20
<ul style="list-style-type: none">• Criteria B Experience in using different financing instruments	30%	30
<ul style="list-style-type: none">• Criteria C Experience in preparing financing strategy of green investments	20%	20

<u>Financial</u>	30%	30	
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Contract will be awarded to the technically qualified consultant who obtains the highest combined score (financial and technical). The points for the Financial Proposal will be allocated as per the following formula:

$$\frac{\text{Lowest Bid Offered} *}{\text{Bid of the Consultant}} \times 30$$

* “Lowest Bid Offered” refers to the lowest price offered by Offerors scoring at least 70% points in technical evaluation.

ANNEX

ANNEX I- TERMS OF REFERENCES (TOR)

ANNEX II- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS (different attachment)

ToR for National Consultant to Support

Preparation of National Private Sector Financing Strategy for Productive Sectors to identify Investment Opportunities through Private Sector Partnerships

BACKGROUND

Government of Nepal has taken various initiatives in devising appropriate policies, programme, and institutional and financial arrangements to achieve long term solution to address the climate risks. Ministry of Finance works as National Designated Authority (NDA) for Green Climate Fund (GCF) to access resources for public and private investments on climate change through national system.

As a global fund, the Green Climate Fund promotes countries to focus on paradigm shifting low-emission and climate-resilient development that emphasizes on a collective climate action from all countries targeting both the public and private sectors. Thus, GCF has opted for an innovative financing that use public investment to stimulate private finance with the aim to unlock the power of climate-friendly investment for low emission, climate resilient development.¹

In order to scale up GCF's activities and meet this challenge, GCF has set up a Private Sector Facility (PSF) to fund and mobilize institutional investors and leverage GCF's funds to encourage corporates to co-invest. The investment under the PSF focuses within the eight strategic result areas that are in line with country priorities. PSF is actively engaging with pension funds, insurance companies, corporations, local and regional financial intermediaries, and the capital markets in many countries. The PSF acts as a catalyst for funding high impact, transformative and innovative climate projects and activities in developing countries. The PSF aims to change the current paradigm by de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate resilient development. Under the PSF, GCF uses flexible financial instruments i.e. debt, equity, guarantees, grants to encourage innovation² and can combine these instruments with concessional funding to promote private sector investment by:

- De-risking investments, including foreign exchange and investors' default;
- Bundling small projects into portfolios, providing scale and making them attractive to institutional investors;
- Supporting capacity building amongst different groups and local institutions;
- Helping develop public-private partnerships for infrastructure resilience projects;
- Encouraging innovation, for example by overcoming scale problems and fragmentation within the supply chain;

¹ <https://www.greenclimate.fund/who-we-are/about-the-fund>

² GCF Private Sector Facility. 2017.

https://www.greenclimate.fund/documents/20182/194568/The_Green_Climate_Fund_s_Private_Sector_Facility.pdf/c47eacd1-5b93-4fe0-97de-b4b9ebe669d3

- Being active in the clean energy, climate resilience and sustainability communities.

To continue and strengthen the current efforts to effectively and efficiently plan for, access, manage, deploy and monitor climate financing through GCF, UNDP is supporting NDA through GCF Readiness and Preparatory Support (GCF RPS) project, which aims to:

- Enhance national ownership process beyond the NDA and engage the inter-ministerial technical committee and other stakeholders for a wider and stronger national ownership; and
- Strategically and systematically build the national capacity at various levels to ensure that the knowledge, processes and mechanisms are transferred to the extent possible and thus contributing to sustainable capacity building efforts.

UNDP has engaged ICIMOD and UNCDF to prepare National Private Sector Financing Strategy for Productive Sectors to identify investment opportunities through private sector partnerships. Annex A provides the terms of reference from UNDP to ICIMOD and UNCDF for the development of the Strategy. Productive sectors that are under consideration for the Strategy are energy, agriculture, manufacturing, extractive industries and commercial sectors. The first step to prepare the Strategy is to conduct an in-depth scoping, assessment and mapping of the productive sectors to illustrate their potential to contribute to national climate change priority actions and linkages with GCF strategic areas, potential of marketability and scale. This assessment is envisaged to give a picture of private sector engagement in climate-relevant ventures in Nepal in order to identify high-potential sectors, areas and projects where private sectors have scope to invest within the GCF and other potential climate finance windows. The second step is to identify investment barriers including regulatory, technical and financial aspects and make policy recommendations to address barrier for effective access and mobilization of private sector facility to achieve its overall development goal.³ Based on these assessments, a financing strategy will have to be prepared, which will outline immediate, medium and long-term priority to leverage financing from GCF's private sector facility. The strategy will outline pathways of engagement of and with accredited entities (international) and direct access entities.

In this context, UNCDF plans to engage a national consultant to support on the technical and financial feasibility of priority intervention and provide technical input on the strategy component. This terms of reference gives details of the tasks and outputs expected from the national consultant. The overall 'Terms of Reference (TOR) for Preparation of National Private Sector Financing Strategy for Productive Sectors to identify Investment Opportunities through Private Sectors Partnerships' is an integral part of this ToR, which should be referred to in order to understand how the national consultant's contribution supports the Strategy preparation.

OBJECTIVES OF THE ASSIGNMENT

The purpose of the assignment is to conduct technical and financial feasibility of productive sectors in Nepal where the private sector can mobilise and invest their resources on climate based solutions that contribute to national climate change priority actions, mitigation and adaptation priorities and also demonstrate their linkages with GCF strategic areas of investment. The technical and financial feasibility

³ MoF/UNEP/UNDP/GCFRP.2017. Assessment of Private Sector Engagement in Climate Relevant Activities in Nepal.

of the productive sectors is envisaged to attract private sector investments on climate-based solutions to mitigation and adaptation priorities by leveraging opportunities available from GCF Private Sector Facility (PSF). The specific objectives include:

- Financial assessment and the investment opportunities of private sector on climate-based solutions which have been identified;
Key questions - Would the sector provide a reasonable and measurable return on investment or positive Net Present Value (NPV) that could crowd-in/promote private sector investments? Is the project commercially and technically viable?
- Conduct cost-benefit analysis, Internal Rate of Return, financial sustainability and sensitivity analysis of potential interventions in prioritized productive sectors relevant to accessing GCF PSF;
Key questions - Does the financial forecasts provide a clear and comprehensive view of the underlying assumptions used, especially relating to revenue line items and key cost components? Have the forecasts been sensitized to reflect key business risks?
- Contribute to the preparation of National Private Sector Financing Strategy that outlines immediate, medium-term and long-term investment plans highlighting the priorities of the country including policy briefs

SCOPE OF WORK

A team of experts from ICIMOD and UNCDF are engaged in the preparation of National Private Sector Financing Strategy for productive sectors to identify Investment opportunities through private sector partnerships. The national consultant will be an important member of the team who will work in coordination with other experts during the technical and financial feasibility study. The consultant is expected to develop financial models and economic analysis of the climate solutions proposed through the mapping assessment.

Technical assessment and financial feasibility of each priority intervention should include cost-benefit analysis (CBA) of the proposed priority interventions. The CBA should involve a two-step analysis:

- Financial analysis, concerning with the revenue, operational and maintenance costs, liabilities and assets associated with the priority intervention; and
- Economic analysis, which is more broadly concerned with the economic, social and environmental implications for the society.

The specific tasks are, but not limited to:

- a. Identify the gaps, challenges in terms of financing climate-based solutions to private sector investments in priority sectors and advise specifically what is required in scaling up the current interventions or inject innovative approaches or methods to accelerate the climate action.

- b. Analyze use of financing instruments (senior loans, subordinated loans, concessional loans, equity, grants, reimbursable grants, guarantees etc.) to co-finance climate-based investments according to GCF's Private Sector Facility norms and guidelines and Nepal's context. Provide technical analysis of policies and plans on private sector investment and opportunities in line with GCF's strategic impact areas.
- c. Assess financial and economic feasibility of the project/investment in the productive sector from the standpoint of GCF's investment criteria. Provide indicative pipeline of projects mapped within the productive sectors, including indicative portfolio size, average size of projects and entities and their financing gap. It should include:
 - A detailed assessment of the potential sustainability of the investment/project after donor funds are exhausted.
 - Identification of all financial, economic, social and environmental costs and benefits associated with project and as much as possible assign monetary value.
 - Details of possible Public-Private Partnerships investment options for the long-term sustainability of the investment; including mapping of funding sources currently available in country that can be channeled to climate-based solutions.
 - Description of the model, assumptions and methodologies, including the choice of discount rate and modelling under uncertainty.
 - Calculations of the internal rate of return, net present value and discounted and nominal cost-benefit relations and other management ratios considered as relevant. Calculations and ratios ought to be sensitized to reflect key business risks.
 - Financial analysis of investment priorities towards pipeline development for funding proposal for GCF's PSF mechanism.
 - Assessment of legal permissibility of different financing instruments in Nepal based on existing legal framework.
- d. Support in preparing Private Sector financing strategy to leverage GCF PSF based on technical and feasibility analysis. Identify and provide linkages with the accredited entities, direct access entities, and private sectors. The financing strategy should outline immediate, medium and long-term priority to leverage financing from GCF PSF. The strategy will outline pathways of engagement of and with accredited entities and direct access entities and include:
 - Identification of key thematic sectors and projects in Nepal for accessing GCF PSF.
 - Introduction to GCF's PSF, and structure of engagement for accredited entities with PSF
 - Strategic approach to pipeline development by accredited entities for the identified sectors.
 - Alternate financing structures and engagement modalities for investments by PSF to accredited entities.
 - Alternate financing structures and engagement modalities for investments by accredited entities to projects.
 - Technical preparations by accredited entities to engage with PSF.
 - Technical preparations by projects to engage with accredited entities.
- e. Present technical and financial analysis methodology and outcomes in sharing and validation meeting on financing strategy with key stakeholders i.e. NDA, accredited entities and line ministries. Finalize the report with inputs, comments and feedback received from stakeholders.

- f. Support in preparing Policy Briefs on investment opportunity across priority sectors. The brief will provide a broad articulation on the productive sectors, its link with the investment criteria and the GCF PSF including key challenges and policy gaps on private sector financing from GCF.

METHODOLOGY

Desk review of GCF related global and national publications, review of national institutional and legal framework for private sector and environment/ climate related laws and regulations, stakeholder consultations, key-informant interviews etc.

DELIVERABLES

The specific deliverables and estimated work-days are outlined below:

Deliverables	Work-days
i. Inception Brief: Briefing with the project team and submission of an inception report outlining methodology and work plan for the technical and financial feasibility assessment.	2
ii. Technical and Financial Feasibility Assessment Report: The assessment report will provide technical and financial feasibility for investment on the productive sectors to assess their economic viability and sustainability.	15
iii. Private Sector Financing Strategy with Linkage to GCF PSF: Suggest outline of the strategy and contribute to the content of the private sector financing strategy.	8
iv. Sharing and Validation Meeting on Financing Strategy: Presentation of draft strategy to seek comments and feedback.	1
v. Policy Brief on Investment Opportunity Prepared: Contribution to the Policy Brief	2
vi. Submission of Final Report	2
Total	30 days

EXPERT PROFILE

National Expert (Private Sector financing)

- Master's Degree in Business Administration, Finance, Economics and/or other relevant areas
- Minimum 7 years' work experience in banking sector supporting private sector and working with MSMEs or local financial institutions and funds or green banking
- Experience on designing financing strategy on productive sectors
- Work experience in an international organization is an advantage, as is knowledge of UNDP policies and procedures.

**OFFEROR'S LETTER TO UNDP
CONFIRMING INTEREST AND AVAILABILITY
FOR THE INDIVIDUAL CONTRACTOR (IC) ASSIGNMENT**

**UNDP/PN/02/2020: National Consultant to Support for Preparation of National Private Sector
Financing Strategy for Productive Sectors to identify Investment Opportunities through Private
Sector Partnerships**

Date _____

United Nations Development Programme
UN House
Pulchowk,
Lalitpur, Nepal

Dear Sir/Madam:

I hereby declare that:

I have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities of **National Consultant to Support for Preparation of National Private Sector Financing Strategy for Productive Sectors to identify Investment Opportunities through Private Sector Partnerships**.

- A) I have also read, understood and hereby accept UNDP's General Conditions of Contract for the Services of the Individual Contractors;
- B) I hereby propose my services and I confirm my interest in performing the assignment through the submission of my CV which I have duly signed and attached hereto as Annex 1;
- C) In compliance with the requirements of the Terms of Reference, I hereby confirm that I am available for the entire duration of the assignment, and I shall perform the services in the manner described in my proposed approach/methodology which I have attached hereto as Annex 3.
- D) I hereby propose to complete the services based on the following payment rate:

☐ A total lump sum of *[state amount in words and in numbers, indicating exact currency]*, payable in the manner described in the Terms of Reference.

- E) For your evaluation, the breakdown of the abovementioned all-inclusive amount is attached hereto as Annex 2;

F) I recognize that the payment of the abovementioned amounts due to me shall be based on my delivery of outputs within the timeframe specified in the TOR, which shall be subject to UNDP's review, acceptance and payment certification procedures;

G) This offer shall remain valid for a total period of _____ days [*minimum of 90 days*] after the submission deadline;

H) I confirm that I have no first degree relative (mother, father, son, daughter, spouse/partner, brother or sister) currently employed with any UN agency or office [*disclose the name of the relative, the UN office employing the relative, and the relationship if, any such relationship exists*];

I) If I am selected for this assignment, I shall [*please check the appropriate box*]:

- ☐ Sign an Individual Contract with UNDP;
- ☐ Request my employer [*state name of company/organization/institution*] to sign with UNDP a Reimbursable Loan Agreement (RLA), for and on my behalf. The contact person and details of my employer for this purpose are as follows:

J) I hereby confirm that [*check all that applies*]:

- ☐ At the time of this submission, I have no active Individual Contract or any form of engagement with any Business Unit of UNDP;
- ☐ I am currently engaged with UNDP and/or other entities for the following work:

Assignment	Contract Type	UNDP Business Unit / Name of Institution/Company	Contract Duration	Contract Amount

- ☐ I am also anticipating conclusion of the following work from UNDP and/or other entities for which I have submitted a proposal:

Assignment	Contract Type	Name of Institution/ Company	Contract Duration	Contract Amount

K) I fully understand and recognize that UNDP is not bound to accept this proposal, and I also understand and accept that I shall bear all costs associated with its preparation and submission and that UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.

L) **If you are a former staff member of the United Nations recently separated, please add this section to your letter:** I hereby confirm that I have complied with the minimum break in service required before I can be eligible for an Individual Contract.

M) I also fully understand that, if I am engaged as an Individual Contractor, I have no expectations nor entitlements whatsoever to be re-instated or re-employed as a staff member.

O) Are any of your relatives employed by UNDP, any other UN organization or any other public international organization?

YES ☐ NO ☐ If the answer is "yes", give the following information:

Name	Relationship	Name of International Organization

P) Do you have any objections to our making enquiries of your present employer?

YES ☐ NO ☐

Q) Are you now, or have you ever been a permanent civil servant in your government's employ?

YES ☐ NO ☐ If answer is "yes", WHEN?

R) REFERENCES: List three persons, not related to you, who are familiar with your character and qualifications.

Full Name	Full Address	Business or Occupation

S) Have you been arrested, indicted, or summoned into court as a defendant in a criminal proceeding, or convicted, fined or imprisoned for the violation of any law (excluding minor traffic violations)?

YES ☐ NO ☐ If "yes", give full particulars of each case in an attached statement.

I certify that the statements made by me in answer to the foregoing questions are true, complete and correct to the best of my knowledge and belief. I understand that any misrepresentation or material

omission made on a Personal History form or other document requested by the Organization may result in the termination of the service contract or special services agreement without notice.

DATE: _____

SIGNATURE: _____

NB. You will be requested to supply documentary evidence which support the statements you have made above. Do not, however, send any documentary evidence until you have been asked to do so and, in any event, do not submit the original texts of references or testimonials unless they have been obtained for the sole use of UNDP.

Annexes *[please check all that applies]:*

- ☐ CV shall include Education/Qualification, Professional Certification, Employment Records /Experience
- ☐ Breakdown of Costs Supporting the Final All-Inclusive Price as per Template
- ☐ Brief Description of Approach to Work (if required by the TOR)

BREAKDOWN OF COSTS⁴
SUPPORTING THE ALL-INCLUSIVE FINANCIAL PROPOSAL

A) Breakdown of Cost by Components:

Cost Components	Quantity	Unit Cost (NPR)	Total in NPR
I. Personnel Costs			
Professional Fees	30 days		
II. Travel⁵ Expenses to Join duty station	NA		
Round Trip Airfares to and from duty station	NA		
Living Allowance	NA		
Travel Insurance	NA		
Terminal Expenses	NA		
Others (pls. specify)	NA		
III. Duty Travel	NA		
Round Trip Airfares	NA		
Living Allowance	NA		
Travel Insurance	NA		
Terminal Expenses	NA		
Others (pls. specify)	NA		
Total			
IV. Field visits outside duty station	<i>Applicable travel cost for field visit will be borne by UNCDF, if any.</i>		

B) Breakdown of Cost by Deliverables*

Deliverables	Percentage of Total Price (Weight for payment)	Amount in NPR
Submission and the acceptance of the inception report	20% payment	
Submission and the acceptance of the final report	80% payment	
Total	100%	NPR

**Basis for payment tranches*

⁴ The costs should only cover the requirements identified in the Terms of Reference (TOR)

⁵ Travel expenses are not required if the consultant will be working from home.

Annex A

Terms of Reference (TOR) for Consultancy Service for Preparation of National Private Sector Financing Strategy for Productive Sectors to identify Investment Opportunities through Private Sectors Partnerships

BACKGROUND

Government of Nepal has taken various initiatives in devising appropriate policies, programme, and institutional and financial arrangements to achieve long term solution to address the climate risks. Ministry of Finance (MoF) has been effectively and efficiently planning to access resources from Green Climate Fund (GCF) and managing public investments on climate change through national system. Ministry of Finance is designated National Designated Authority (NDA) for GCF and implemented a first phase of GCF readiness initiative, funded by the Government of Germany (BMU) since 2016 to build core institutional capacity and accelerate direct access to the Fund through national entities.

To continue and strengthen the current efforts to effectively and efficiently plan for, access, manage, deploy and monitor climate financing through GCF, a second phase of readiness support was approved by the GCF Secretariat for Nepal with UNDP as delivery partner. This GCF Readiness and Preparatory Support (GCF RPS) project aims to:

- Enhance national ownership process beyond the NDA and engage the inter-ministerial technical committee and other stakeholders for a wider and stronger national ownership; and
- Strategically and systematically build the national capacity at various levels to ensure that the knowledge, processes and mechanisms are transferred to the extent possible and thus contributing to sustainable capacity building efforts.

The project will target private sectors and capacity building across the government, both of which will require significant preparatory work before GCF financing will be possible at scale. The readiness activities will build up on key achievements, outputs and learnings from previous readiness efforts towards wider engagement of national stakeholders in the GCF process. Some of the key activities proposed interventions under the Readiness & Preparatory Support includes supporting under five key outcomes of the GCF Readiness & Preparatory support in Nepal which are: i) Country capacity strengthened; ii) Stakeholders engaged in consultative processes; iii) Direct access realized; iv) Access to finance; and v) Private sector mobilization.

As a global fund, the Green Climate Fund promotes countries to focus on a paradigm shifting low-emission and climate-resilient development that emphasizes on a collective climate action from all countries targeting both the public and private sectors. Thus, GCF has opted for an innovative financing that use public investment to stimulate private finance with the aim to unlock the power of climate-friendly investment for low emission, climate resilient development.⁶

The Private Sector Facility (PSF) serves the purpose to scale up GCF activities towards mobilization of institutional investors and leverage GCF's funds to encourage corporates to co-invest with GCF.⁷ The PSF acts as a catalyst for funding high impact, transformative and innovative climate projects and activities in developing countries. The PSF aims to change the current paradigm by de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate resilient development. Under the PSF, GCF aims to support financial instruments i.e. debt, equity, guarantees and grants to de-risk investments, drive systematic

⁶ <https://www.greenclimate.fund/who-we-are/about-the-fund>

⁷ <https://www.greenclimate.fund/what-we-do/private-sector-facility>

transformations, scale small projects and bundle them into large portfolios, support capacity building, develop public-private climate-resilient infrastructure and encourage innovation.⁸ More importantly, the investment under the PSF focuses within the eight strategic result areas that are in line with country priorities.

Thus, in 2017, the first phase of the GCF Readiness Programme with support from the German Government (BMU) undertook an assessment to assess and map private sector engagement in climate-relevant ventures in Nepal in order to identify high-potential sectors, areas and projects where private sectors have scope to invest within the GCF and other potential climate finance windows. The assessment also focused on identifying investment barriers include regularity, technical and financial and make policy recommendations to address barrier for effective access and mobilization of private sector facility to achieve its overall development goal.⁹ The assessment report provides a broad perspective on the entire sectors that is in line with the eight strategic result areas as well as identifies potential sectors and potential projects for investment.

Thus, taking account and guidance from the comprehensive assessment report and based on discussion with the NDA, another more in-depth assessment on the productive sectors i.e. agriculture, manufacturing, extractive industries and commercial sectors was agreed. In context for broader private sector engagement and opportunities, the in-depth assessment will not be limited to the productive sectors. The new assignment will focus on two major components, primarily:

- i. An assessment component that will focus on an in-depth scoping of these sectors, their potential to contribute to the national climate change priority actions and linkages with GFC strategic areas, potential of marketability and scale; and
- ii. The financing strategy component will outline immediate, medium and long-term priority to identify prioritized sectors for leverage financing from GCF's private sector facility. The strategy will outline pathways of engagement of and with accredited entities (international) and direct access entities.

In this context, a terms of reference (ToR) has been sought with International Center for Integrated Mountain Development (ICIMOD) and United Nations Capital Development Fund (UNCDF) for the same.

While ICIMOD will lead the inception report, scoping report, mapping climate solutions for upscaling including coordination, consultations, and reporting of these activities; UNCDF will lead the assessment report on technical and financial feasibility of priority intervention and provide technical input on the strategy component. Jointly ICIMOD and UNCDF will work on the completion of the strategy and the policy briefs.

OBJECTIVES OF THE ASSIGNMENT

The purpose of the assignment is to assess and map out the productive sectors in Nepal to translate it into potential, feasible and scalable business case with clear scope for active involvement of private and financial sectors on mitigation and adaptation investment priorities as well as open opportunities to engage with GCF Private Sector Facility (PSF). The specific objectives include:

- Scoping assessment on the investment opportunities of private sector engagement on climate based solutions and consultations;
- Mapping and data visualization of climate vulnerability to identified sectors;
- Preparation of a national private sector financing strategy that outlines immediate, medium-term and long-term investment plans highlighting the priorities of the country including policy briefs;
- Sharing and dissemination of the assessment to outline investment priorities for the private sectors and opportunities for collaboration.

⁸ GCF Private Sector Facility. 2017.

https://www.greenclimate.fund/documents/20182/194568/The_Green_Climate_Fund_s_Private_Sector_Facility.pdf/c47eacd1-5b93-4fe0-97de-b4b9ebe669d3

⁹ MoF/UNEP/UNDP/GCFRP.2017. Assessment of Private Sector Engagement in Climate Relevant Activities in Nepal.

SCOPE OF WORK

The scope of work fundamentally focusses on analytical work from the existing information to gather evidence and map out productive sector in Nepal i.e. renewable energy, agriculture, industry, tourism, forestry and water which are supposed to be low profit and high-risk investment areas¹⁰ that have either have evidence of or have potential to drive climate solutions. However, mapping will not be limited to productive sectors and can be expanded based on country priorities and consultation with key stakeholders.

The first segment is the assessment which will draw out compendium of solutions for that are implemented at small-scale and with potential for transformative solutions at large scale. Thus, the identified sectors and the climate smart solution interventions are expected to come from active involvement of private and financial sectors and have significant contributions to or are aligned with low carbon climate resilient development pathways. The analytical work consists of identifying and categorizing the productive sectors based on their existing contribution and potential to contribute manifold to the climate smart development pathways; gathering data of the productive sectors, with clear understanding of current capacity of private and financial sectors involved in productive activities relevant to climate action; and mapping of the scale and nature of the current utilization of their capacities. The analytical work and mapping exercise of the sectors should support in prioritizing top climate change solutions/interventions in the key sectors with potential to catalyze investments in line with GCF priority results areas. The resulting GIS information and data will be housed at the Ministry of Finance website to help decision makers assess priority areas for intervention.

The second segment of the analytical assignment will identify the gaps, challenges and detect the solutions to address the issues. Thus, the policy bottlenecks in scaling up the current interventions or inject innovative approaches or methods to accelerate the climate action will be identified for enhancing the climate investments. The feasibility assessment in terms technical and financial should justify the scaling up potential of prioritized action.

Based on overall analysis, the third segment of the assignment will be to prepare private sector financing strategy to attract private and financial sectors investment and help leverage GCF Private Sector Facility. The strategy will be used by the Ministry of Finance to facilitate and boost private and financial sector involvement in low carbon climate resilient development in Nepal, which will be closely aligned with national climate related SDG targets, nationally determined contributions and amended National Climate Change Policy.

Under the ToR, ICIMOD will be responsible for Outputs 1 and 2; and UNCDF will be responsible for Output 3 and 4. ICIMOD and UNCDF will support each other through knowledge and technical sharing as well as consultations. UNDP, UNCDF and ICMOD will closely work to undertake a series of consultation meetings with private sector and public sector leaders at the national, provincial and local government levels to ensure engaged discussion during the scoping exercise. UNDP will provide a separate Letter of Agreement (LoA) to ICIMOD and UNCDF for mobilization of resources. The assignment will be carried out in close coordination between MoF, UNDP, ICIMOD and UNCDF. The specific detail of scope is explained below.

Output 1: Inception, consultations, review and scoping report (Output 1 led by ICIMOD with support from UNCDF)

1.1 Inception Report

The inception report will have a well-defined timeline, a clear conceptual framework and methodology in-line with the delivery of targets outlined in the Terms of Reference (ToR). The conceptual framework will provide clear step-wise approach linking it with the expected outputs for this assignment.

¹⁰ MoF/UNDP/UNEP.2017. Assessment Study of Private Sector Engagement in Climate Relevant Activities in Nepal.

1.2 **Scoping Assessment Report**

The firm will review all of Nepal's existing adaptation and mitigation related climate change related national and sectoral plans, policies and strategies along with reports prepared by the BMU funded programme on engagement strategy and the draft country programme and pipeline activities. The firm is also expected to review key GCF policies documents and decisions that pertain to engagement with private sectors to ensure compliance with such policy provisions.

The firm will review the assessment report on the private sector prepared by the BMU funded readiness programme that provides an overall assessment on leveraging investment to private sector resources for climate change solutions. The assessment under this ToR will include mapping private sector engagement in climate relevant ventures in Nepal to identify high potential sectors, areas and projects while also identifying investment barriers with the aim for low carbon path.¹¹ The firm will also review and familiarize with GCF's strategic impact areas, investment framework criteria of funding proposal along with the existing modalities under GCF for supporting private sector financing i.e. Private Sector Facility (PSF) including the financial instruments towards development of funding proposal development.

The scoping report will also provide a review of private sector investment projects¹² and concerted efforts of GCF to identify result areas for GCF investment.¹³ The scoping report will also assess Nepal's economic sectors based on the GCF's impact areas and will prioritize using parameters i.e. national policies and priorities; linkages with GCF's strategic impact area; current private and financial sectors involved in such sectors; geographic trends by provinces in making use of market opportunities and scalability to identify key economic sectors for in-depth analysis; and development of financing strategy. More importantly, economic sectors with national priority on foreign direct investment (FDI) and high-risk for investment will be identified. The scoping assessment should include medium- and long-term climate scenarios for Nepal while the vulnerability profile must provide climate drivers, risk mapping, impact and key vulnerabilities due to climate induced disasters i.e. floods and droughts and its impacts particularly on the productive sectors. The firm will work closely with the team of experts engaged for the preparation of the GCF Country Programme for Nepal for stock taking on climate scenarios and vulnerability profile of Nepal.

1.3 **Consultative workshop held with private sector and public-sector leaders**

Through a series of meetings and consultations, the firm will share the objective of the assessment report to a larger multi-stakeholder audience with the aim of building momentum for more robust cooperation. During these consultations, think tanks, senior experts, and high-level decision makers of private sector and public-sector leaders will be engaged. The discussion will be facilitated with the Federation of Nepalese Chambers of Commerce and Industries (FNCCI) to ensure engaged discussion and ownership of the designed projects. This process is important for soliciting inputs, integration and strengthen alliances. In the later part of the assignment, these organizations will be consulted for the validation effort on the data developed. During the consultative process, the firm will validate the draft project ideas for private and financial sector involvement and advise potential areas to leverage GCF Private Sector Facility. **UNDP and UNCDF will mobilize its networks and support ICIMOD for the consultation meetings at the national, provincial and local government levels.**

Output 2: Assessment and Mapping of Productive Sectors to Climate Change (Led by ICIMOD with support from UNCDF)

2.1 **Criteria for prioritization of sectors, geographic areas and initiatives Developed**

¹¹ Assessment Study of Private Sector Engagement in Climate Relevant Activities in Nepal (2017). MoF/UNEP/GCFRPS

¹² <https://www.greenclimate.fund/what-we-do/projects-programmes>

¹³ https://www.greenclimate.fund/documents/20182/1270184/GCF_B.21_Inf.04_-_Identification_of_results_areas_where_targeted_GCF_investment_would_have_the_most_impact.pdf/c91c907b-1d40-e1f5-2cc4-98ac82add67e?version=1.0

Based on the analysis from the scoping exercise, the firm will develop criteria for prioritization of the economic sectors. In view of prioritizing the investment from GCF, the firm is expected to provide a strong climate rationale and its argument for investment. The proposed criteria from the firm will be jointly discussed and agreed for further analysis.

2.2 Data Analysis and Visualization

Based on the scoping assessment, the firm will be required to undertake an in-depth mapping to create profile and baseline of key economic sectors context in Nepal. The mapping assessment will take consideration of additional variables i.e. enablers/barriers for the market opportunities that can impact such sectors i.e. population density, energy access, markets, supply chains, flood/drought zones etc., for enriching the level of interpretation. Visualization approach should use GIS tool by creating maps for technical analysis and interpretation.

As a final output, a compendium of climate solutions with potential for upscaling will be identified and mapped. However, the potential solutions should not be limited to only Nepal and can be lessons learnt/best practices across the globe with potential/feasible for replication.

Output 3: Assessment report on technical and financial feasibility of priority intervention (Led by UNCDF with support from ICIMOD)

3.1 Technical and Financial Feasibility Assessment

A process of technical and feasibility assessment of the priority interventions in each prioritized sector will be narrowed based on consultation with the key stakeholders. The technical feasibility will look to design an approach on sectors to be prioritized, the geographical area along with the entire feasibility to be undertaken. The assessment will provide a broad outlook on productive sectors and an investment strategy options. Natural barriers and challenges will also be identified during the process and options to create enabling environment will be prepared. In addition, financial feasibility for investment on the productive sectors will be undertaken with application of financial or economical tools that will showcase their economic viability and sustainability.

Output 4: National Private Sector Financing Strategy prepared (Led by UNCDF with support from ICIMOD)

4.1 Private Sector financing strategy developed to leverage GCF PSF

Based on technical and feasibility analysis, a national financing strategy for the productive sectors and the engagement of the private sectors for the same will be prepared for each of the prioritized sectors. The financing strategy will provide in-depth analysis productive sectors, the prioritized sectors for targeted investment, and the financial investment strategy in line with GCF's investment criteria. The strategy will also identify and provide linkages with the accredited entities, direct access entities, and private sectors.

4.2 Sharing and Validation Meeting on Financing Strategy

Sharing of the financing strategy with key stakeholders i.e. NDA, accredited entities and line ministries on the financing strategy will be organized. The inputs will be internalized and the final version will be shared to the NDA for its review, endorsement and finalizing the strategy.

4.3 Policy Brief on investment opportunity across priority sectors prepared

A policy brief on investment opportunities and potential pipelines for GCF investment opportunity on productive will be drafted based on the financing strategy. The brief will provide a broad articulation on the productive sectors, it's link with the investment criteria and the private sector facility. The brief will address key challenges on private sector financing from GCF particularly on policy gaps.

DELIVERABLES

The specific deliverables are outlined below:

Stage of work	Deliverables	Lead Agency
Output 1: Inception, consultations, review and scoping report		
vii. Inception Brief: Briefing with the project team and submission of the study inception report with detailed work plan.	Submission of Inception Report (within day 5)	ICIMOD
viii. Scoping Assessment Report: Scoping report will provide a narrative of the economic sectors and identify priority sectors for investment based on criteria identified.	Submission of Scoping Report (within day 10)	ICIMOD
ix. Consultation Meetings: Consultation meetings to outline procedure and rationale and criteria for prioritization of sectors, geographic areas and initiatives.	Proceeding report of consultations meeting (Within day 25)	ICIMOD
Output 2: Assessment and Mapping of Productive Sectors to climate change		
x. Mapping of productive sectors to identify investment opportunity: Prioritize productive sectors (but not limited to) for investment opportunity and climate rationale	Submission of report on mapping of productive sectors including GIS shape files (within day 35)	ICIMOD
xi. Data visualization and interpretation: Interpretation of data and link to the identified priorities	Submission of report on data analysis and linkages (within day 45)	ICIMOD
Output 3: Assessment report on technical and financial feasibility of priority intervention		
xii. Assessment Report on Technical and Financial Feasibility of Priority interventions:	Scoping report on prioritization criteria and checklist prepared (within day 55)	UNCDF
Output 4: National Private Sector Financing Strategy prepared		
xiii. Private Sector Financing Strategy with Linkage to GCF's PSF	Submission of financing strategy of	UNCDF

	identified sectors (within day 65)	
xiv. Sharing and Validation Meeting on Financing Strategy	Proceeding report of sharing & validation meeting (within day 90)	UNCDF
xv. Policy Brief on Investment Opportunity Prepared:	Publication of one policy brief (within day 75)	UNCDF
xvi. Submission of Final Report	Submission of final reports (within day 100)	ICIMOD/UNCDF

The detailed report must be submitted in English. Both hard and soft copies of all the report including the supporting materials must be submitted. The reports, data and images must be in an editable format.

ROLES & RESPONSIBILITIES

The firm will be working under the overall guidance and supervision of the Project Manager of the GCFRPS Programme and work closely with the Climate Finance Unit within the Ministry of Finance, the National Designated Authority for GCF and the UNDP CO. The firm is expected to consult with Ministry of Finance /International Economics Coordination and Cooperation Division (IECCD) and members of the Climate Finance Unit. In addition, the firm is also expected to work with the team of experts that are engaged in preparation of GCF's Country Programme for Nepal. The detailed roles and responsibilities are provided below;

ICIMOD:

- i. ICIMOD will be responsible for Outputs 1 and 2 as outlined in section No. 3 and No. 4.
- ii. ICIMOD will work jointly with UNDP and UNCDF.
- iii. ICIMOD will provide support to UNCDF in Outputs 3 and 4 where required.

UNCDF

- i. UNCDF will be responsible for Output 3 and 4 as outlined in section No. 3 and No. 4.
- ii. In view of UN to UN agreement, fund for the responsible assignment will be directly disbursed to UNCDF.
- iii. UNCDF will work jointly with UNDP and ICIMOD. UNCDF will provide support to ICIMOD in Outputs 1 and 2 where required.
- iv. UNCDF mobilize its networks and support ICIMOD for the consultation meetings at the national and provincial levels with private sector and public sector leaders to ensure engaged discussion during the scoping exercise.

UNDP

- i. UNDP will be responsible facilitation with the government and quality assurance.
- v. UNDP will mobilize its networks and support ICIMOD for the consultation meetings at the national and provincial levels with private sector and public sector leaders to ensure engaged discussion during the scoping exercise.
- ii. UNDP will provide a separate Letter of Agreement (LoA) to ICIMOD and UNCDF for mobilization of resources.

TECHNICAL TEAM COMPOSITION AND EXPERIENCE

A multi-disciplinary team of experts comprised of in-house experts and procured from market will be engaged for the assignment. The qualification, roles and responsibilities and working engagements demanded by the assignment is provided below.

S. N.	Resource Person	Qualification and Work experience	Roles & Responsibilities	Working Days
1.	Team Lead (Private Sector Financing Specialist – National)	<ul style="list-style-type: none"> - Master's degree in relevant subjects - At least 10 years of work experiences in stakeholder engagement for development strategies for governments or international agencies; - Track record of leading multi-disciplinary team in complex assignment with experience in liaising and coordination with government agencies. 	<ul style="list-style-type: none"> - Review and analyze reports on the productive sectors of Nepal - Responsible to lead overall design, consultation, documentation, and presentation/communication related to assignment, - Lead stakeholder consultations engaging multiple stakeholders resulting in constructive engagement strategies 	50 days
2.	National Expert (Private Sector financing)	<ul style="list-style-type: none"> - Master's Degree in Business Administration, Finance, Economics and/or other relevant areas - Minimum 7 years' work experience in banking sector supporting private sector and working with MSMEs - Experience on designing financing strategy on productive sectors; - Work experience in an international organization is an advantage, as is knowledge of UNDP policies and procedures. 	<ul style="list-style-type: none"> - Provide technical analysis of policies and plans on private sector investment and opportunities in line with GCF's strategic impact areas - Financial analysis of investment priorities towards pipeline development for funding proposal for GCF's PSF mechanism - Facilitate effective coordination and communication amongst all key stakeholders during technical and feasibility study 	30 Days
3.	International Expert (Investments and private sector financing)	<ul style="list-style-type: none"> - Master's Degree in Business Administration, Finance, Economics and/or other relevant areas - Minimum 5 years' work experience in international organizations on structuring investment models for private sector financing 	<ul style="list-style-type: none"> - Guide national expert on use of various financial instruments for private sector financing. - Support on structuring of financing modalities for various projects. 	17 days