

# Annex I

## Terms of reference



### GENERAL INFORMATION

**Title:** Expert for Feasibility and Option Implementation of Debt-for Nature Swap

**Project Name:** Biodiversity Finance Initiative (BIOFIN)

**Reports to:** National Project Manager

**Duty Station:** Home-based

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

**Duration of Assignment:** From July to December 2021 (65 working days)

### REQUIRED DOCUMENT FROM HIRING UNIT

<input checked="" type="checkbox"/>	TERMS OF REFERENCE
<input type="checkbox"/>	5 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
<input checked="" type="checkbox"/>	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 ( if applicable )

### Need for presence of IC consultant in office:

☐ partial (explain)

☒ intermittent (explain) (Virtual meeting will be required)

☐ full time/office based (needs justification from the Requesting Unit)

### 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

Name: Bayuni Shantiko

Title: National Project Manager

## I. BACKGROUND

National governments have demonstrated a clear commitment to fulfil their mandates for biodiversity conservation and sustainable use in ways compatible with national development goals and identify a diverse range of financing solutions for biodiversity management. UNDP believes a transformation is needed in the way biodiversity finance is planned and managed to unlock the resources required to meet the Aichi Targets defined in the CBD's Strategic Plan 2011-2020 to promote sustainable development and the eradication of poverty.

BIOFIN aims to develop a methodology for quantifying the biodiversity finance gap at the national level to improve cost-effectiveness by mainstreaming biodiversity into national development and sectoral planning, developing comprehensive national finance plans. BIOFIN provides a framework for undertaking "bottom-up" analyses and resource mobilization strategies, embedded in a transformative process led by national stakeholders to allow countries to implement their National Biodiversity Strategic Action Plan (NBSAPs) and achieve national biodiversity targets. BIOFIN will feed into the development of NBSAPs, while the NBSAP projects, in turn, will provide a platform for integration into decision-making processes.

National teams work with the global BIOFIN team on the following components: 1) Policy and Institutional Review (PIR); 2) Biodiversity Expenditure Review (BER); and 3) Finance needs assessment (cost and gap analysis); 4) Biodiversity Finance Plan (BFP); and (5) Implementation of Financial Solutions.

Based on insights gained from BIOFIN assessments, it acknowledges the importance of tapping additional financing to support the biodiversity agenda of Indonesia. The evaluation reveals that generating financing alone could not address the challenges. Thus, it transcends the focus on developing additional resources and identifies a range of "finance solutions" that leverage finance, fiscal and economic tools, and strategies to improve the country's biodiversity objectives. Financing solutions include a range of transformative actions:

- generating more financing to fund the NBSAPs or associated planning documents
- appropriate attribution of biodiversity expenditures in the budget
- attaining cost-effective budget execution by eradicating overlaps in biodiversity functions
- eliminating expenses that continue to or aggravate dissipation of biodiversity resources
- paving the groundwork for a responsive policy environment through greater awareness on biodiversity and biodiversity financing and enhancing institutional support towards monitoring of NBSAPs

Meanwhile, The Biodiversity Finance Plan identified 74 existing finance mechanisms and 83 potential finance solutions for scale-up and implementation. One of the finance solutions is debt-for-nature-swap. Debt-for-nature swaps (DNS) can mobilize resources for protecting nature while reducing the debt burden of developing countries. In exchange for debt forgiveness, the government commits to invest the accrued savings in conservation and/or climate related expenditures. [\[1\]](#)

Indonesia implemented the debt swap model for the first time with the Government of Germany in 2000. Indonesia had implemented two models for DFNS in Indonesia. First, the line ministry implemented a specific program specific to the swap agreement. Second, the fund manager managed the swap fund and channelled through a grant-making organization and then solicited the proposal from NGOs/community groups for program implementation in the field.

In the absence of credible fund managers, the first model will be less acceptable by the creditor. However, Indonesia is now operationalizing environmental trust fund (BPD LH), which is instrumental in mediating large financial transactions with accountability such as DFNS. In this light, the BIOFIN will facilitate the feasibility and option for DFNS implementation and capacity building and policy advocacy for the government and the BPD LH.

[\[1\] Debt for nature swaps \(undp.org\)](#)

## II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

The consultant will work with the BIOFIN Project Management Team and UNDP Technical Adviser for Natural Resources and Governance. Consultant will undertake feasibility and option for DFNS implementation as well as capacity building and policy advocacy for the government and the BPDH.

Scope of work of the assignment are as follows:

- Review and update of the foreign debt profile, creditors' policies, policy and regulatory, risks analysis, credit rating and financial elements for debt for nature swap
- Review and assess the current and past implementation of debt swap and distil lesson learnt and recommend future improvement
- Based on the review and assessment, provision of the executive actions and decisions to pursue debt for nature swap based on the risk analysis: the opportunity for debt swap; implementation options; financial design mechanism, preparation of proposal and selection of focal area of conservation (e.g., flagship species, ecosystem service etc.)
- Lead the development of policy paper and/or brief necessary to support the key ministries during debt swap preparation, design and implementation
- Identify the most appropriate mechanism of debt for nature swap from selected creditor countries particularly USA, UK, Germany
- Review and analysis of the readiness level and required institutional capacity of BPLDH to receive and manage the received debt swap for nature
- Support policy advocacy on debt for nature swap to key stakeholders including technical ministries and BPDH
- Support design and develop activities for further institutionalization of debt for nature swap
- Support capacity building on debt for nature swap implementation option to key government officials

Expected Outputs and deliverables

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>
1 <sup>st</sup> payment will be made upon submission and approval by UNDP of:  <ul style="list-style-type: none"> <li>• The analysis of the current practice of debt for nature swap in Indonesia: Key lessons learned</li> </ul>	10 days	30 July 2021	National Project Manager BIOFIN
2 <sup>nd</sup> payment will be made upon submission and approval by UNDP of:  <ul style="list-style-type: none"> <li>• The risks analysis on regulatory, policy and debt rating, financial elements for debt for nature swap</li> </ul>	10 days	31 Aug 2021	National Project Manager BIOFIN
3 <sup>rd</sup> payment will be made upon submission and approval by UNDP of:  <ul style="list-style-type: none"> <li>• Provision of the executive actions and decisions to pursue debt for nature swap based on the risk analysis</li> </ul>	10 days	30 Sep 2021	National Project Manager BIOFIN
4 <sup>th</sup> payment will be made upon submission and approval by UNDP of:  <ul style="list-style-type: none"> <li>• Identification of the most appropriate mechanism of debt for nature swap from selected creditor countries particularly USA, UK, Germany</li> </ul>	10 days	29 Oct 2021	National Project Manager BIOFIN
5 <sup>th</sup> payment will be made upon submission and approval by UNDP of:  <ul style="list-style-type: none"> <li>• Analysis of the readiness level of BPLDH to receive and manage the received debt swap for nature</li> </ul>	15 days	30 Nov 2021	National Project Manager BIOFIN

6 <sup>th</sup> payment will be made upon submission and approval by UNDP of <ul style="list-style-type: none"> <li>The required institutional capacity package for BPLDH readiness to manage the received debt swap for nature fund.</li> </ul>	10 days	31 Dec 2021	National Project Manager BIOFIN
<b>III. WORKING ARRANGEMENTS</b>			
<p><b>Institutional Arrangement</b></p> <p>Under direct guidance of the project manager and technical advisor for natural resource and governance, the selected candidate will have close coordination with Ministry of Finance and Bappenas. Following rounds of consultation and comments from the team, the consultant will produce a final report as above, taking into account feedback from them team</p> <p><b>Duration of the Work</b></p> <p>The assignment will be delivered within 7 months in intermittent scheme with total of 65 days. The payment will be made to the consultant at each payment schedule, upon technical clearance from National Project Manager Biofin and Technical Advisor for Natural Resources Governance.</p> <p><b>Duty Station</b></p> <p>The duty station/location for the consultant will be Home-based</p> <p><b>Travel Plan</b></p> <p>There is no travel plan for the duration of the assignment</p>			

<b>IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS</b>			
<p><u>Academic Qualifications:</u></p> <p>Master's degree or equivalent in international development, environment, development studies, economy, or other equivalent relevant fields.</p> <p><u>Years of experience:</u></p> <ul style="list-style-type: none"> <li>At least 8 (eight) years experiences in environmental studies, natural resource management, public policy, social science, natural science, development, or another related field</li> <li>Knowledge in financial tools/mechanism for sustainable development</li> <li>Experience in Economics/financing of biodiversity is desirable</li> </ul> <p><u>III. Competencies and special skills requirement:</u></p> <ul style="list-style-type: none"> <li>A solid experience in the areas of economic development, policy analysis, development and planning, strategic planning of the projects focused on economic development through providing evidence-based policy advice;</li> <li>Experience in formulating development strategies and policies;</li> <li>Strong analytical, reporting and writing skills.</li> </ul>			

- Openness to change and ability to receive/integrate feedback.
- Ability to plan, organize, implement, and report on work.
- Ability to work under pressure and tight deadlines.
- Demonstrates integrity and ethical standards.
- Positive, constructive attitude to work.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Fluency in English with excellent written communication skills, and strong experience writing reports

V.	EVELUATION METHOD AND CRITERIA
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### 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*

<b>Criteria</b>	<b>Weight</b>	<b>Maximum Points</b>
<b><u>Technical</u></b>	<b>70 %</b>	<b>100</b>
<ul style="list-style-type: none"> <li>• <b>Criteria A: qualification requirements as per TOR:</b> <ol style="list-style-type: none"> <li>1. Master's degree or equivalent in international development, environment, development studies, economy, or other equivalent relevant fields Years of Relevant Experience</li> <li>2. At least 8 (eight) years experiences in environmental studies, natural resource management, public policy, social science, natural science, development, or another related field</li> <li>3. Knowledge in financial tools/mechanism for sustainable development</li> <li>4. Experience in Economics/financing of biodiversity is desirable</li> </ol> </li> </ul>		<b>70</b>  20  20  20  10
<ul style="list-style-type: none"> <li>• <b>Criteria B: Brief Description of Approach to Assignment</b> <ol style="list-style-type: none"> <li>1. Understand the task and applies a methodology appropriate for the task as well as strategy in a coherent manner</li> <li>2. Important aspects of the task addressed clearly and in sufficient detail</li> <li>3. Logical, realistic planning for efficient project implementation</li> </ol> </li> </ul>		<b>30</b>  10  10  10