



UNITED NATIONS DEVELOPMENT PROGRAMME

TERMS OF REFERENCE/ INDIVIDUAL CONTRACT

## I. Job Information

|                           |  |
|---------------------------|--|
| Job title:                | International Consultant for conducting a feasibility study on designing the Innovative Finance Solution for Afforestation in Uzbekistan |
| Type of Contract:         | Individual Contract  |
| Project Title/Department: | JP “Establishing Integrated National Financing Framework in Uzbekistan”, Inclusive Growth Cluster, UNDP Uzbekistan                       |
| Duration of the service:  | 50 w/d during June – September 2022  |
| Work Status:              | Part time  |
| Duty station:             | Home based <i>with possible 10-day Mission to Tashkent</i>   |
| Reports to:               | Programme Manager, Inclusive Growth Cluster Leader   |

## II. BACKGROUND INFORMATION

Uzbekistan faces major challenges caused by climate change including desertification, water scarcity, more frequent draughts, and depletion of the Aral Sea. Climate risks are exacerbated in the country by both the average temperatures rising and mountain glaciers, a vital source of drinking water, melting at a faster pace than the global averages. While forests account for only 7.7 percent of the country’s territory according to the UN FAO, they play a major role in reversing desertification, protecting biodiversity and landscapes and are a vital storehouse of carbon.

To combat the negative impact posed by climate change, the Government of Uzbekistan has put forward an afforestation initiative, called Yashil Makon/Green Nation in November 2021. This nation-wide afforestation program was added to the Strategy for Developing the New Uzbekistan during 2022-2026 and envisages expansion of forest cover area in the country by planting 200 million trees

annually. The Green Nation Programme foresees a comprehensive scheme of greening efforts with engagement of various public agencies and research community. In order to realize this ambition, the Government anticipates establishment of the Green Nation Fund that is set in the newly drafted National Development Strategy (2022-2026).

At the same time, it is essential to conduct a **thorough feasibility study and subsequently prepare a comprehensive Greening Master Plan** prior to any massive afforestation/revegetation. This is particularly necessary to identify important ecological zones, types of ecosystems, expected roles and services of the restored ecosystems to define planting targets, deciding which locations are suitable for planting trees, shrubs, or grass, setting up the monitoring system, determining the land ownership issues, planning the watering infrastructure, identify future-proof tree species etc. In addition, such a masterplan would feed into a forest and even urban management plan with clear targets. Ideally, it should also give an indication/estimate of required resources required for its implementation - financial and human resources investment and logistics.

Moreover, an **efficient coordination system** is needed to align the efforts of various stakeholders. With different institutions involved in different phases of the program implementation, such as planting, infrastructure development, maintenance and management, financing, monitoring, there is a critical need to ensure that all actions are well synchronized and coordinated. A strong leadership and coordination system needs to be in place to achieve the goals of the program.

Finally, a well-**established financing model** needs to be in place for this program, its management to be funded in the long term as planned. The Government has established the Green Nation Fund that will be aimed at supporting the afforestation program. Yet, the ambitions of the afforestation program are high. This means that government investment alone cannot meet the needed funds, especially for the maintenance of the restored ecosystems. The issue is complex, and investment and financing sources must be broadened to raise more non-governmental funds including international financing, private domestic financing into forestry to meet the needs for sustainable forest management and forestry development. Introducing carbon offset trading will help to further easing the burden from the government.

An international Consultant will be hired to conduct a feasibility study (FS) on the establishment of a comprehensive financing model for Uzbekistan's "Green Nation" Program and a proof-of-concept study to establish the rationale for use and consolidation of interests and resources of various stakeholders.

The current TOR aims at conducting a feasibility study to establish a comprehensive financing model for Uzbekistan's "Green Nation" Program through covering the following work:

- Overview of the current and potential funding systems and sources for afforestation in Uzbekistan.
- Assessment of the current coordination mechanisms, both organizational and financial, and opportunities for their strengthening.
- Assessing the feasibility of introducing the financing solution as described in the attached Concept Note (Annex I).
- Assessing the investment attractiveness and bankability of the Afforestation program.
- Conducting a business analysis, market scoping, and capacity assessment.
- Conducting a gender analysis.
- Designing the structure of the innovative financing mechanism and blended finance solutions.
- Determining the risks and barriers to afforestation investments and scaling (national and international) .

### **III. FUNCTIONS / SCOPE OF WORK**

The consultant will work under the general guidance of Inclusive Growth Cluster Leader and direct supervision of the JP on INFF Programme Manager.

The main objective of Consultant's work is to conduct a feasibility study/needs assessment for establishing of the innovative finance solution for afforestation in Uzbekistan. In doing so, consultant will lead and coordinate the work of local experts and ensure the qualitative and timely delivery of the following tasks:

#### **Stage I. Feasibility of the proposed innovative financing model: market analysis, Legal/Regulatory and impact assessment**

- Overview of existing funding systems and sources for Afforestation in Uzbekistan.
- Assessing the business case and market conditions for innovative financing in Uzbekistan including the analysis of the demand, competition, and market for the proposed financing solutions (nature performance bond, carbon trading, payment for ecosystem services, forest products trade).
- Investigating, assessing and elaborating the legal framework for using different financing options (payment for ecosystem services, carbon trading, etc.).

#### **Stage II. Designing the product and operational model for the Green Nation fund**

- Developing of the fund's operational (financial and business) model which will cover such aspects as product offer, pricing, cost of funds, and client acquisition costs.

- Defining the acceptable levels of credit and business risks when financing projects, as well as exit strategies.
- Preparing the cashflow flow projection which will cover growth, liquidity and cash needs, as well as sensitivity analysis
- Defining the list of parameters for Impact Measurement and expected contribution of the fund's activities towards climate change adaptation and mitigation, as well as gender equality.

### **Stage III. Presentation and validation of the feasibility study**

- Consolidating all relevant parts of the feasibility study on financing model with feasibility study on Master Plan developed by other consultant.
- Presenting and discussing the findings of the feasibility study with key stakeholders including UNDP Uzbekistan, Ministry of Finance, State Committee on Ecology, State Forestry Committee, "Zamin" Foundation, independent experts, and others as well as revise them accordingly based on the feedback and recommendations received
- Engaging with potential investors and relevant stakeholders.
- Performing other tasks relevant to the present assignment as requested by UNDP Inclusive Growth Cluster Leader and Programme Manager.

### **IV. Deliverables and Deadlines**

The following tentative schedule of deliverables is expected under the current assignment. The final schedule will be agreed upon in the beginning of the assignment. All deliverables should be submitted to UNDP in electronic form in English.

| <b>Outputs/Deliverables</b>  | <b>Due date</b> | <b>Instalments</b>    |
|--|-----------------|-----------------------|
| <p><b>Output I. Feasibility of the proposed innovative financing solution:</b></p> <ul style="list-style-type: none"> <li>• Relevant chapters of FS Report submitted including: a) Assessment of the business case and market conditions and analysis of the demand, competition, and markets for the proposed financing solutions (nature performance bond, carbon trading, ecosystem services).</li> </ul> | Jul 31, 2022    | 1st installment (30%) |

|   |                    |                       |
|---|--------------------|-----------------------|
| <b>Output II. Designing the Innovative Financing Solution S</b> <ul style="list-style-type: none"> <li>• The chapter describing operation implementation of available financing solutions</li> <li>• Consolidated draft feasibility study</li> </ul>  | August 31, 2022    | 2nd installment (30%) |
| <b>Output V. Presentation and validation of the final Report on feasibility study</b> <ul style="list-style-type: none"> <li>• A draft feasibility study presented and discussed with the stakeholders during the validation workshop.</li> <li>• Finalized feasibility study based on feedback and comments received for the stakeholders and</li> </ul> | September 30, 2022 | 3rd installment (40%) |

This is a lump sum contract that should include all costs including the cost of hiring additional consultants and other related costs, if any, required to produce the above deliverables.

#### **V. Monitoring and control**

The obligations of Consultant under this Contract will be fulfilled after the submission of final drafts of deliverables defined by the current TOR and upon acceptance by the Inclusive Growth Cluster, UNDP Uzbekistan.

#### **VI. Qualification Requirements**

|                    |   |
|--------------------|---|
| <b>Education:</b>  | University degree (Masters or above) in in the field of Finance, Economics, Development Economics, Public Policies, Environment, Social Policies, Development Studies or other relevant fields  |
| <b>Experience:</b> | <ul style="list-style-type: none"> <li>○ At least 5 years of experience in finance and in high-quality policy advisory roles, including in areas such as capital markets, blended finance, fiscal policy, private and financial sector development, financial analysis and advisory roles, including on issues of environment, economy, sustainable development.</li> <li>○ Excellent understanding of green standards and principles is required.</li> <li>○ Good understanding of gender aspects and gender mainstreaming into the development and business processes is required.</li> <li>○ Proven experience in preparation of feasibility studies is required.</li> </ul> |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>○ Previous experience with a development partner or government will be an asset.</li> </ul>  |
| <b>Language Requirements:</b>   | <ul style="list-style-type: none"> <li>○ Fluency in written and spoken English is required,</li> <li>○ Working knowledge of Uzbek or Russian would be an asset.</li> </ul>  |
| <b>Competencies:</b>  | <ul style="list-style-type: none"> <li>○ Strong analytical and advisory capacity, including the ability to analyze and advise innovative financial solutions, including green finance</li> <li>○ Strong data collection, communication, research, and writing skills</li> <li>○ Client-orientation and excellent interpersonal and cross-cultural communication skills</li> <li>○ Ability to use information and communication technology as a tool and resource</li> </ul> |
| <b>VI. Signatures- Post Description Certification</b>   |   |
| <div> <div>Incumbent</div> <div> <div>-----</div> <div>Signature</div> <div>Date</div> </div> </div> <div> <div>Project Manager</div> <div> <div>-----</div> <div>Signature</div> <div>Date</div> </div> </div> |   |

INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS (available at <http://www.undp.org/content/dam/undp/documents/procurement/documents/IC%20-%20General%20Conditions.pdf>)

### Aggregated Financial Offer of the International Consultant on design/engineering solutions for low-carbon multi-apartment buildings

|  | #of units* | Units       | Rate/USD | Total/USD |
|--|------------|-------------|----------|-----------|
| <b>Work in home office**</b>                 |            |             |          |           |
| Home based work                              | 50         | man/days    |          |           |
| <b>Work on mission**</b>                     |            |             |          |           |
| Mission to Uzbekistan                        |            | man/days    |          |           |
| <b>Sub-total fee</b>                         |            |             |          |           |
| <b>Travel costs</b>                          |            |             |          |           |
| International travel to and from country/ies |            | mission     |          |           |
| DSA  |            | overnights  |          |           |
| Local travel                                 |            | destination |          |           |
| Visa cost (if required)                      |            | fee         |          |           |
| <b>Sub-total travel costs</b>                |            |             |          |           |
| <b>TOTAL</b>                                 |            |             |          |           |

\*Estimates are included in the TOR, the applicant is requested to review and revise, if applicable

\*\*Add rows as needed

Please, note that the **financial proposal is all-inclusive** and shall take into account various expenses incurred by the consultant/contractor during the contract period (e.g. fee, health insurance, vaccination and any other relevant expenses related to the performance of services, etc.). All **envisaged international travel costs** must be included in the financial proposal. This includes all travel to join duty station/repatriation travel. Local travel within Uzbekistan shall be provided for by the UNDP Country Office, as required. Therefore, the international consultant can bill ZERO for local travel.

DSA for Uzbekistan is USD182 per day but the international consultant can put whatever rate he/she likes for DSA up to a maximum of USD182 per day.

Payments will be made only upon confirmation of UNDP on delivering on the contract obligations in a satisfactory manner.

Individual Consultants are responsible for ensuring they have **vaccinations/inoculations** when travelling to certain countries, as designated by the UN Medical Director. Consultants are also required to comply with the UN security directives set forth under [dss.un.org](http://dss.un.org)

I agree to perform this assignment for a lump sum of \_\_\_\_\_ USD, including international travel costs

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / 2022

This offer remains valid for a period of 3 months from the date of signature of this document.