



**Terms of Reference for International Consultant -  
Green Bond Technical Assistance Support**

<b>I. Basic Contract Information</b>	
<b>Job ID/Title:</b>	Lead Consultant – Green Bond Technical Assistance Support
<b>Location:</b>	Zambia
<b>Category:</b>	IC
<b>Type of Contract:</b>	Individual Contract
<b>Assignment Type:</b>	International (national consultants also eligible to apply)
<b>Reports to:</b>	BIOFIN Country Team Leader
<b>Duty Station:</b>	Lusaka, Zambia
<b>Expected Places of Travel:</b>	N/A
<b>Languages Required:</b>	English
<b>Expected Starting Date:</b>	15 <sup>th</sup> of August 2022
<b>Duration of Assignment:</b>	75 working days
<b>Languages Required:</b>	English

**ii. Context**

Towards the fulfilment of Zambia's commitments to the RIO Conventions, Zambia has thus far developed several green growth strategies and policies. In relation to the United Nations Convention on Biological Diversity (UNCBD), Zambia developed its first National Biodiversity and Strategy Plan (NBSAP1) in 1999 and later an updated one in 2015 called the NBSAP-2. In relation to the commitments under the United Nations Framework Convention on Climate Change (UNFCCC), Zambia developed its National Policy of Climate Change in 2016 as well as the Intended Nationally Determined Contributions (INDCs) to the 2015 Paris Agreement. Zambia's Intended Nationally Determined Contributions (INDCs) were later updated in 2021. In 2019, Zambia also prepared the Land Degradation Neutrality National Targets as part of the national commitments to the United Nations Convention to Combat Desertification (UNCCD). Numerous other sector specific strategies and policies have since been developed across the environmental related sectors such as forestry, fisheries, water etc.

As part of Zambia's ongoing commitments to the RIO Conventions, Zambia has been developing and submitting periodical reports to the secretariats of the RIO Conventions which also includes an

update on the financial flows towards the implementation of Zambia's commitments to the RIO Conventions. One issue that can be noted in almost all the various national reports is the aspect of the finance gaps to implement the various commitments contained in the green growth strategies and policies. In the NBSAP-2 under lessons learned from the previous 1999 NBSAP-1 implementation, it is indicated that lack of financial resources was one of the major reasons why the first national biodiversity strategy and action plan failed to achieve its intended objectives. A review of Zambia's first to the fifth national reports to the UNCBD also shows a recurring issue of funding gaps stating that Implementation of the Convention has largely depended on external funding in Zambia. This scenario, especially with the emergency of COVID-19 certainly threatens the sustainability of local implementation due to the projected decrease in donor support.

To address finance gaps for biodiversity conservation and climate change, Zambia will need to adopt innovative green finance instruments. Development of Zambia's green bond market is one of the core finance solutions that was prioritized in Zambia's Biodiversity Finance Plan following a gap analysis that was undertaken by the Biodiversity Finance Initiative in Zambia in 2019. In the same year, BIOFIN Zambia engaged the Securities and Exchange Commission (SEC) who are the regulators of Zambia's Capital Market on the possibilities to collaborate on the green bond market development starting with the development of green bond guidelines which would be anchored within Zambia's Securities Act of 2016.

It was thus agreed that the green bond market development begins with the development of Zambia's green bond guidelines and listing rules with the latter being anchored at the Lusaka Securities Exchange (LuSE). This working relationship with SEC was bound by a certificate of collaboration signed between SEC and the UNDP on the 18th of September 2019. Thus far, the green bond guidelines have since been finalised and gazetted. Following the gazetting of the guidelines, they were then published on the SEC website for access by the public. Below is a link to the final copy of the guidelines.

<http://www.seczambia.org.zm/wp-content/uploads/2020/01/The-Securities-Green-Bonds-Guidelines-2019.pdf>

### iii. Objectives

In view of the context provided above, a Lead Consultant is being commissioned by BIOFIN Zambia on behalf of the Green Finance Mainstreaming Working Group (GFMWG) to provide technical assistance in the next steps of Zambia's green bond market development.

#### Specific Objectives

1. Undertake a Capital Market readiness assessment for green bond issuance.
2. Develop a sectoral green bond taxonomy for Zambia and related guide. Priority on sectors will be based on national priorities as outlined in Zambia's Eight National Development Plan (8NDP).
3. Provide input into the development of a web based Green Bond Investment Portal for Zambia for projects and potential maiden issuers of green bonds in Zambia. Note that the design of the platform will be done through the support of the Securities and Exchange Commission (SEC)
4. Provide technical assistance (handholding support) to SEC, GFMWG and to potential issuers towards issuing a green bond. This will include all phases of green bond issuance from project

identification, appraisal, and green bond framework development all the way to impact reporting frameworks.

5. Do a gap analysis of next steps to fully develop Zambia's green bond market.

#### iv. Scope of Services

##### **The Lead Consultant shall:**

- Undertake various consultations within the financial sector and other key stakeholders such as government, international development, academia etc. on next steps towards full development of Zambia's green bond market. This will include undertaking a gap analysis
- Stimulate the volume of green bonds by training the financial sector and other potential issuers and other players in Zambia.
- Provide regulatory capacity-building support for the review Committee of green bond applications within the Securities and Exchange Commission (SEC)
- Develop a virtual green bond pipeline/ compendium for Zambia. It must be noted that the pipeline to be identified and developed must target at least 20% use of proceeds towards biodiversity conservation.
- Provide handholding green bond pre- and post-issuance support to potential issuers i.e. Identification of qualifying green projects and assets, help with developing green bond frameworks, help with arranging independent verification/ reviewers, help with roadshows and matching potential investors to issuers as well as development of impact frameworks and actual post issuance reporting requirements.
- Prepare and present regular briefings to the Green Finance Mainstreaming Working Group, Government, UNDP and BIOFIN Global team.

#### v. Methodology, Approach and Implementation of the Project

The lead consultant will be expected to come up with an appropriate methodology, but such a methodology will need to be guided by known international green bond principles and emerging green bonds toolkits. The lead consultant will work in collaboration with the support consultant, who will be commissioned separately by BIOFIN Zambia.

The lead consultant will have duo reporting channels. First reporting channel will be to the BIOFIN Country Team Leader who will be key in on boarding the consultants and be the link on operational and administrative aspects. Second reporting channel will be with the Green Finance Mainstreaming Working Group and its leadership. Note that the Green Finance Mainstreaming working group is composed of all the financial sector regulators including the Ministry of Finance and National Planning.

## vi. Expected Outputs/Deliverable & Schedule of Payments

The key outputs are:

- 1) A Sectoral Green Bond Taxonomy and related guide for Zambia developed.
- 2) An online Green Bond Investment Portal for Zambia developed. This will largely be a compendium of green bond project pipeline.
- 3) Technical Assistance Services (covering all pre-issuance procedures) provided to at least 5 potential green bond issuers. At least one (1) of the five entities that will receive TA support must issue a green Bond within the period of the assignment whose use of proceeds must clearly demonstrate an allocation of at least 20% towards biodiversity conservation.
- 4) At least two (2) capacity building events done for the Green Finance Mainstreaming Working Group on green Bond taxonomy and review of projects submitted for regulatory approval. A slide deck of the training materials will need to be developed for use even beyond the assignment.
- 5) At least one (1) capacity building event done for local Investment Brokers in Zambia. The focus is for investment brokers to understand eligible green bond categories (and projects), green bond deal structuring etc. A slide deck of the training materials will need to be developed for use even beyond the assignment.
- 6) High quality, visual and succinct slide deck prepared on the green bond taxonomy and green bond guidelines to be used by the GFMWG in disseminations and outreach events.
- 7) A high quality and succinct infographic about the green bond taxonomy developed. This will eventually be transformed into a banner for use in dissemination and outreach events.
- 8) A Policy brief summarising key policy issues and recommendations towards further developments of Zambia's green bond market which will be used in engaging policy makers (max 8 pages). This policy brief will also provide lessons learnt for other BIOFIN Countries who are contemplating on developing green bond markets.

**Below is the expected deliverable, estimated due date, fee percentage and required approvals**

The successful consultants shall receive their payments upon certification of the completed tasks satisfactorily, as per the milestones shown below.

No.	Deliverables	Tentative dates	Percentage Breakdown	Review and Approvals
1	<ul style="list-style-type: none"> <li>Submission and Acceptance of the Sectoral Green Bond Taxology Report; with a related guide for Zambia.</li> </ul>	2 <sup>nd</sup> of September	20%	Environment and Energy – Team Leader
2	<ul style="list-style-type: none"> <li>Submission and Acceptance of an online Green Bond Investment Portal for Zambia developed;</li> <li>This will largely be a compendium of green bond project pipeline.</li> </ul>	23 <sup>rd</sup> of September	20%	Environment and Energy – Team Leader
3	<ul style="list-style-type: none"> <li>Submission and Acceptance of Report; should include the following:</li> <li>Atleast one (1) capacity building event done for local Investment Brokers in Zambia.</li> <li>The focus is for investment brokers to understand eligible green bond categories</li> </ul>	7 <sup>th</sup> of October	13%	Environment and Energy – Team Leader

	<p>(and projects), green bond deal structuring etc. A slide deck of the training materials will need to be developed for use even beyond the assignment.</p> <ul style="list-style-type: none"> <li>At least two (2) capacity building events done for the Green Finance Mainstreaming Working Group on green Bond taxonomy and review of projects submitted for regulatory approval. A slide deck of the training materials will need to be developed for use even beyond the assignment.</li> </ul>			
4	<ul style="list-style-type: none"> <li>Submission and Acceptance of Report; should include the following;</li> <li>High quality, visual and succinct slide deck prepared on the green bond taxonomy and green bond guidelines to be used by the GFMWG in disseminations and outreach events.</li> <li>A high quality and succinct infographic about the green bond taxonomy developed. This will eventually be transformed into a banner for use in dissemination and outreach events.</li> <li>A Policy brief summarising key policy issues and recommendations towards further developments of Zambia's green bond market which will be used in engaging policy makers (max 8 pages). This policy brief will also provide lessons learnt for other BIOFIN Countries who are contemplating on developing green bond markets.</li> </ul>	21 <sup>st</sup> of October	<b>12%</b>	Environment and Energy – Team Leader
5	<ul style="list-style-type: none"> <li>Submission and Acceptance of Report; should include the following;</li> <li>Technical Assistance Services (covering all pre-issuance procedures) provided to at least 5 potential green bond issuers. At least one (1) of the five entities that will receive TA support must issue a green Bond within the period of the assignment whose use of proceeds must clearly demonstrate an allocation of at least 20% towards biodiversity conservation.</li> </ul>	25 <sup>th</sup> of November	<b>35%</b>	Environment and Energy – Team Leader
	<b>Total</b>		<b>100%</b>	

## vii. Consultant's Qualification, Educational Background and Required Skills and Experience

### Qualifications/Educational Background:

- A minimum of a master's degree in development or sustainable finance, economics, or a closely related subject, including specialization in biodiversity and climate finance.

## Experience, Required Skills and Experience

- The Lead Consultant will be expected to have at least 10 years of experience as a development or sustainable finance expert with evident experience in green bond transaction advisory services preferably with some of the experience in Africa.
- The Lead Consultant must demonstrate experience of having participated in green bond transaction advisory services i.e. lead arrangers for successfully issued green bonds preferably in a developing country.
- Experience in supervising and managing teams of consultants.
- Experience of working in biodiversity finance (not just a bias on climate finance).
- Experience of working with governmental, academic, and international organizations/institutions; knowledge of UN/UNDP.
- Experience working with financial sector regulators in developing countries on financial sector regulatory reforms is an asset.
- Experience in capital markets, banking, pension, and insurance.

## Language

- Fluent written and spoken English.

## viii. Application Procedure

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

### Technical/Financial Proposal:

- Letter of Interest, stating why you consider your services suitable for the assignment (please use UNDP Standard Template provided with the Advert.
- Submit a brief methodology on the approach and implementation of the assignment;
- Submit Personal CV highlighting qualifications and experience in similar projects, Work references - contact details (e-mail addresses) of referees (organization for whom you've produced similar assignments).
- The financial offer shall specify a total lump sum amount (must show number of days and daily rates).
- Payments shall be based on successful delivery of the services specified in the TOR.

Financial Offer together with Methodology on Approach should be submitted on, or before submission deadline as stated in the Procurement Notice.

Any request for clarification must be sent in writing, or by standard electronic communication to [procurement.zm@undp.org](mailto:procurement.zm@undp.org). The procuring UNDP entity will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

## ix. Evaluation Criteria

This section indicates the criteria, which shall serve as the basis for evaluating offers. In this activity, Combined Scoring method will be applied where the qualifications will be weighted a maximum of 70% and combined with the price offer which will be weighted a max of 30%.

**The Proposal for this contract will be evaluated according to the following criteria:**

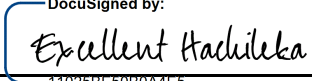
Criteria	Description	Maximum Score
<b>Minimum Criteria to be eligible for the Consultancy</b>		<b>70</b>
<b>Relevance of Education/ Degree</b>	<ul style="list-style-type: none"> <li>A <u>minimum</u> of a master's degree in development or sustainable finance, economics, or a closely related subject, including specialization in biodiversity and climate finance. <b>(25 points)</b></li> </ul>	25
<b>Relevant Experience</b>	<ul style="list-style-type: none"> <li>The Lead Consultant will be expected to have at least 10 years of experience as a development or sustainable finance expert with evident experience in green bond transaction advisory services preferably with some of the experience in Africa. <b>(25 points)</b></li> <li>The Lead Consultant must demonstrate experience of having participated in green bond transaction advisory services i.e. lead arrangers for <u>successfully issued</u> green bonds preferably in a developing country. <b>(25 points)</b></li> <li><b>Experience in Biodiversity Finance;</b> Experience of working in biodiversity finance (not just a bias on climate finance). <b>(10 points)</b></li> <li>Experience in supervising and managing teams of consultants. <b>(10 points)</b></li> <li>Fluent written and spoken English. <b>(5 points)</b></li> </ul>	75
	<b>Total</b>	<b>100 Points</b>

***\*Applicants who scored at least 70% in the technical evaluation will be eligible for the assessment of their financial evaluation. Please note that financial evaluation will account for 30% of the weighed score.***

Evaluation Method	Score	Comments
Technical	70%	70% as part of the overall grading of 100%
Financial	30%	The lowest offer will be awarded 30% while the other offers will be weighed against the lowest offer
Overall	100%	Only candidates qualifying for the minimum criteria will be eligible for the additional technical qualifications. Then a candidate scoring of at least 70% will have its financial offer assessed and cumulated to the technical evaluation score. The candidate having the highest combined score will be awarded the consultancy.

**This TOR is approved by:**

Signature:

DocuSigned by:  
  
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Name and Designation: Excellent Hachileka, Head of Energy and Environment Unit at UNDP Zambia

Date of Signing:

23-Jul-2022