

**TERMS OF
REFERENCE**

September 2024

**INCLUSIVE CLIMATE FINANCE FOR
VULNERABLE COMMUNITIES IN
ASIA PACIFIC - ICCAP**

PROJECT ADVISORS

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LIST OF ACRONYMS

ADA	Appui au Développement Autonome
APRACA	Asia Pacific Rural and Agricultural Credit Association
BMUV	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
BMWK	Federal Ministry for Economic Affairs and Climate Action
CV	Curriculum Vitae
HR	Human Resources
ICCAP	Inclusive Climate Finance for Vulnerable Communities in the Asia Pacific
IKI	International Climate Initiative
FSPs	Financial Service Providers
MAL	Multistakeholder Action Labs
NAPs	National Adaptation Plans
NC	National Coordinator
NDCs	Nationally Determined Contributions
RAIF	Regional Adaptation Investment Facility
SEI	Stockholm Environment Institute
TA	Technical Assistance/ Technical Advisors
VAT	Value Added Tax
WP	Work Package

1. PROJECT BACKGROUND

1.1 ABOUT ICCAP

The Inclusive Climate Finance for Vulnerable Communities in the Asia Pacific (ICCAP) project is a regional project to be implemented by a consortium of three partners, namely Appui au Developpement Autonome (ADA), the Asia Pacific Rural and Agricultural Credit Association (APRACA) and the Stockholm Environment Institute (SEI), to improve and scale up international and national private climate finance flows through FSPs to vulnerable communities in Asia.

The project is financed by the International Climate Initiative (IKI) as part of the German government's international climate finance commitment. During 2022 and 2023, the consortium conducted a preparation phase, which included among other activities market studies and needs assessments in the target countries as well as identification of potential partners. The preparation phase also contributed to the design of the final 5-year project, which's implementation is expected to kick off in January 2024.

The ICCAP project will use a multipronged stakeholder-centred approach that focuses on the development and consolidation of the pipeline of inclusive finance to adaptation solutions for vulnerable communities in Bangladesh, Bhutan, Cambodia, Laos, Nepal and Fiji. The project is divided into 7 Work Packages (WP).

It will support policymakers in developing an enabling evidence-based policy environment to enhance green financial inclusion and ensure unhindered flows of climate finance along the whole chain of actors to reach vulnerable communities (WP1).

In parallel, it will support Financial Services Providers (FSPs) in target countries in developing client-centric green financial products tailored to the needs of vulnerable communities (WP2). Financial and technical assistance will be provided throughout all stages of the product development cycle, to ensure engagement with targeted beneficiaries and relevant stakeholders to understand, design and test green financial solutions to enhance adaptive capacities and build the resilience of vulnerable communities.

The project will also improve the flows of climate finance investment (dedicated finance from international, regional, and, where available, national, private, and public institutional investors, to increase the flows of climate finance investment to FSPs and through FSPs towards vulnerable communities (WP3). WP3 will do so by setting up a Regional Adaptation Investment Facility (RAIF), which will aim to mobilise and catalyse private investment to finance climate change adaptation activities of vulnerable groups and communities through the FSPs in the target countries.

Finally, the project will set up Multistakeholder Action Labs (MAL, WP4) where barriers to accessibility, affordability, and availability will be identified and addressed by deploying an enabling ecosystem, favourable to attract international private climate finance targeting adaptation solutions that will be co-developed by the stakeholders.

Gender equity and social inclusion are transversally embedded from conception to implementation in all project activities (WP5).

Thus, the ICCAP project will significantly contribute to making inclusive and sustainable finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (Art. 2c, Paris Agreement) and the global goal of adaptation (Art. 7). It will advance the target countries' implementation of National Adaptation Plans (NAPs) and achieve the objectives set out in their Nationally Determined Contributions (NDCs), expand cooperation between citizens, civil society, private sector, national and local governments and the research sector, foster inclusive employment growth, social and climate justice, and empower women and vulnerable groups and communities.

1.2 ABOUT THE CONSORTIUM PARTNERS AND THE FUNDER

The implementation of ICCAP will be under the responsibility of the Consortium formed by SEI, ADA and APRACA.

SEI is an international non-profit research and policy organization that tackles environment and development challenges. They connect science and decision-making to develop solutions for a sustainable future for all. Their work spans climate, water, air and land-use issues, governance, the economy, gender and health. SEI is the consortium overall lead and is specifically in charge of WP3 (with ADA as co-lead), WP4 and WP5.

ADA is a Luxembourgish, non-governmental organisation that has been increasing the autonomy of vulnerable people in Africa, Latin America and Asia with inclusive finance since 1994, thereby contributing to achieving the sustainable development goals. ADA leverages its resources and expertise to innovate, support local partners, implement technical support programmes, provide investment advice and manage knowledge to positively and sustainably impact targeted populations. ADA's activities focus on three main topics: youth entrepreneurship, agricultural and forestry value chains as well as access to basic services. These activities touch upon three transversal themes: climate change, gender and the use of digital technologies. In organisational terms, the team includes around 45 employees and a dozen technical advisors in the field. ADA manages an average annual budget of 15 million euros. In ICCAP, ADA specifically leads WP2 (detailed description provided in section 1.3) and co-leads WP3.

APRACA is a non-profit organisation for rural and agricultural finance that helps to improve access to financial services for the rural poor in Asia-Pacific. It is headquartered in Bangkok and spans 86 institutions in 24 countries of the region. APRACA has long-standing experience implementing international programmes in partnership with the International Fund for Agricultural Development (IFAD) to combat rural poverty through rural microfinance and sustainability practices across the region. In ICCAP, APRACA specifically leads WP1.

ICCAP is financed by the International Climate Initiative (IKI). IKI is an important part of the German government's international climate finance commitment. Since 2022 the IKI is implemented by the Federal Ministry for Economic Affairs and Climate Action (BMWK) in close cooperation with the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the Federal Foreign Office.

1.3 ADA'S ROLE IN ICCAP

ADA is primarily responsible for managing Work Package 2, which focuses on developing innovative financial products and services that enable climate adaptation financing. This involves creating and piloting financial models and solutions that are accessible and effective for vulnerable communities.

ADA will lead the collaboration with FSPs to ensure the development and dissemination of suitable financial products for climate adaptation. This includes liaising with banks, microfinance institutions, and other financial entities to tailor products for the specific needs of local communities.

Work package 2 intends to directly support FSPs that have been identified during the preparation phase. A deep understanding of the target market will allow these FSPs to lay the foundation for designing client-centric green products. Financial and technical assistance will be provided throughout the different steps of the product development cycle to ensure their engagement with target groups and relevant stakeholders to understand, design and test green financial solutions. Awareness raising and technical assistance (such as financial literacy capacity building, training, and support to farmers to foster the adoption of sustainable practices, etc.) will be embedded in the assistance provided to clients.

This work package will also include tailored technical assistance activities to support the FSPs to improve their investment readiness.

A differentiated approach will be considered according to FSPs capacity in each country as highlighted during the preparation phase. For instance, different types of activities will be combined, different implementation speeds will be considered, and targets will be set accordingly per country and per FSP.

Partnership agreements will be elaborated with FSPs which will include an action plan. FSPs will lead product development cycles, engaging customers in the design process and building required partnerships with technology/Technical Assistance/service providers with ADA support.

ICCAPP is expected to initially work with the FSPs identified in the preparation phase. At least 14 FSPs (including 1 in Fiji) are expected to join the project during the five years in the six target countries. Each FSP is expected to be accompanied for a period of three or four years (six months for the preparation and market analysis phase, 12 to 18 months for the product design, pilot and evaluation phase, 12 to 18 months for the roll-out, green portfolio classification and access to foreign investment phase. If the FSP needs institutional capacity building the support would be extended to one additional year.

Additionally, ADA will support the implementation of the Regional Adaptation Investment Facility (RAIF) in close collaboration with SEI and the Facility Manager. The RAIF will focus on catalysing (and eventually mobilising) private finance through existing instruments and novel instruments. The RAIF will be raising additional funding from institutional public investors, e.g., central banks, national governments, and ministries in Germany, in the target countries, and other countries internationally, and from international agencies to leverage private finance. The management of the facility will be outsourced through an open tendering process.

2 SCOPE OF THE WORK

ADA is seeking two experienced Project Advisors (PA) with green inclusive finance/climate finance expertise for the effective deployment of ICCAPP activities. The role entails working closely with National Coordinators and Financial Service Providers (FSPs) to develop and implement action plans, financial products, and investment readiness strategies, while also providing technical support for the Regional Adaptation Investment Facility (RAIF) and contributing to knowledge management, monitoring and reporting efforts in the project across countries.

The PA works closely with each of the 6 National Coordinators based in the 6 target countries, the second PA and ADA's programme officer based in Luxembourg. The PAs and the Programme Officer report to ADA's head of programmes.

2.1 GEOGRAPHICAL COVERAGE AND CONTRACT DURATION

- Regional position covering activities in Bangladesh, Bhutan, Cambodia, Laos, Fiji and Nepal. The PAs will be based in Bangladesh or Nepal and Cambodia.
- Nature of Contract: Full-time consultancy contract (around 220 days/year).
- Proposed contract duration: 3 years with possibility of extension.
- Estimated starting date: first quarter of 2025.

2.2 KEY RESPONSIBILITIES

Project Management

- Lead the annual planning per country, ensuring strategic alignment of project objectives and budget allocations for FSPs' grantees.
- Continuously monitor the progress of project activities in the region, offering suggestions for adjustments to optimize outcomes.

- Support the production of project deliverables, ensuring they are completed on schedule and meet quality standards in close collaboration with the National Coordinators.
- Support the elaboration of technical and financial reports (monthly, quarterly, annual), aligning with project's internal procedures.
- Contribute to the knowledge management activities, collecting lessons learned and managing communication efforts related to the project.

Coordination activities within each target country and across the overall project

- Ensure the coordination at national level with the support of the National Coordinators to align operational efforts and maximize project impact.
- Support the National coordinators to actively participate in the country planning with the other WP leaders.
- Identify and facilitate peer learning events, workshops and seminars.

Technical Assistance (direct and indirect)

- Guide FSPs in creating action plans and performance indicators for green financial portfolios, incorporating gender and social inclusion indicators.
- Advise on strategies, including partnership development for green financial initiatives.
- Collaborate with FSPs in the development of client-centric financial product concepts.
- Conduct institutional assessments and gap analysis of FSPs and support the elaboration of action plans for investment readiness.
- Provide technical support to FSPs in executing project activities guided by the annual activity plans and in close collaboration with National Coordinators.
- Assist in the development and implementation of the RAIF, focusing on technical aspects.
- Provide input for the formulation of Terms of Reference for RAIF management and set up.

Technical support can be provided by external entities if necessary. In such cases, the PA is expected to support FSPs or ADA in drafting Terms of Reference, expert identification, and contract preparation.

3 MINIMUM QUALIFICATIONS, SKILLS AND EXPERIENCE

Master or equivalent in finance, economics, or a related field

At least 10 years of experience working on sustainable finance related issues, preferably with financial institutions and/or corporate entities in emerging markets, especially in Asia Pacific

In-depth knowledge and, ideally, applied experience in technical standards and green use of funds, particularly in renewable energy, energy and resource efficiency and sustainable agriculture

Exposure to applied sustainable finance regulation and standards, including ESG and sustainability risk

Familiarity with E&S risk management practices in a financial institution

Strong background in finance, especially in green and climate finance

Proven experience in client-centric financial product development and project implementation

Experience in technical aspects of financial instruments, risk management and blended finance solutions

Excellent analytical and problem-solving skills

Ability to work collaboratively with diverse teams

Excellent organizational and communication skills

Proven ability to work effectively in a complex, multi-stakeholder environment.

Excellent oral and written communication skills in English. Any local languages of target countries are a plus.

Ability and willingness to travel regularly (+50% of the time)

4 TIMELINE

The indicative recruitment timeframe is shown below:

	2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Reception of applications								
Evaluation and final selection								
Negotiation								
Contract signing								
Mobilization and Kick-off meeting								
Start of project activities Implementation								

5 APPLICATION SUBMISSION GUIDELINES

The indicative starting date for the position is 01/01/25 for 3 years with possibility of extension.

The application should include:

- A Curriculum Vitae describing previously accomplished work related to financial inclusion, climate finance, green inclusive finance, Adaptation and/or Impact investment;
- Contact details of three professional references;
- Cover letter with indication of availability

The application must be sent to ADA by email no later than 25/10/2024. The email should be sent to Lucia Cigana – Programmes Manager and Wendy Medrano – Head of Programmes

l.cigana@ada-microfinance.lu

w.medrano@ada-microfinance.lu



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