



## **Terms of reference for consultant to develop a conceptual paper and a pre-screening tool on NbS in private sector investment**

### **Introduction**

The International Union for the Conservation of Nature (IUCN) leads the development of a white paper and pre-screening tool for private sector investment for the Subnational Climate Finance (SCF) initiative. This initiative is meant to provide pathways to identifying and supporting projects for fund managers who wish to integrate nature-based solutions (NbS) and impacts into their portfolios. IUCN seeks an individual consultant to: i) elaborate a **white paper** to develop a common understanding of the IUCN NbS definition for the SCF project pipeline, and ii) develop a **pre-screening tool** of projects for private sector investment to better identify the potential to integrate NbS. The consultant will be responsible for conducting a thorough literature and databases review, conduct a targeted stakeholder's consultation, elaborate inputs, and draft versions of both deliverables. The outcomes of this consultancy will serve as the basis to identify and facilitate an increase in the number of NbS projects in the SCF project pipeline, and ultimately in the private sector investment portfolio in general.

### **Background**

The Subnational Climate Finance (SCF) initiative is a global blended finance program supported by the Green Climate Fund (GCF) that aims to create and scale up investment opportunities that contribute to climate and Sustainable Development Goals (SDGs) impacts, while mainstreaming NbS in investment opportunities.

The SCF initiative has two components: i. the SCF Equity Fund, and ii. the SCF Technical Assistance. The SCF Fund, managed by Pegasus Capital Advisors, will invest in a geographically and sector-diversified portfolio of 15 to 25 mid-sized (\$5-75M), scalable, commercial, and primarily greenfield projects across Latin America and the Caribbean, Asia, Africa, and the Mediterranean, with measurable impact and fund certification on the SDGs. The Fund focuses its investment in four key sectors: i. sustainable energy solutions, ii. solid waste and water management, iii. sustainable agriculture, and iv. urban development solutions. The grant-based SCF Technical Assistance provides technical support to stakeholders in identifying and strengthening investment proposals for the Fund. In addition to financial performance, it supports projects in ensuring the contribution to National Determined Contributions (NDCs), SDG impacts, and NbS.

Technical Assistance is overseen by IUCN, and is structured in three components:

1. **Feasibility Studies:** Development of feasibility studies on investment opportunities that enhance countries' climate mitigation as well as co-benefits relating to climate change adaptation: Those studies shall serve as the basis for SCF's investment decision making. This component is led by Regions of Climate Action (R20).
2. **Capacity building:** Capacity building to enable countries to build bankable projects that are centered around climate mitigation (as well as adaptation co-benefits): On a



programmatic level for various stakeholders in need of knowledge transfer. This component is led by IUCN.

3. **Tools and Metrics:** Development foremost of climate change mitigation metrics as well as related SDG and NbS metrics, tools and indicators. Those shall be applied to identify, decide on, and monitor investment opportunities. This component is led by Gold Standard.

In addition, IUCN supports the selection of projects for feasibility studies, and helps to integrate NbS in selection criteria, feasibility studies, and other areas as needed.

## Objectives

The main objectives of this consultancy are:

1. To develop a white paper on NbS for private sector investment in SCF target sectors
2. To develop a practical tool to pre-screen NbS projects in SCF project pipeline

## Activities

The Consultant is expected to work closely with IUCN team throughout the entire process.

Table 1 describes the main activities and the indicative timeline.

The main activities to be conducted in order to produce each deliverable are as follows:

### ***White paper on NbS for private sector investment***

1. Conduct a review of literature, tools and databases to produce a comprehensive list of NbS activities by each of SCF target sectors, and its linkages with the seven societal challenges, as per the IUCN definition of NbS.
2. Elaborate a draft extended outline of the white paper, summarizing key concepts and topics for discussion and proposing a conceptual framework for the SCF consortium members
3. Participate in a kick-off workshop with SCF consortium members and IUCN experts to discuss and agree on the contents of the extended outline and methodological approach. The workshop is expected to take place the first week of May 2023.
4. Conduct and analyze structured interviews with key stakeholders and a survey with private fund managers and NbS experts. These processes are to be designed jointly with IUCN.
5. Review relevant frameworks and its linkage with NbS activities in SCF target sectors, including the EU taxonomy, Task Force on Nature-related Financial Disclosures (TNFD), Sustainable Finance Disclosure Regulation (SFDR), green bond principles, and green loans principles.
6. Elaborate a first draft of the conceptual paper for internal consultation by SCF consortium members, and integrate their comments into the draft.
7. Coordinate an external review of the conceptual paper by a pre-defined list of experts, and integrate their feedbacks in the document.



8. Produce a final version of the conceptual paper on NbS projects for private sector investment.

### ***Pre-screening tool of NbS projects for private sector investment***

9. Identify and contact potential contributors to review the NbS portfolio activities.
10. Produce a comprehensive repository of NbS activities for SCF target sectors, and their linkages with societal challenges, based on activity 1. to 4.
11. Link the activities to relevant frameworks, including the EU taxonomy, TNFD, SFDR, green bond principles, and green loans principles, based on activity 5.
12. Construct a pre-screening tool using spreadsheets to be used by the SCF consortium.

### **Deliverables**

1. White paper on NbS for private sector investment in SCF target sectors that supports the SCF consortium members gaining more complete understanding of the concepts of NbS and the pathways to implementation.
2. Pre-screening tool that allows effective screening of NbS projects for consideration of SCF TA and private sector investment.

### **Duration of the assignment**

The consultancy is expected to last nine months starting in April 2023 for an estimated 60 working days. See Table 1 for details on the timetable.

### **Experience and qualifications**

- Advanced degree and at least 3 years of professional experience in environmental sustainability, conservation, or finance and investment
- Technical experience working with Nature-based Solutions, norms and standards on sustainable/green finance, and with SCF target sectors (sustainable energy, waste and water management, sustainable agriculture, sustainable urban solutions)
- Proven skills for conducting analytical work and writing reports

### **Meetings and travels**

The Consultant must be available to participate in virtual meetings which typically take place between European (CET/CEST) and U.S. Eastern (EST/EDT) time zones.

In addition, the Consultant may be requested to participate in a number of physical meetings and consultations. This will require travels that will be subject to prior approval of separate costs based on IUCN's travel policy. Travel costs will be reimbursed in line with the [IUCN travel policy for non-staff](#). However, number of consulting days will be based on the submitted proposal, and therefore no additional consulting days will be accepted.

