



ANTIGUA AND BARBUDA
Department of Environment

Terms of Reference
Financial Instrument Specialist

Job Title	Financial Instrument Specialist
Contracting Authority	Department of Environment, Ministry of Health and the Environment, Antigua and Barbuda
Date of Issue	5 th October 2021
Deadline	29 th October 2021
Duration	3 months
To Apply	<p>Interested persons are invited to apply for this opportunity. Please email the Procurement Officer at DOE@ab.gov.ag and copied to antiguaenvironmentdivision@gmail.com the following:</p> <p>Request for Specific Consultancy Services</p> <ol style="list-style-type: none">1. Cover Letter2. Curriculum Vitae3. Technical Proposal4. Financial Proposal5. Contact information for three (3) references <p>Please use email subject line: "...Application for Financial Instrument Specialist..."</p> <p>In the event that clarification questions are asked, the answers will be found at this site: https://www.environment.gov.ag/procurement-opportunities#procurements/opportunities</p>
EQUAL EMPLOYMENT OPPORTUNITY (EEO)	The Department of Environment (DoE) provides equal opportunity and fair and equitable treatment in employment to all people without regard to race, color, religion, sex, national origin, age, disability, political affiliation, marital status, or sexual orientation. The DoE also strives to achieve equal employment opportunity in all personnel operations through continuing diversity enhancement programs.
LATE BIDS	Late Bids will not be opened and will be returned to Bidder.

Terms of Reference Financial Instrument Specialist

I. About the Department of Environment

The Department of Environment is a Government agency within the Ministry of Health and the Environment in the Government of Antigua and Barbuda.

The overall mission of the Department of Environment (DOE) is to provide technical advice on the environment and to design and implement projects on behalf of the Government and the people of Antigua and Barbuda. These interventions are designed to protect and enhance the country's environment, as well as seek common solutions to national, regional and global environmental challenges.

The Department of Environment accomplishes its mission inter alia through:

- An integrated environmental planning and management system established on the basis of public participation and interagency collaboration,
- Efficient implementation of appropriate programmes, projects and technical services,
- Providing accurate council on environmental management as well as effective and consistent enforcement of environmental laws and regulations, and
- Provide the public with easily accessible information and technical assistance on environmental issues.

The Department of Environment manages projects within four main Programmes, which are aligned with national legislation and international environmental agreements. These are:

- a. Climate Change Programme (Adaptation, Mitigation, and Capacity Building)
- b. Biodiversity Programme
- c. Pollution Programme
- d. Monitoring, Evaluation and Data Management Programme

The DOE has an active portfolio of projects, with project sizes ranging from USD 50K to USD 15 million, with an additional 15 projects under development. Partners of the DOE include UN Environment, UNDP, IUCN, Caribbean Development Bank, Government of Italy, Global Environment Facility, Green Climate Fund, the Adaptation Fund, among others. The DOE was accredited as a direct access entity to the Adaptation Fund in 2015 and to the Green Climate Fund in 2017. The DOE is focused on designing high-impact, transformational projects that maximize funding directly available to the public, private and civil society actors in order to meet an ambitious environmental agenda.

II. About the Project

The Path to 2020 Project aims to implement Objective 1 of Antigua and Barbuda's National Biodiversity Strategy and Action Plan (2014 – 2025): *A national system, including protected areas, for the management and conservation of biodiversity conservation is developed and established.* By strengthening institutional coordination for protected areas, supporting legal frameworks, and blending local co-investment with international financing, this project will position Antigua and Barbuda to tap into global opportunities in conservation investments. The project will use innovative financing to enable the private sector and NGOs to participate in the management and sustainable use of protected areas.

The project has three main components:

i. Strengthening regulations, institutions and financing mechanisms for the national Protected Areas System: The indicator for this Component is: *Safeguarding of biodiversity and ecosystem services through strengthening capacity of PA system (17,704 hectares) to conserve and enhance critical habitats and watershed areas.*

ii. Expansion of protected areas in support of species conservation: The indicator for this Component is: *Increased protection for biodiversity of global significance over 3,035 hectares, including the only remaining wet forest ecosystem (moist evergreen closed canopy forest) in the country, and a number of restricted-range bird species and the island's most rare fern species.*

iii. Pilot livelihood financing mechanisms that support conservation and sustainable use of biodiversity and plant genetic resources in the newly designated Shekerley Mountain Management Area: This component is expected to raise significant financing from the private sector as co-financing for the overall project. The indicator for this Component is: *Ensuring the conservation of genetic resources and the sustainable use of at least 10 locally adapted crop varieties.*

III. About the Sustainable Island Resource Framework (SIRF) Fund

The Government of Antigua and Barbuda has developed a national fund, the Sustainable Island Resource Framework Fund (SIRF Fund), to serve as the primary channel for environmental, climate mitigation and adaptation funding from international and domestic sources. The SIRF Fund is established as a Special Fund under the Finance Administration Act (2006). This status as a special fund enables Antigua and Barbuda to earmark income from a range of sources to achieve its environmental and climate change goals.

Income to the SIRF Fund is provided through domestic and international sources. Domestic sources include visitation fees, pollution charges, carbon credits, taxes, levies, and other fees as may be prescribed by regulation. For international funding, the SIRF Fund acts as an implementing entity and sustainable financing mechanism for bilateral and multilateral funding sources such as the Green Climate Fund (GCF), Adaptation Fund (AF), and the Global Environmental Facility (GEF). The SIRF Fund is legislated under the Environmental Protection and Management Act (EPMA) 2015 and can only support activities that are aligned with and facilitate the implementation of the Act: <http://laws.gov.ag/acts/2015/a2015-11.pdf>. The

SIRF Fund is also designed to serve as a catalyst to attract investments, both public and private, to support a range of priority environmental actions for the implementation of Multilateral Environmental Agreements (MEAs) such as the United Nations Framework Convention on Climate Change Convention (UNFCCC) and the United Nations Convention of Biological Diversity (CDB).

The purpose of the SIRF Fund is to provide financing to implement the Environmental Protection and Management Act (2019) in a coordinated, systematic and cost-effective manner. The SIRF Fund is mandated to provide access to funding to the public sector, the private sector, and to non-governmental and community organizations in Antigua and Barbuda. The Department of the Environment (DOE) is currently supporting the operationalization of the SIRF Fund. However, the SIRF Fund is structured to eventually become a self-sustaining entity by 2022.

The SIRF Fund has been offering grants and loans to civil society organisations (CSOs), non-governmental organisations (NGOs), medium, small and micro- enterprises (MSMEs) and individuals and the success of the SIRF Fund will depend on those receiving grants and loans being able to carry out the activities as required and, in those cases of the loans, being able to pay back on time. The Fund serves as a unique opportunity to build the resilience of people, communities and businesses in Antigua and Barbuda to climate change and biodiversity loss.

IV. Consultancy Background

Consultancy Background

Under Output 3.1 -Updated policies and regulations in place for the Sustainable Island Resource Framework (SIRF) Fund's non-grant financing instruments of the project, co-financing from the SIRF Fund will support the design and operationalization of different funding windows under the SIRF Fund, which will be used to provide access to financing for farmers who adopt sustainable production activities that support biodiversity mainstreaming, agrobiodiversity, and genetic resources conservation.

Following the process for the SIRF Fund Adaptation Window that was piloted under the GEF SCCF project for Antigua and Barbuda, the SIRF Fund Board can establish specific financing instruments to support the implementation of conservation priorities identified in the EPMA 2019 and the national environmental policy framework. The financing mechanisms under the SIRF fund include a combination of grants for small scale technical assistance (to help participants initiate activities) and non-grant instruments to pilot sustainable business models. For example, a revolving loan fund, similar to the existing SIRF revolving loan fund that was established under the GEF SCCF project in Antigua and Barbuda to support homeowners in adapting to climate change, could provide concessional loans (low-interest, unsecured, flexible payback periods) for small-scale farmers and ecotourism operators. The SIRF Fund offers a tool to pilot and implement new types of financing opportunities within PAs. The Path to 2020 project aims to pilot the first financing by the SIRF Fund in support of farmers and sustainable livelihoods in protected areas. For more information on the SIRF Fund refer to the Environmental Protection Management Act 2019 (<http://laws.gov.ag/wp-content/uploads/2019/08/No.-10-of-2019-Environmental-Protection-and-Management-Bill-2019.pdf>).

The project also will seek to establish an equity microfinance pilot. Many microenterprises in developing countries have high returns to capital, but also face risky revenue streams. In principle, equity offers several advantages over debt when financing investments of this nature, but the use of equity in practice has been largely limited to investments in much larger small-medium enterprises (SMEs). The DOE's aim is to develop a model contract to make investments in microenterprises in Antigua and Barbuda. The SIRF Fund business model is based on the premise that these businesses are built on a business model that depends on the flow for ecosystems services. The healthier and more protected the ecosystems, the more services available and more profits for the business while the services are access in a sustainable manner. These businesses however are affected by the impact of the increased frequency and intensity of weather events which can suspend the access of ecosystems services for weeks, months and years after the event. The SIRF Fund seeks to develop a fund program for these entrepreneurs that will allow them to invest into these businesses while reducing the risk of losing their homes and assets that are normally required for collateral by traditional banks in Antigua and Barbuda.

The SIRF Fund received funding from the Global Environmental Facility to pilot equity as a possible instrument for these types of businesses in Antigua and Barbuda. Using donor funding for equity in developing countries is rare mostly due to the inability to meet strict donor requirements and frankly due to the potential high reputation risks. Notwithstanding this, the Fund will be pushing ahead to offer equity to SMEs and then seek to cash out after a fixed period of time.

V. Purpose and Objective of Consultancy

The Path to 2020 Project is one of the first projects that aims to determine the feasibility of micro equity as a viable financing mechanism to support micro-enterprises with an environmental focus. The current local situation on the availability, legal procedures or the standards/guidelines for the implementation of equity are unknown. The DOE is interested in mainstreaming micro-equity as a funding mechanism for the SIRF Fund and a scoping study is needed to determine the feasibility of this process and the associated procedures/guidelines that would be need to be put in place. A decision has been made to hire a consultant to undertake this work.

The Department of the Environment is therefore inviting suitably qualified consultants to submit proposals for a consultancy to carry out the activities as indicated in Section V - Scope of Work.

VI. Scope of Work

The Consultant, in conjunction with technical support from the Department of Environment, will be expected to cover all the activities necessary to accomplish the stated objective of the project including but not limited to the following:

Activity 1: Institutional scoping assessment to decide which financial institutions would be the most feasible/ or have interest in implementing the micro-equity in Antigua and Barbuda:

- a. Conduct a review of similar schemes from around the world in an effort to build on lessons from past efforts to deliver microfinance equity

- b. Identify two to three potential public/private organisations which could offer micro-equity products and services
- c. Conduct consultations to determine the capacity of the identified financial institutions to implement micro-equity
- d. Introduce micro-equity options and frameworks to the identified financial institutions with capacity building activities

Activity 2: Conduct a gap analysis with identified micro-enterprises and other potential enterprises to determine their interest in micro-equity, their current capacity to engage in a micro-equity arrangement and any existing constraints that may prevent this transition

- a. Identify enterprises within the Path to 2020 project site which have the potential to accept micro-equity funding
- b. Conduct consultations to develop assessment criteria for microenterprises to accept micro-equity funding
- c. Initiate capacity building activities for the identified microenterprises

Activity 3: Design the micro-equity financing instrument under the SIRF Fund by providing the selection criteria for the selection of micro-enterprises for the implementation of micro-equity financing. Also include the types of documents that the microenterprises should submit and also provide names of potential evaluators for the selection of micro-enterprises for financing

Activity 4: Provide guidance on the provisions of the contract with microenterprises to DOE's legal consultant to develop a draft contract to facilitate micro-equity under the SIRF Fund. The draft contract should consider the governing regulations and the rights and responsibilities of all the parties.

VII. Deliverables

The consultant will provide the following outputs:

- I. Workplan
- II. Output 1:
 - a. Scoping assessment report on micro-equity in Antigua and Barbuda including reports on Activity 1 part a, b, c and d
 - b. Short list of Financial Institutions that could partner with the DOE to offer micro-equity financing.
 - c. Consultation reports from Activity 1
- III. Output 2:
 - a. Gap analysis to identify constraints on micro-enterprises to use equity inclusive of a report on Activity 2, part a, b and c
 - b. Consultation reports from Activity 2
- IV. Output 3:
 - a. Financial instrument structure for the micro-equity pilot for the SIRF Fund addressing the activities outlined in Activity 3
- V. Output 4:
 - a. Contract Template addressing the activities outlined in Activity 4
- VI. Monthly Consultant Updates

VIII. Reporting Requirement

Under the general supervision of the Project Coordinator, the consultant will be contracted to undertake and complete the specified activities, outlined in Section V – Scope of Work.

Seven (7) working days after the contract or agreement has been signed by the consultant and the Department of Environment (DoE), the consultant will submit a detailed Work Plan, inclusive of timelines for the submission of monthly updates and the final report.

Within fifteen (15) working days of completing the specified scope of work, the Consultant will prepare and submit to the DoE, a Final Report.

The Final Report should be submitted electronically to the Project Coordinator in Microsoft Word. **The Final Report should also be accompanied by a signed invoice in the amount claimed by the consultant and Workplan in Eastern Caribbean Dollars.** The invoice should include full banking instructions in order to facilitate wire transfer of funds by DoE.

IX. Duration

The assignment should not exceed a total of three months for the Consultant.

X. Required Qualifications and Experience

- A relevant advanced university degree (Masters or equivalent) Masters in Business Administration and Finance, Economics or related; preferably with a specialization in climate change or environment.
- Minimum of 5 years practical and applicable work experience
- Previous development and/or implementation of micro-financing systems
- Previous experience working with microenterprises in the agriculture and/or the sustainable livelihood sector
- Proven ability to provide technical guidance to a wide range of stakeholders to achieve stated project objectives
- Excellent English Language skills.
- Highly developed communication skills, including ability to draft/edit texts and to articulate ideas in a clear, concise style to a variety of audiences.
- Ability to identify strategic issues, opportunities and risks and communicate broad and compelling organizational direction;
- Advanced MS Office skills

XI. Evaluation Criteria

The evaluation criteria and weightings that will be applied to this TOR are as follows:

Category	Description	Weighting
1	Qualifications of consultant and availability of named individuals including national experts	25
2	Adherence to TOR specifications and related requirements: Clear understanding of required deliverables	35
3	Experience with similar work	25
4	Demonstrated track record of success, supported by references	15
	Total	100