



The Biodiversity Finance Initiative (BIOFIN)

Finance for Nature

Terms of Reference for Environmental Finance Expert

BACKGROUND

Preliminary top-down estimates of the global financial gap for biodiversity range from US\$ 100 to 400 billion annually and detailed bottom-up assessments in participating BIOFIN countries validate this significant financial need and have helped identify finance solutions required to achieve the Aichi Targets and biodiversity related SDGs. In recent decades, biodiversity finance tools and solutions have demonstrated their importance for achieving biodiversity and sustainable development goals. But since countries have not approached the issue of biodiversity finance in a comprehensive manner, the choice and adoption of finance solutions has remained experimental and opportunistic. Improved choice, design and implementation of effective well-tailored finance solutions will strengthen a countries' chances of achieving national and global biodiversity targets.

The Biodiversity Finance Initiative – BIOFIN – is a global programme that developed, piloted, and is continuously improving a methodology to measure existing biodiversity expenditure levels, assess future financial needs, and design comprehensive plans to use finance tools and solutions that increase financing, effectiveness and efficiency of biodiversity management in 30 countries. BIOFIN's first phase (2012-2018) enabled full assessments and initial implementation of finance plan elements in target countries. Significant enhancement and scaling up of finance solutions is required in all countries to address the biodiversity finance challenge. BIOFIN's second phase enables the 30 countries to complete the design and implementation of priority finance solutions and will allow a further 15 countries to undertake the assessments as well as create and implement their biodiversity finance plan. At the central level, knowledge management platforms will be expanded and additional guidance produced for most valuable finance solutions.

In countries, national teams work with the global BIOFIN team on the following components, corresponding to steps 3-7 of the 2016 BIOFIN Workbook (more updated guidance will be available):

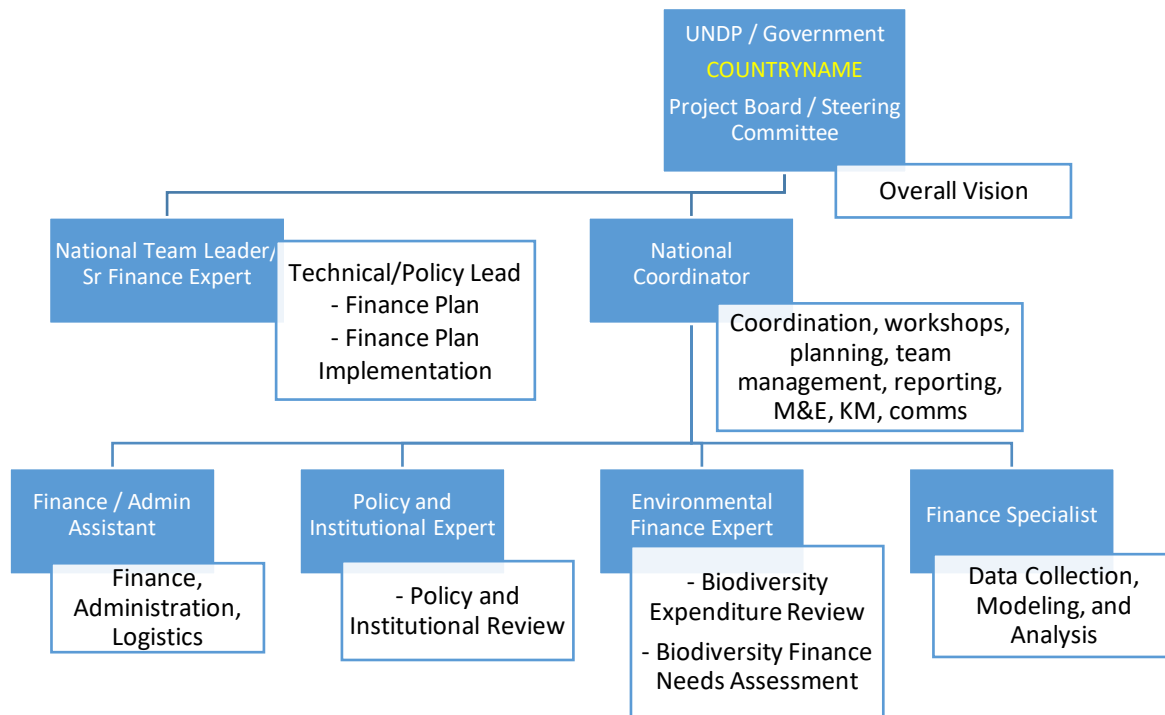
- **BIOFIN Inception Workshop and Report.** During the Inception Phase the national BIOFIN team is recruited, the Steering Committee established, an inception workshop is implemented and an inception report is produced and shared with stakeholders. Once operational, the national BIOFIN team carries out a first review of the national context, outlining available information and initiatives, identifying cooperation modalities with related initiatives and organising the inception workshop, a first introduction to a wider group of stakeholders and a first moment of active engagement, with the underlying purpose of starting to build a national vision on biodiversity finance. The inception report is developed to capture initial national level baseline information on biodiversity finance, describe recommendations from stakeholders made through the inception workshop, highlight adjustments made in national implementation arrangements and provide preliminary analysis for entry points to advance biodiversity finance in the country.

- **Biodiversity Finance Policy and Institutional Review (PIR).** The PIR enables participating countries to analyse current policies, institutions and existing finance mechanisms and tools associated with biodiversity and ecosystem services in order to evaluate their impact and effectiveness and to understand key entry points and opportunities for effecting change. The first step includes identifying the existing national vision and key trends for biodiversity and sustainable development financing, and mapping sectoral interactions with biodiversity and ecosystem services. The PIR includes an inventory of existing financing mechanisms used for biodiversity, key subsidies that affect biodiversity, biodiversity related revenues and all associated laws and regulations. It explores how finance and economics can be used to address the main drivers of biodiversity loss. The PIR process is used to further clarify relevant stakeholders and their specific mandates, institutional arrangements and capacity related to the NBSAP and biodiversity finance. Existing economic valuation studies are reviewed and integrated into the analysis. Policy recommendations, including possible reforms of harmful subsidies and other incentives that contribute to continued biodiversity loss, can be incorporated in PIR and national planning strategies. Stakeholder engagement is ensured through a consultation workshop in the early stages and a validation workshop at the end to discuss the complete findings and recommendations.
- **Biodiversity Expenditure Review (BER).** The **Biodiversity Expenditure Review** helps countries to establish a firm baseline of historic and current biodiversity expenditure levels and future projections in comparison to the underlying institutional and policy vision and framework. The expenditure review is conducted with the public, private, and civil society institutions identified under the inception phase and the PIR. For each relevant biodiversity finance actor, budget, allocation and expenditure data are collected for the past 5-7 years. For each budget or expenditure the percentage that can be attributed to biodiversity and the target area of the expenditure is determined. The analysis will explore the relation of biodiversity expenditures to overall government budgets, stated policy objectives, GDP and jobs, NBSAP strategies and themes, etc. Historic trends are analysed and projections can be made about future financing under a business as usual scenario. The final report will provide very specific recommendations on (i) key sources of financing, (ii) possible re-alignment of expenditures; (iii) allocation or absorption issues; (iv) and other insights generated from the review. Stakeholder engagement is ensured through a consultation workshop in the early stages and a validation workshop at the end to discuss the complete findings and refine recommendations.
- **Financial Needs Assessment (FNA).** The FNA is a detailed realistic costing of key biodiversity policies and plans – generally focused on the National Biodiversity Strategy and Action Plan (NBSAP). This involves an estimation of the financial needs and a prioritisation of actions for biodiversity management across all sectors of government, NGOs and can include private sector investments. Existing financing for specific actions will be compared to estimated needs to develop a projected financing gap. The methodology includes reviewing and refining actions defined in the NBSAP and other major policies that require costing. For each of these costable actions, specific budget elements are calculated based on existing government budget categories and units. Stakeholder engagement is ensured through a consultation workshop in the early stages and a validation workshop at the end to discuss the complete findings and final recommendations.
- **Biodiversity Finance Plan (BFP).** The **Biodiversity Finance Plan** is a national strategy and plan for financing biodiversity addressing all possible dimensions of finance, including resource mobilisation, improving impact delivery, avoiding future expenditures and re-aligning expenditures towards biodiversity goals. The national experts will work closely with the global team to review a wide range of possible finance solutions, and establish an agreed upon approach to prioritise based on a variety of characteristics of each solution, including the financing potential, the legal context and socio-economic/gender impacts, while mapping barriers that currently prevent further financing. For a selected number of the most promising financing mechanisms a more detailed feasibility study will be carried out. A large national workshop involving a wide variety of stakeholders should be organised as a key element of the consultation process followed by a smaller workshop planned at the end to validate the strategy and its recommendations.
- **Implementation of Biodiversity Finance Solutions** – BIOFIN supports the implementation of biodiversity finance solutions that are identified during the course of the three main assessments – PIR, BER, and FNA – or elaborated in the Biodiversity Finance Plan. Under this output, support is provided to implement one or more

priority solutions likely to show significant or relatively rapid results. The national BIOFIN team will prepare one or more proposals and submit these for review by the global BIOFIN team. The selected activities can include a wide range of finance solutions including the provision of technical or advocacy support for developing laws and regulations, revising taxes and fees, the identification of legal thresholds, removal or reduction of biodiversity harmful incentives, certification processes, public-private-partnerships, voluntary agreements, awareness raising campaigns, behaviour change through education and training measures etc. A list of finance mechanisms and solutions is provided on the BIOFIN [website](#).

Below is a summary of the proposed BIOFIN national team structure.

BIOFIN NATIONAL TEAM STRUCTURE



PIR

Policy and Institutional Expert

Sr Finance

- Subsidies and Taxes

Env Finance

- Finance Mechs
- Economic Studies

BER

Env Finance Expert

Finance Specialist

- Data Acquisition and Analysis

FNA

Env Finance Expert

Finance Specialist

- Budget modeling

Finance Plan

Sr Finance Expert

Env Finance Expert

- Feasibility Studies

Finance Specialist

- Projections

PI Expert

- Legal / Policy / Inst Framework

Environmental Finance Expert

Location: Phnom Penh and Target Areas

Starting Date: As soon as possible

Supervisor: National Project Coordinator

Duration of contract: 9 working months

Responsibilities:

The Environment Finance Expert will be responsible to complete the **Biodiversity Expenditure Review** (BER) and the **Biodiversity Finance Needs Assessment** (FNA) following the guidance provided by the current version of the BIOFIN Workbook in close collaboration with the Sr. Finance Expert and with detailed data and analytical support provided by the Finance Specialist. The Environmental Finance Expert will also provide input to all other national BIOFIN outputs, including the Policy and Institutional Review, Biodiversity Finance Needs Assessment and to develop detailed feasibility studies for priority finance mechanisms in the Biodiversity Finance Plan. The consultant will also contribute to the Summary for Policy Makers and provide input to the feedback on the BIOFIN methodological framework.

The BER explores national and subnational level budgeting and biodiversity expenditures of different organizations, agencies, ministries, NGOs and private sector actors. The Environmental Finance Expert will produce drafts and analyses that will be reviewed and ultimately validated by the Sr. Finance Expert, the Project Coordinator, and the BIOFIN Global Team.

Specific tasks include:

Policy and Institutional Review

- Carry out an inventory of existing Biodiversity Financing Mechanisms in the country
- Carry out a review of existing economic valuation studies relevant to the BIOFIN process.

Biodiversity Expenditure Review

- Carry out a desk review to map existing studies/information/databases on biodiversity expenditures, including an overview of earlier environmental expenditure reviews.
- Develop a proposed national definition for “biodiversity expenditures”, based on the BIOFIN methodology.
- Develop a workplan for the Biodiversity Expenditure Review for discussion with the national BIOFIN team and BIOFIN Global Senior Technical Advisor.
- Determine a target list of organizations to include in the analysis based on the PIR work.
- Establish a system to tag biodiversity expenses into categories (Aichi, BIOFIN, NBSAP themes, etc.) and a system of coefficients / attribution to estimate contribution of mixed actions towards biodiversity.
- Conduct the expenditure review on budgets and expenditures dating back to 2006 (if possible) to the most recent complete year. Follow BIOFIN Workbook for guidance (includes sources of funding, subsidies, and biodiversity based revenues)
- Analyse the total biodiversity-related expenditures filtered by major strategy groups using BIOFIN taxonomy (or national categories such as NBSAP).
- Coordinate the compilation of relevant data and liaise with relevant Ministries and partners as required and complete all BIOFIN data entry sheets for the BER.
- Organise bilateral consultation meetings/interviews/discussions with national level stakeholders to define then validate the attribution of biodiversity significance in all relevant expenditures.
- Applying budget projections and other assumptions, estimate future funding baseline under a “Business-As-Usual Scenario”: an analysis of projected estimated funding in the future.
- Based on international best practises and the BIOFIN Workbook, develop and implement a specific strategy for data collection of the private sector and organise dedicated consultation meetings with

private sector stakeholders (e.g. chamber of commerce, multinationals) on tracking biodiversity expenditures.

- Based on results from the national consultation workshop, develop the draft BIOFIN Biodiversity Expenditure Review for review by the national BIOFIN team and global BIOFIN Sr Technical Advisor.
- Develop the final Biodiversity Expenditure Review for review by the national BIOFIN team and global BIOFIN Senior Advisor and present at the validation workshop.

Biodiversity Finance Needs Assessment (FNA)

- Review the BIOFIN Workbook methodology, examples from other BIOFIN countries, the latest NBSAP and the 5th National Biodiversity Report to develop an initial workplan and outline for the FNA.
- Consult with the NBSAP team and government entities responsible for NBSAP implementation to obtain background information about NBSAP activities and government budgeting processes.
- Work with the Sr. Finance expert to review the scope of the NBSAP, its alignment with other national policies, and identify policy areas and activities that are not covered by the existing NBSAP.
- Review the activities listed in the NBSAP and other key strategic documents to assess if they are detailed and quantified enough for their budgets to be estimated in detail. If not, work with the NBSAP team and other relevant stakeholders to define clearly the NBSAP actions so that they can be budgeted.
- Coordinate the compilation of relevant data and liaise with relevant Ministries and partners as required and organise a national consultation workshop to define the finance needs of all major biodiversity programmes.
- Develop detailed calculations and complete all datasheets related to the national biodiversity finance needs.
- Organize a workshop to validate the cost assumptions and models and refine the analysis through additional meetings as needed.
- Compare the results of the BER future projections with the FNA in as great as detail as the categories allow and produce an estimate of the financing gap.
- Develop a draft report for the Biodiversity Finance Needs Assessment for discussion at the validation workshop and review by the national and global BIOFIN teams.
- Produce the final report of the Biodiversity Finance Needs Assessment.

Biodiversity Finance Plan

- Support the Sr. Finance Expert in the conception and preparation of the BFP.
- Conduct detailed feasibility analyses on a range of financing mechanisms depending on knowledge and experience.

Project Outreach and Communication

- Preparation of workshops, meetings, networking and presentations as required, to complete the Biodiversity Expenditure Review and engage stakeholders.
- Train at least 30 national level stakeholders on the basics concepts of expenditure reviews and work to develop the capacity of direct government counterparts.
- Provide substantive comments and feedback on how to improve the BIOFIN methodology.

Knowledge Management and Reporting

- Document decisions and assumptions made while completing the Biodiversity Expenditure Review and the Biodiversity Finance Needs Assessment.
- Document lessons learned from conducting the BIOFIN project ranging from institutional considerations to technical issues.
- Prepare reports and case studies, as required, for submission to global meetings (e.g. CBD COP).

The Environment Finance Expert reports to the National Project Coordinator.

Key deliverables (products and processes):

- **Policy and Institutional Review** (I) Review existing finance mechanisms (II) review existing relevant economic valuation studies (III) integrate the results into the draft PIR.
- **Biodiversity Expenditure Review** (1) Outline and Desk Study, (II) Establishment of definitions, categories, and attribution approach (coefficients), (III) Data acquisition and analysis, (IV) Draft Report, (V) Initial and Final Workshops and workshop reports, (VI) Revised Draft for submission (VII) Final validated report.
- **Biodiversity Finance Needs Analysis** (I) Outline and Desk Study (II) Initial modelling and assumptions, (III) Draft Report, (IV) Initial and Final Workshops and workshop reports, (V) Revised Draft for submission (VI) Final validated report.
- **Biodiversity Finance Plan** (I) at least five (5) feasibility studies of selected Financing mechanisms.
- Provisional and final feedback on the BIOFIN Workbook and methodology (1-2page note).
- Contribution to overall process of BIOFIN.

The contract will be performance-based. Payments will be made against the following deliverables:

- Biodiversity Expenditure Review: Completion and clearance of desk review and outline: 5% of total payment.
- Biodiversity Expenditure Review: Completion and clearance of draft report, targeted consultation meetings, BER datasheets and consultation workshop: 15% of total payment.
- Completion of private sector engagement strategy, relevant datasheets and report section on private sector biodiversity expenditures 10% of total payment.
- Biodiversity Expenditure Review: completion and clearance of final report and validation workshop: 10% of total payment.
- Biodiversity Finance Needs Assessment: completion of desk review, initial workplan and outline: 5% of total payment.
- Completion of all data sheets and national consultation workshop: 15% of total payment.
- Biodiversity Finance Needs Assessment: completion of draft report with recommendations and validation workshop: 20% of total payment.
- Biodiversity Finance Plan: Completion of feasibility studies for priority financing mechanisms: 15% of total payment.
- Biodiversity Finance Mechanisms Feasibility studies 15% of total
- Contributions to Project Synthesis Report and Summary for Policy Makers: 5% of total payment.

Education:

- Advanced Degree (Masters or higher) in finance, economics, business management or a closely related field, or equivalent relevant work experience, preferably with an environment / biodiversity focus.

Competencies:

- Strong analytical, writing and communication skills.
- Ability to prepare publications, reports and presentations.
- Ability to work with a multidisciplinary and multicultural team.
- Strong motivation and ability to work and deliver under short deadlines.
- Focuses on impact and result for the client and responds positively to critical feedback.
- Able to work independently with little or no supervision.
- Familiarity with government strongly desired.

Experience:

- At least 5 years of experience, preferably in environmental finance, accounting, economics, management or related field.
- Experience in collaborating with international and national experts and institutions.
- Exposure to environmental issues or biodiversity desirable.
- Sound understanding of key software packages (MS Office)
- Previous experience with expenditure reviews would be an asset.
- Knowledge of English is an asset.

