Specific Terms of Reference for Formulation of a Green Financing Instrument in Pakistan

Development of Green Credit Guidelines for Facilitation of Green Financing for Leather and Textile SMEs from Financial Institutions in Pakistan

Terms of References (ToRs) for Consultant

1. GENERAL

This document contains Terms of Reference (TOR) for the Consultant, to be engaged by WWF-Pakistan (hereinafter called the Employer), for preparation of “Green Credit Guidelines for Facilitation of Green Financing for Leather and Textile SMEs from Financial Institutions in Pakistan” (hereinafter called the Study).

2. OBJECTIVES AND SCOPE OF THE STUDY

The objective of the consultancy is to provide a reference document, for use by stakeholders and participants of the ILES project that serves as a comprehensive financial mechanism (Green Credit Guidelines) for facilitating green financing in leather and textile SMEs in Pakistan. Thorough consultations with financial institutions and industrial stakeholders are incumbent for the designing of these guidelines. Dissemination workshops after the preparation of the guidelines are necessary as part of this study.

The scope of the consultancy builds on the Needs Assessment Study / Gap Analysis as well as insight from interviews and dissemination workshop conducted in Phase 1 (Needs assessment study on “Facilitation of Green Financing for Leather and Textile SMEs from Financial Institutions in Pakistan” published by WWF-Pakistan) of this project, and shall include the following:

Stage 1 – Preliminary scoping:

This part of the consultancy will involve:

- Conduct additional meetings / interviews with key industrial stakeholders in finance sector as well as textile and leather sector in order to fill knowledge gaps identified in Phase 1 of this project and inform design process for drafting the financial mechanism / Green Credit Guidelines.

Deliverables from Stage 1:

- First sketch of concise policy brief / summary paper containing initial ideas and recommendations for the design of Green Credit Guidelines as a result of the additional interviews and building on the Needs Assessment Study Form Phase 1
- Recommendations (and rationale) and initial plan for consultation workshops in Stage 2

Stage 2 – Workshops for public and private sector stakeholders to seek recommendations:

This part of the consultancy will involve:
• Seeking recommendations both from public sector and private institutions
• Two (02) consultative / collaborative working group sessions for discussions and brainstorming with financial institutions, SMEs and public sector. Draft recommendations for preparation of green credit guidelines after the consultation process.

Deliverables from **Stage 2:**
- A concise policy brief / summary paper containing findings and recommendations based on the proceedings of consultative sessions and building on the Needs Assessment Study from Phase 1
- The brief should have sections on:
  • recommendations to develop green credit guidelines and
  • assessment of barriers and opportunities for implementing these proposed recommendations
  • Schematic overview of financial mechanism for de-risking the investment for environmental initiatives

**Stage 3 – Drafting of the Guidelines:**
Development of the detailed green credit guidelines.

Deliverables from **Stage 3:**
- Final report of the consultancy in the form of ‘Green Credit Guidelines to Facilitate Leather and Textile SMEs for Securing Green Finance from Financial Institutions’ (including financial mechanism) encompassing all findings from above stages

**Stage 4 – Final Information dissemination workshops**
Information sharing and capacity building of stakeholders

Deliverables from **Stage 4:**
- A PowerPoint presentation for dissemination of the Green Credit Guidelines and financial mechanism delineated in the guidelines.
- Two (02) dissemination workshops / capacity building session for financial and industrial institutions for sharing Green Credit Guidelines

3. **CONSULTANT’S SCOPE OF SERVICES**

The Consultant’ scope of services shall comprise the following:
a) Collation of all the requisite data and information (depending on the availability of data), for the purpose of the Study, and its timely submittal to the Employer. Both Employer and Consultant will be coordinating and updating the list if required.

b) Review sessions with Employer to discuss the available data and agree structure, scope and contents of final report.

c) Carrying out all the required analyses of the collected data and information

d) Conducting all workshops will be the primary financial and logistic responsibility of the Consultant. (Budgeted by the Consultant in consultation with the Employer).

e) Preparation and submittal of the Final Study Report, after due incorporation of the Employer's written comments and observations, on the Draft Study Report

f) Proceedings of consultative workshops (02); dissemination workshops (02) and meetings (as required) shall be recorded and submitted along with the deliverables of the respective stage.

g) Time to time feedback of the Employer on the study

h) Final Study Report shall be submitted to the Employer, in form of a soft (electronic) copy, each.

i) The presentation shall be submitted in soft form.

4. REQUIRED QUALIFICATIONS

• The consultant/team of consultants should have a Masters in finance/economics/accounting/business/administration or related discipline from a reputable international or Pakistani institution. Experience of working with textile and leather sector will be preferred.

• At least 7-8 years of experience in corporate finance, banking, management consulting, green financing or non-banking financial institutions.

• Consultant/team of consultants should have experience with:
  o solar/renewable project financing; energy/environmental projects
  o Funding of alternative energy projects at a bank or a private equity fund.

• Professional exposure of working in Pakistan will be an added advantage

5. TIME FRAME

- 5 months