TERMS OF REFERENCE

CONSULTANCY SERVICES TO SUPPORT THE DEVELOPMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FRAMEWORKS FOR PARTICIPATING FINANCIAL SERVICE PROVIDERS UNDER FIRIP

1. Assignment Information

ITEM	DETAILS
Title of Assignment	Consultancy Services to Support the Development and Institutionalization of Environmental, Social and Governance (ESG) Frameworks for Participating Financial Service Providers under FIRIP
Specialization	Sustainable Finance, ESG, Climate Finance and Environmental Governance
Expected Start Date	To be confirmed; from the date of contract signature
Expected End Date	Twenty-four (24) months from the date of contract signature
Contract Duration	Twenty (24) months
Estimated Level of Effort	Up to One hundred and sixty (160) working days, deployed flexibly over the contract period
Indicative FSP Coverage	Up to six (6) Participating Financial Service Providers (PFSPs), subject to the FIRIP onboarding plan and available budget
Project	Financial Inclusion for Resilience and Innovation Project (FIRIP)
Location	Lusaka, Zambia, with travel to participating FSPs as required and approved
Reports To	Derrick Simukoko, Project Coordinator, FIRIP

2. GENERAL DESCRIPTION OF THE ASSIGNMENT

FIRIP seeks to engage an individual consultant to provide technical consultancy services to support the assessment, design, adoption and operationalization of Environmental, Social and Governance (ESG) frameworks for Participating Financial Service Providers (PFSPs). The consultancy will provide both project-level ESG technical support to the FIRIP Project Management Unit (PMU) and institution-specific technical support to PFSPs as they are formally onboarded under the Project.

The assignment will establish a practical ESG Framework Template that FIRIP can use as a common reference while allowing each participating FSP to develop a customized ESG framework reflecting its mandate, operational model, portfolio composition, risk appetite and institutional capacity. The consultant will provide ongoing technical support to onboarded FSPs to integrate ESG principles into governance structures, lending and investment decisions, risk management

systems, sustainable finance products, climate finance initiatives, monitoring, reporting and disclosure mechanisms.

Given that PFSPs may be onboarded at different times, the consultancy is structured as a service-level arrangement. The consultant's level of effort will therefore be deployed flexibly throughout the twenty-four (24) month contract period in response to the actual onboarding sequence and technical support requirements of participating FSPs.

3. ORGANISATIONAL CONTEXT

The Government of the Republic of Zambia, through the Financial Inclusion for Resilience and Innovation Project (FIRIP), seeks to strengthen the resilience of Zambia's financial sector to climate-related risks while increasing access to sustainable and inclusive finance. The Project recognises that financial institutions play a critical role in mobilising capital towards climate resilient and low carbon investments, particularly in agriculture and other climate-sensitive sectors.

To support this transition, FIRIP aims to enhance the capacity of participating financial institutions to integrate Environmental, Social and Governance considerations into governance structures, risk management systems, lending operations, investment decisions and reporting mechanisms. While national sustainable finance principles and regulatory guidance provide a common foundation, each institution requires a customized ESG framework reflecting its institutional mandate, operational model, portfolio composition, risk appetite and capacity.

FIRIP, in collaboration with relevant financial sector stakeholders, therefore intends to engage a qualified individual consultant to facilitate the development, adoption and institutionalisation of customized ESG frameworks and related operational systems for participating financial institutions. The consultant will also provide continuing technical advisory support to the FIRIP PMU and PFSPs during the onboarding and implementation period.

4. Objective of the Assignment

The overall objective of the consultancy is to support participating financial institutions and FIRIP PMU in developing and adopting customized ESG frameworks and implementation systems that enable the integration of environmental, social, climate, and governance considerations into their operations, decision-making processes, financial products and reporting mechanisms.

5. Specific Objectives

The consultant shall:

- Support the FIRIP PMU to develop and maintain an ESG Framework Template for use by participating FSPs.
- Assess existing ESG, sustainability, risk management, governance, and environmental and social due diligence practices within participating FSPs.
- Identify institutional gaps, opportunities and priorities for ESG integration.

- Support the development and refinement of customized ESG frameworks tailored to the operational realities and strategic objectives of each participating FSP.
- Support the design of ESG governance structures, policies, procedures and accountability mechanisms.
- Support the development and application of ESG risk screening, categorisation and assessment tools appropriate to the institutions' portfolios.
- Support the establishment of ESG monitoring, reporting and disclosure systems aligned with applicable national requirements and relevant international good practice.
- Build institutional capacity to operationalise and sustain ESG systems beyond the FIRIP support period.
- Provide responsive technical advisory services to FIRIP and onboarded FSPs throughout the contract period.

6. Scope of Work

The individual consultant shall undertake, but not be limited to, the following tasks:

Task 1: Inception, Mobilization and Stakeholder Consultations

- Conduct an inception meeting with FIRIP, participating financial institutions, regulators and relevant stakeholders.
- Review FIRIP project documentation, national policies, sustainable finance initiatives and applicable regulatory frameworks.
- Review relevant ESG, climate finance, environmental and social risk management and sustainable finance standards applicable to participating FSPs.
- Prepare an inception report setting out the methodology, work plan, stakeholder engagement strategy, onboarding approach and implementation schedule.
- Develop/refine the FIRIP ESG Framework Template to serve as the common reference for institution-specific ESG support.

Task 2: Institutional ESG Diagnostic Assessment

For each formally onboarded participating FSP, undertake a comprehensive assessment covering:

- Corporate governance arrangements.
- Existing sustainability and ESG practices.
- Environmental and social risk management procedures.
- Climate risk management systems.
- Lending and investment policies.
- Internal controls and compliance systems.
- Reporting and disclosure practices.

- Human resource and institutional capacity requirements.
- Existing sustainable finance and climate finance practices, where applicable.
- Institutional gaps relative to applicable regulatory requirements, national sustainable finance guidance and relevant international standards.

The consultant shall identify gaps relative to international standards and emerging sustainable finance requirements.

Task 3: Supporting the Development of Customized ESG Frameworks
For each participating FSP, support the development, review and refinement of an institution-specific ESG framework covering, as applicable:

- ESG vision, objectives and principles.
- ESG governance structures and oversight mechanisms.
- Roles and responsibilities of boards, management and operational units.
- ESG integration processes across relevant business functions.
- ESG policy statements and procedures.
- Stakeholder engagement mechanisms.
- ESG performance indicators and targets.
- Climate risk integration approaches.
- Institution-specific implementation and accountability arrangements.

Task 4: ESG Operational Tools and Implementation Support

Support the design, adaptation and operationalisation of practical implementation tools, including:
- ESG screening and due diligence checklists.
- ESG risk categorisation methodologies.
- Sector-specific ESG assessment templates.
- Climate risk screening tools.
- Portfolio monitoring frameworks.
- ESG incident reporting procedures.
- Corrective action and escalation mechanisms.
- ESG reporting templates and dashboards.
- Other practical tools required to support implementation within individual FSPs.

Task 5: ESG Reporting and Disclosure Framework

Support the development and/or adaptation of reporting and disclosure systems aligned, where applicable, with relevant international good practice and national requirements, including:

- IFRS Sustainability Disclosure Standards.

- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), where applicable.
- Sustainable finance and climate-risk reporting principles.
- Relevant national sustainable finance guidance and regulatory requirements.

Task 6: Capacity Building, Validation and Institutional Adoption

- Conduct training and practical capacity-building sessions for participating FSPs.
- Facilitate validation sessions with senior management, boards and relevant operational units.
- Support incorporation of comments and recommendations arising from validation and stakeholder consultations.
- Assist participating FSPs in adopting finalized ESG frameworks through their internal approval and institutional processes.
- Provide follow-up technical support to address implementation questions and strengthen institutional ownership.

Task 7: Ongoing Service-Level Technical Advisory Support

- Provide responsive technical advice to the FIRIP PMU on ESG matters arising during implementation.
- Provide technical support to FSPs as and when they are formally onboarded.
- Review and provide comments on FSP documents, tools and processes relevant to ESG integration.
- Participate in agreed meetings, technical sessions and stakeholder engagements.
- Provide troubleshooting and clarification support during implementation and institutional approval.
- Maintain a record of services provided, FSPs supported, issues identified, actions agreed and outstanding matters.
- Submit periodic service reports to FIRIP documenting activities undertaken, outputs achieved, challenges and the work plan for the next reporting period.

7. Deliverables

The consultant shall produce the following deliverables:

No.	Deliverable	Key Output
1	Inception Report	Approved methodology, work plan, stakeholder engagement strategy, FSP onboarding approach and implementation schedule.
2	FIRIP PMU ESG Framework Template	Approved template/framework to guide customized ESG support to participating FSPs.
3	Institutional ESG Diagnostic Assessment Reports	An ESG diagnostic report for each formally onboarded FSP, including baseline, gap analysis and recommendations.
4	Customized ESG Frameworks	An approved institution-specific ESG framework for each participating FSP supported.
5	ESG Operational Toolkits	Practical ESG screening, due diligence, categorisation, climate-risk, monitoring and reporting tools for each participating FSP, as applicable.
6	ESG Monitoring, Reporting and Disclosure Frameworks	Institution-specific or appropriately adapted monitoring, reporting and disclosure arrangements.
7	Training and Capacity-Building Materials and Reports	Training materials, attendance/participation records and capacity-building reports.
8	Validation and Institutional Adoption Reports	Reports documenting validation, stakeholder comments, responses and progress toward institutional approval/adoption.
9	Periodic Service-Level Technical Reports	Monthly/periodic reports documenting FSPs supported, services provided, deliverables reviewed, issues, recommendations and next steps.
10	Final Consultancy Report	Consolidated final report incorporating approved deliverables, lessons learned, status of FSP support and recommendations for sustaining ESG systems.

Payment basis for institution-specific deliverables: payments under Milestones 3–6 shall be made separately for each Participating Financial Service Provider (PFSP) that is formally onboarded by FIRIP and supported by the Consultant. Where fewer than six (6) PFSPs are onboarded during the contract period, payment shall be limited to the PFSP-specific milestones actually completed and approved, subject to the maximum contract value.

8. Duration of the Assignment

The assignment is expected to be undertaken over a period of twenty-four (24) months from contract signature, with up to one hundred and sixty (160) working days deployed flexibly in response to the FIRIP onboarding plan and technical support requirements.

9. Required Qualifications and Experience

The Individual Consultant should demonstrate:

- A minimum of a Master's degree in Finance, Economics, Sustainability, Business Administration, climate finance, risk management, Environmental Management, Climate Change, or related field.
- At least ten (10) years of experience in sustainable finance, ESG integration, climate finance, risk management, Environmental Management, Climate Change, or related fields.
- Proven experience developing ESG frameworks for banks, insurance companies, microfinance institutions, development finance institutions, or investment funds.
- Experience working with financial sector regulators, central banks, or government agencies.
- Demonstrated knowledge of international ESG standards and sustainable finance frameworks.
- Experience in Sub-Saharan Africa, preferably Zambia.

10. Reporting Arrangements

The consultant shall report to the FIRIP Project Management Unit and shall work closely with participating financial institutions and relevant stakeholders.

11. Evaluation Criteria

Proposals shall be evaluated based on:

- Understanding of the assignment and methodology.
- Proof of undertaking a similar assignment in the last five years
- Experience in Developing Climate Finance Frameworks.
- Qualifications and experience.
- Work plan and implementation approach.
- Financial proposal.

Payment Schedule

Milestone	Deliverable(s)	Key Output / Payment Trigger	Payment (%)	Timeline	Timeline
1	Inception Report	Approved inception report detailing methodology, work plan, stakeholder engagement strategy, PFSP onboarding approach, implementation schedule and quality assurance plan. Payable upon submission and written approval by the Client.	10%	Within 5 working days of contract signature	
2	FIRIP PMU ESG Framework Template	Approved FIRIP ESG Framework Template serving as the common reference for customized ESG support to PFSPs. Payable upon submission and approval by the Client.	10%	Following completion of inception phase	
3	Institutional ESG Diagnostic Assessment – per PFSP	Approved diagnostic assessment report for each formally onboarded PFSP, including ESG baseline, gap analysis and recommendations. Payable at 4% for each PFSP upon approval of the respective report.	4% per PFSP (up to 24%)	As each PFSP is formally onboarded and assessed	
4	Customized ESG Framework – per PFSP	Approved institution-specific ESG framework for each supported PFSP. Payable at 4% for each PFSP upon approval of the respective framework.	4% per PFSP (up to 24%)	Following completion of the respective PFSP diagnostic	
5	ESG Operational Toolkit and Monitoring,	Approved operational toolkit and monitoring, reporting and disclosure framework for each	2% per PFSP (up to 12%)	Following approval of the respective customized ESG framework	

Milestone	Deliverable(s)	Key Output / Payment Trigger	Payment (%)	Timeline	Timeline
	Reporting & Disclosure Framework – per PFSP	supported PFSP. Payable at 2% for each PFSP upon approval.			
6	Training, Capacity Building, Validation and Institutional Adoption – per PFSP	Approved training/capacity-building and validation/adoption reports for each supported PFSP. Payable at 2% for each PFSP upon completion and approval of the related activities and reports.	2% per PFSP (up to 12%)	Following completion of the respective PFSP implementation/adoption support	
7	Final Consultancy Report	Final consultancy report consolidating approved deliverables, lessons learned, status of PFSP support and recommendations for sustaining ESG systems. Payable upon formal acceptance by the Client.	8%	At completion of the assignment	

Note: The maximum aggregate payment is 100%. PFSP-specific payments are triggered only by deliverables actually completed and approved for formally onboarded PFSPs. The Consultant will not be paid for PFSP-specific milestones relating to institutions that are not onboarded or not supported during the contract period.