TERMS OF REFERENCE
CONSULTANCY SERVICES TO DEVELOP A GREEN TAXONOMY FOR THE FINANCIAL INCLUSION FOR RESILIENCE AND INNOVATION PROJECT (FIRIP)

1. ASSIGNMENT INFORMATION

Item	Details
Title of Assignment	Development of a Green Taxonomy Framework for the Financial Inclusion for Resilience and Innovation Project (FIRIP)
Specialization	Window 3: Financial Innovations for Green Investments and Climate Resilience/ Sustainable Finance
Expected Start Date of Assignment	To be confirmed
Expected End Date of Assignment	To be confirmed
Total Number of Working Days	40 Days
Project	Financial Inclusion for Resilience and Innovation Project (FIRIP)
Location	Lusaka, Zambia
Reports To	Derrick Simukoko, Project Coordinator, FIRIP

2. GENERAL DESCRIPTION OF TASKS AND OBJECTIVES

Expected Activities

Provision of consultancy services to develop a Green Taxonomy Framework for FIRIP that establishes a standardized classification system for identifying, screening, financing, monitoring, and reporting environmentally sustainable and climate-resilient investments supported under the project.

The assignment will support implementation of FIRIP's green finance agenda by providing practical guidance to Participating Financial Service Providers (PFSPs), Community-Based Financial Institutions (CBFIs), implementing partners, and project stakeholders on eligible green investments and climate finance tracking.

3. ORGANISATIONAL CONTEXT

The Government of the Republic of Zambia, through the Ministry of Finance and National Planning (MoFNP), with financing from the International Fund for Agricultural Development (IFAD), is implementing the Financial Inclusion for Resilience and Innovation Project (FIRIP).

The Project aims to improve rural livelihoods through enhanced resilience and inclusive sustainable growth by increasing access to financial services that support climate-resilient rural production systems, value chains, and livelihoods of poor rural women, men, and youth.

FIRIP places strong emphasis on climate adaptation, green growth, environmental sustainability, and financial inclusion. The project is expected to channel approximately 43 percent of IFAD financing toward climate finance interventions and promote investments in climate-smart agriculture, renewable energy, sustainable rural enterprises, natural resource management, and other green growth initiatives.

To support effective identification, classification, monitoring, and reporting of green investments, FIRIP requires a Green Taxonomy Framework that provides a clear and consistent methodology for determining which economic activities qualify as environmentally sustainable and climate resilient.

The Ministry therefore intends to engage a qualified consultant or consulting firm to develop a Green Taxonomy Framework and implementation toolkit for FIRIP.

4. OBJECTIVE, TASKS AND SCOPE OF WORK

4.1 Overall Objective

To develop a Green Taxonomy Framework for FIRIP that establishes clear definitions, classification criteria, eligibility requirements, screening tools, and reporting systems for green and climate-resilient investments supported under the project.

4.2 Specific Objectives

The consultant shall:

i. Develop a classification framework for environmentally sustainable and climate-resilient investments supported under FIRIP;

ii. Establish eligibility criteria and screening mechanisms for green investment financing;

iv. Develop operational guidance for Participating Financial Service Providers (PFSPs), Community-Based Financial Institutions (CBFIs), implementing partners, and project stakeholders;

v. Develop monitoring, reporting, and verification systems for tracking green finance investments and climate finance expenditures;

vi. Strengthen alignment between FIRIP investments and national climate, environmental, agricultural, and financial inclusion policies.

4.3 SCOPE OF WORK

The consultant shall undertake the following assignments:

Task 1: Inception and Situational Assessment

The consultant shall:

- Review FIRIP Project Implementation Manual (PIM), financing windows, operational modalities, and implementation arrangements;
- Review national climate change, green growth, environmental, agricultural, and financial sector policies and strategies;
- Review the Zambia Green Finance Taxonomy (ZGFT) and sustainable finance frameworks;

Deliverable

Inception Report and Detailed Workplan.

Task 2: Stakeholder Consultations and Benchmark Assessment

The consultant shall:

- Undertake consultations with Government Ministries and Agencies;
- Undertake consultations with the Bank of Zambia
- Consult Participating Financial Service Providers and Community-Based Financial Institutions;
- Engage climate finance institutions and development partners;
- Consult private sector actors and agricultural value chain stakeholders;
- Engage civil society organizations and relevant sector associations;
- Undertake benchmarking of international best practices on green taxonomies and sustainable finance frameworks; and
- Prepare a situational assessment report.

Deliverable

Situational Assessment and Benchmarking Report.

Task 3: Development of the FIRIP Green Taxonomy Framework

The consultant shall develop a Green Taxonomy Framework covering:

3.1. Green Investment Categories

Eligible investment categories including:

- Climate-smart agriculture;

- Renewable energy technologies;
- Sustainable irrigation systems;
- Water harvesting and water-use efficiency technologies;
- Energy-efficient technologies;
- Waste management and circular economy investments;
- Climate-resilient agricultural infrastructure;
- Sustainable agro-processing investments;
- Biodigesters and bioenergy technologies;
- Green MSMEs and rural enterprises;
- Climate risk management and insurance products;
- Nature-based solutions;
- Green housing and productive infrastructure.

3.2. Classification Methodology

Develop:

• Eligibility criteria;
• Technical screening criteria;
• Exclusion lists;
• Do-No-Significant-Harm principles; and
• Climate adaptation and mitigation screening methodologies.

3.3. DELIVERABLE

Draft FIRIP Green Taxonomy Framework.

Task 4: Development of Practical Implementation Tools

The consultant shall develop:

• Green investment screening tools;
• Green investment decision trees;
• Investment assessment templates;
• Classification and verification procedures;
• Climate finance tagging templates;
• Monitoring and reporting templates; and
• Green investment verification processes.

Deliverable

FIRIP Green Taxonomy Toolkit.

Task 5: Validation, Capacity Building and Finalization

The consultant shall:

- Present the draft taxonomy to stakeholders for validation;
- Facilitate stakeholder consultations and validation workshops;
- Incorporate stakeholder comments and recommendations;
- Develop training materials and implementation guidance;
- Conduct training sessions for PMU staff and key stakeholders; and
- Finalize the Green Taxonomy Framework and implementation package.

Deliverable

Final Green Taxonomy Framework, Training Materials, Validation Report, and Implementation Guidelines.

5. REPORTING ARRANGEMENTS

The consultant will report to the FIRIP Project Coordinator.

All deliverables shall be submitted to the Project Management Unit for review and approval and, where necessary, for IFAD no-objection.

All outputs, reports, templates, tools, frameworks, and training materials developed under this assignment shall remain the property of the Government of the Republic of Zambia through FIRIP.

6. KEY PERFORMANCE INDICATORS (INDICATIVE)

Expected Output	Estimated Level of Effort (Days)
Inception Report and Detailed Workplan	3 days
Situational Assessment and Baseline Review Report	9 days
Draft FIRIP Green Taxonomy Framework	15 days
Green Taxonomy Implementation Toolkit (guidelines, screening criteria, templates, user guide)	7 days
Validation Workshop Preparation, Facilitation and Documentation	3 days
Final Green Taxonomy Package (incorporating comments and final editing)	3 days
Total	**40 Days**

7. PAYMENT SCHEDULE (INDICATIVE)

Milestone	Percentage Payment
Approval of inception report	20%
Acceptance of situational assessment report	20%
Submission of draft Green Taxonomy Framework	25%
Completion of validation workshop and toolkit	15%
Acceptance of final Green Taxonomy Package	20%

8. REQUIRED QUALIFICATIONS AND EXPERIENCE

The assignment will be undertaken by an individual consultant meeting the following:

- Master's degree in Environmental Economics, Environmental Science, Climate Change, Sustainable Finance, or related qualifications;
- Demonstrated experience developing green taxonomies, sustainable finance frameworks, ESG systems, climate finance mechanisms, or environmental safeguard frameworks;
- At least ten (10) years of relevant professional experience;
- Strong knowledge of climate finance, sustainable finance, agricultural finance, environmental safeguards, and rural development;
- Experience working with financial institutions, regulators, development partners, and government institutions; and
- Familiarity with IFAD SECAP, climate funds, ESG systems, and sustainable investment frameworks.