



**Re-advertised.**

## **Terms of Reference (ToRs) for developing a discussion paper on domestic adaptation financing in Uganda.**

### **1.0 BACKGROUND**

Uganda has communicated her Nationally Determined Contributions (NDC) with priority in adaptation to climate change. The NDC estimated approx. USD 2.4 billion will be required by 2030 to meet total cost of adaptation in the adaptation priority sectors. The Economic Assessment of the Impacts of Climate Change in Uganda projected rising adaptation budgets and the costs of inaction estimated between USD 273 - 437 billion by 2050. The Costed Adaptation Strategy of the National Climate Change Policy estimates annual adaptation costs at USD 81 million.<sup>1</sup> Additionally, economic development is already constrained by adaptation deficit to existing climate variability.

Consequently, Uganda has pledged to commit domestic national resources to cover approximately 30 percent of incremental costs of the priority adaptation and mitigation activities through public-private partnerships (PPP) and payment for ecosystems services (PES) schemes among others.

### **2.0 INTRODUCTION**

Recent study by National Adaptation Plan-Global Network (NAP-GN) revealed that domestic finance has received less attention in many developing countries most vulnerable to climate change due to, among others lack of strong revenue streams to draw from to finance needed adaptation actions.<sup>2</sup> Developing countries like Uganda are using fractional share of national budget to reduce vulnerability to climate shocks through allocating funds in key sectors of agriculture, water and environment, however although such expenditures are not necessarily labelled as adaptation finance.

Despite this, limited efforts have been explored beyond domestic public finance in many developing countries to fund adaptation actions due to: inadequate capacity to attract international climate finance characterized by increasing complexities such as mandatory co-financing arrangements, painful accreditation processes and growing number of intermediary organizations i.e. multilateral implementing entities; lack of common definition for adaptation finance at the national and local level; absence of specific climate finance coordination, among others. Although public finance for adaptation is the most predictable source of finance, significant share of the required adaptation financing needs may be provided by the private sector, although lack of information and policy barriers limits their engagement in financing climate action.

---

<sup>1</sup> MWE. 2015. Economic assessment of the impacts of climate change in Uganda: Key results. Climate and Development Knowledge Network (CDKN) and Ministry of Water and Environment (MWE) of the Government of Uganda. Available at: [https://cdkn.org/wp-content/uploads/2015/11/UGANDA\\_Economic-assessment-of-climate-change\\_WEB.pdf](https://cdkn.org/wp-content/uploads/2015/11/UGANDA_Economic-assessment-of-climate-change_WEB.pdf)

<sup>2</sup> Price-Kelly, H. and Hammil, A. 2016. Domestic public finance for implementation of NAPs. sNAPshot briefs. Overview Brief II. Available at: <http://napglobalnetwork.org/wp-content/uploads/2016/10/sNAPshot-Domestic-public-finance-for-implementation-of-NAPs.pdf>

A recent report by UNEP (2016) provided practical policy solutions to removing the barriers and scale-up the volume of financial flows for adaptation highlighting the flows of private adaptation finance occurring between private and public finance providers providing the regulatory and legislative environments necessary to support these flows.<sup>3</sup>

### **3.0 RATIONALE**

Globally, there is growing concern over the continued neglect of adaptation finance characterized by virtually no progress in increasing the share of adaptation finance in overall climate finance, despite the objective to reach a balance between mitigation and adaptation (Oxfam and Care, 2017).<sup>4</sup> While the economic case for adaptation is clear based on the existing no-regrets investments and the co-benefits, the cost of adaptation is still way too high estimated at USD 81 million/year.

The recent evaluation of the National Adaptation Programme of Action (NAPA) for Uganda revealed that factors such as limited government funding for NAPA activities and financing for climate change adaptation often considered a donor's concern<sup>5</sup> justifies the low levels of funding available through domestic sources. Additionally, the NDC Readiness Assessment revealed the absence of a mechanism to leverage private sector investment in climate action.<sup>6</sup>

Building from a set of domestic options for financing implementation of NAPs i.e. public (budgets, taxes, non-tax: fees, fines, subsidies, bonds) and private (microfinance, capital markets, Debt financing, insurance), there is need to design tailored domestic mechanisms to catalyze the supply and demand for climate change adaptation finance in Uganda.

In light of the aforementioned, the Climate Change Department of the Ministry of Water and Environment (MWE/CCD) and Environmental Management for Livelihood Improvement Bwaise Facility (EMLI) with support from World Wide Fund for Nature –Uganda Country Office (WWF-UCO) seek to procure services of a resource person/expert to develop a discussion paper on domestic adaptation financing in Uganda.

### **4.0 PURPOSE OF THE CONSULTANCY**

The overall objective of the consultancy is to initiate a conversation on the current opportunities, constraints and future prospects of adaptation finance in Uganda.

---

<sup>3</sup> UNEP. 2016. Demystifying Adaptation Finance for the Private Sector- Executive Summary. Finance Initiative of UN Environment and the Frankfurt School UNEP Collaborating Centre for Climate & Sustainable Energy Finance. Available at: <http://www.unepfi.org/wordpress/wp-content/uploads/2016/11/DEMYSITIFYING-ADAPTATION-FINANCE-FOR-THE-PRIVATE-SECTOR-AW-EXEC-SUMMARY.pdf>

<sup>4</sup> CARE and Oxfam. 2017. Finance for Adaptation and Loss and Damage: Time to Setup Action. Brief. Available at: <https://careclimatechange.org/wp-content/uploads/2017/12/One-Planet-Summit-Brief-1.pdf>

<sup>5</sup> EMLI. 2015. Progress of Implementation of the National Adaptation Programmes of Action (NAPA) for Uganda Report. Environmental Management for Livelihood Improvement Bwaise Facility. Kampala, Uganda. Available at: <http://bwaisefacility.org/userfilesbf/Napa%20final%20report.pdf>

<sup>6</sup> See Bakiika, R. 2017. *Finance Readiness Assessment* - Planning for Uganda's NDC Implementation. ACCRA and CDKN. Kampala.

Specifically, the consultancy aims,

- a) to provide an overview of public and private adaptation finance;
- b) to examine expenditure patterns of public and private adaptation finance;
- c) to identify and analyze the limitations for the provision, mobilization and access to public and private adaptation finance;
- d) to highlight pathways for facilitating adaptation finance flows;
- e) to make recommendations for advancing the adaptation finance agenda.

#### **4.1 Scope of Work**

Knowing that the country is lacking common definitions of climate finance, the consultancy may propose and define own tailored definitions and scope for domestic climate finance. Noting that there is very limited and patchy data for estimated investment needs, actual spending and planned expenditure for adaptation, the National Climate Change Policy and Costed Implementation Strategy will be the main reference document but with a limited focus on agriculture, forestry, disaster management, water and environment and health. The broad categorisation of adaptation activities highlighted in the 5<sup>th</sup> Assessment report<sup>7</sup> shall be the limit of the consultancy.

#### **5.0 RESPONSIBILITIES/TASKS**

In view of the above aims, the resource person/expert, shall carryout or perform the following tasks;

- (i) Undertake situational analysis on private and public adaptation financing at global and national level
- (ii) Conduct qualitative research on adaptation finance in Uganda
- (iii) Make propositions for common definition for adaptation finance at the national and local level and climate finance coordination
- (iv) Identify potential sources and access modalities for domestic adaptation finance
- (v) Develop an approach to leverage private sector investment in climate action
- (vi) Develop a policy brief
- (vii) Make presentations on progress report and final paper

#### **6.0 DELIVERABLES**

In undertaking the above tasks, the consultancy is expected to deliver the following;

- Detailed work plan with clear milestones
- An inception report with detailed study methodology/approach
- A draft discussion paper (not more than 30 pages)
- Copies of presentations on the consultancy
- Final paper (not more than 40 pages)
- A policy brief (not more than 4 pages)

#### **7.0 DESIRED QUALIFICATIONS, SKILLS AND COMPETENCIES**

The resource person/expert will be selected based on the following criteria:

- (i) At least 4 years-experience in undertaking similar or related task
- (ii) Advanced university degree in finance, economics, natural sciences, agriculture, environment and natural resources, natural resource economics, environment, social sciences or any other closely related field
- (iii) Conceptual, analytical and excellent writing, skills
- (iv) Experience in analyzing public and private development financing

---

<sup>7</sup> IPCC (2014) Climate Change 2014: Impacts, Adaptation, and Vulnerability

- (v) Experience of working on climate change issues, development planning, public sector budgeting and public investment management.

## **8.0 DURATION AND FEES**

The consultancy will cover a period of 30 days months spread out over the next 2 months. The costs of the consultancy shall be agreed on.

## **9.0 CONDITIONS OF WORK**

The resource person/expert will be supported by EMLI and core team of experts for strategic in undertaking this service. The resource person/expert will benefit from the support of the Executive Director-EMLI in ensuring support during selected visits and organizing meetings with stakeholders.

## **10.0 REPORTING**

The resource person/expert will primarily report to the EMLI Executive Director. In undertaking this exercise, the resource person/expert will be expected to liaise frequently with the EMLI and core team.

## **11.0 COPYRIGHT**

All materials / documents arising out of this consultancy work shall remain the property of the Government of Uganda, EMLI and WWF UCO.

## **12.0 EXPRESSION OF INTEREST**

EMLI accepts ONLY email application. Applications should be submitted not later than **31 July 2018** at 5pm and except to commence work by 6 August 2018. Please submit emailed application to **emli.uganda@gmail.com** and with subject line “EMLI/WWF/CCD Discussion Paper 2018”

### **HOW TO APPLY:**

Interested persons should submit the following documentation.

- Signed letter of confirmation of interest and availability;
- Personal CV not exceeding four (4) pages indicating past experience of similar assignments and **3 professional referees with valid contact address.**

EMLI is committed to paper smart policy therefore all applications must be submitted to: **emli.uganda@gmail.com** Only successful applicants will be contacted on the next phase of evaluation.

All enquiries should be addressed to:

### **Executive Director**

Environmental Management for Livelihood Improvement Bwaise Facility (EMLI)  
Plot 1725 bwaise-nabweru road, P.O. Box 3430 Kampala  
Email: emli.uganda@gmail.com, Tel. +256 414 692 153

**[www.bwaisefacility.org](http://www.bwaisefacility.org)**