

TERMS OF REFERENCE

NORDIC CLIMATE FACILITY (NCF) EXTERNAL EVALUATION

1 Background to the Assignment

The Nordic Climate Facility (NCF) is a challenge fund set up and administered by the Nordic Development Fund (NDF) to finance innovative climate change projects.

NCF has 5 key objectives: (i) increase low-income countries' capacity to mitigate and adapt to climate change; (ii) encourage and promote innovation in areas susceptible to climate change; (iii) build partnerships between Nordic and partner country actors, both private and public organisations; (iv) contribute to sustainable development and the reduction of poverty; and (v) leverage additional financing for climate action.

NCF provides between EUR 250,000 to 500,000 per project in grant financing for early-stage projects to facilitate the testing of innovative and climate-relevant business concepts. Financing is allocated on a competitive basis with calls for proposals arranged annually. Projects should be implemented through partnerships between Nordic and local actors in an eligible NCF country. In addition, the project partnership may entail other partners, i.e. not Nordic or local partners. Since 2009, eight calls for proposals have been organised and the portfolio comprises over 80 projects across Africa, Asia and Latin America.

NDF's board of directors have replenished NCF eight times. The last time NCF was replenished was in November 2016 when EUR 20 million was approved with the aim to organise and manage three more calls for proposals, i.e. NCF 7-9.

The Nordic Environment Finance Corporation (NEFCO) administered the first four NCF calls. NDF is administering call five and onwards.

For more information about NCF visit ndf.fi and nordicclimatefacility.com

2 Objective of the Evaluation

The overall objective of the evaluation is to provide NDF with an independent assessment of NCF as a facility. The evaluation of NCF has two connected aims. The first aim is to assess the performance of NCF in accordance with the objectives and outputs stated in the most recent NDF Board approval document of NCF 7-9, including assessment of the effectiveness and efficiency of the management of NCF. The second aim is to assess NCF's relevance and value-added as a challenge fund to NDF, and provide concrete recommendations for potential future directions and development of NCF, including but not limited to i) assessing the alternative of setting-up NCF as a trust fund; ii) assessing the use of other types of financing than grants.

This evaluation will not evaluate the performance or development impact of individual NCF projects.

2.1 Target group

The main target group of the evaluation are NDF's Board of Directors and NDF's management. A joint Nordic evaluation of the NDF will be ongoing parallel to this evaluation. The findings from this NCF-focused external evaluation will feed into a discussion on NDF's future direction succeeding the overall NDF evaluation. The NCF external evaluation report will contribute to the decision-making regarding the continuation and development of NCF as a financing instrument under NDF. The secondary target group of the evaluation report are NDF's cooperating partners.

3 Methodology

The assignment is to be done as a desk study with interviews with relevant people. In the technical proposal, tenderers are requested to propose the analytical framework, evaluation methodology approach and delimitations to fulfil the objective of the evaluation.

NDF will provide all relevant documentation and information regarding NCF.

The evaluation team will report to Leena Klossner, Acting Managing Director of NDF.

4 Procurement process

The procurement method will be Single Stage Open Competitive Selection, whereby interested firms are invited to submit brief technical proposals and a financial proposal, along with the firm's and experts' qualifications.

The Request for Expressions of Interest (REOI) will be published along with these Terms of Reference. NDF will evaluate the submitted Expressions of Interest (EOI) as per the qualification criteria outlined in the REOI and establish a shortlist. The highest scoring firm on that shortlist will be invited to contract negotiations.

5 Qualifications

The evaluation team shall consist of a minimum of two experts, of which one is to be designated Team Leader. The experts shall have relevant experience in carrying out the assignment as per these Terms of Reference, for instance experience from conducting similar evaluations, managing challenge funds or other development projects/programmes. The evaluation team shall have professional skills in written and spoken English, and be able to produce well-written, clear and concise reports.

The selection criteria for evaluation the EOIs are outlined in the REOI.

6 Deliverables

- One final draft evaluation report for commenting by NDF in an electronic format appropriate for reading in Microsoft Word or Adobe Reader.
- One final evaluation report incorporating any comments made by NDF on the final draft evaluation report.
- Two presentations on the results of the evaluation for NDF's Board of Directors as well as NDF's management.

7 Duration of the assignment

The evaluation assignment shall commence mid-February 2019. The draft final evaluation report shall be submitted to NDF at the latest six weeks after the assignment has commenced. NDF will have two weeks to submit comments. A final report shall be submitted within two weeks after the evaluation team has received NDF's comments. The evaluation team shall then present the final report first to NDF's management in Helsinki in May and then to NDF's Board of Directors in Sweden in June. The total duration of the assignment shall be no more than 10 weeks (excluding the presentations for which timing is to be agreed with NDF).

8 Budget and Contract

The contract will be *lump sum paid against deliverables*:

- 50% at the submission of the Final Draft Evaluation Report; and
- 50% at the approval of the Final Evaluation Report and the completion of the two presentations.

The maximum budget for this assignment is **EUR 60,000**.