**UNITED NATIONS CHILDREN'S FUND (UNICEF)**

**Request for Interest (RFI)**

Blended financing for water and sanitation infrastructure development in fragile contexts

**(RFI/2020/001)**

**Issuance Date: 14 January 2021**

**Closing Date:**   **28** **January 2021** @ 11:59pm New York Time

**Reference:** RFI – Global WASH blended financing facility

**BACKGROUND**

UNICEF promotes the rights and wellbeing of every child, in everything we do. Together with our partners, we work in 190 countries and territories to translate that commitment into practical action, focusing special effort on reaching the most vulnerable and excluded children, to the benefit of all children, everywhere.

This project will examine opportunities to support SDG6 by matching donor incentives for more cost-effective and sustainable WASH services to vulnerable communities to growing private sector demand for investments with strong measurable environmental, social and governance (ESG) impact. UNICEF is seeking to design, pilot and launch a global blended financing facility dedicated to building sustainable water and sanitation infrastructure in fragile contexts.

These infrastructure investments will be aimed at reducing humanitarian reliance on more costly and carbon-intensive water and sanitation delivery modalities that may persist beyond their cost-effectiveness in protracted crisis contexts. The restricted nature of humanitarian funding and/or host government disinterest or inability to support infrastructure improvements in these contexts poses a challenge to financing more sustainable, cost-effective infrastructure.

**DESCRIPTION OF REQUREMENTS**

UNICEF seeks to hire a firm that will design, pilot and launch a global blended finance financing facility for sustainable and climate-friendly WASH infrastructure investments, over a 1-year time frame. The objective of the firm’s work is to build this blended finance facility and its portfolio of sustainable and climate-friendly WASH infrastructure investments in the world’s most vulnerable contexts.

The firm will design a fund that will be open to qualifying WASH investment interventions across aid agencies in humanitarian contexts. The pilot phase will be limited to testing in 2-4 countries. Pilot country selection will be prioritized based on feasibility considerations, immediate availability of projects and strategic concerns. The preliminary long list of potential pilot countries includes Yemen, Lebanon, Venezuela, Ethiopia, South Sudan, Nigeria, Somalia, Jordan, Iraq, Mali, Uganda, Niger, Kenya and Cameroon.

The firm will be required to work with several stakeholders such as country governments and local service providers to deliver on the above-mentioned tasks but more importantly to structure and develop a sustainable financing facility and portfolio of investments attractive to potential investors and donors, all this in partnership with UNICEF as a key stakeholder in this facility.

**TERMS OF REFERENCE AND DELIVERABLES**

Deliverables are expected to include analytical work and will be agreed upon with the firm for each payment period below. Please note that time requirements are estimated. We assume that work against individual deliverables may run concurrent to each other.

1. **Pilot deployment plan for the financing facility**: (estimated 10 weeks)

* Define project execution (roles, responsibilities, detailed plans)
* Determine selection criteria of geographies (i.e., countries and towns) for the leasing facility and short-listing criteria to build first batch of solar water infrastructure (including high-level assessment of political/legal risk, relationship with local authorities/populations, local water regulations, local water distribution market and infrastructure, presence of business case)
* Coordinate analysis of current water access situation at locations of the first batch, including data on size and technology needed to assess investment costs of specific intervention [collection and analysis of water access data are performed by a UNICEF technical expert]. Define specs of technical study as basis of projects selection. Define criteria (technical, social, financial) for selection within pipeline
* Establish M&E metrics for future social and environmental impact
* Develop deployment strategy in phases by country and by type of intervention.

1. **Operational model** (estimated 6-8 weeks)

* Assess water access market and infrastructure in country(s) of the first batch locations
* Define the financing facility’s selection criteria of local WASH project service providers, including operational capacities for design, construction and O&M. Draft related contractual agreement terms
* Define procedure for the global financing facility’s selection of service providers/procurement process of water projects in collaboration with the UNICEF (open tender - standard file)

Deliverable A-B**:** Finalized report on operational design of the facility, including

1. Overall strategy of the facility, including description of country and towns selection criteria and infrastructure criteria
2. Analysis of current water access situation and needs at locations of the first batch
3. Specs of technical study to be performed as basis of projects selection.
4. Selection criteria (technical, social, financial) of projects within pipeline
5. M&E metrics for future social and environmental impact
6. Water access and ownership assessment: legal, market and infrastructure scoping in country(s) of the first batch locations
7. Financing facility’s selection criteria of service providers
8. Financing facility’s election procedure of WASH projects (standard file of the open tender)
9. Contractual agreement terms to be issued by the financing facility
10. **Growth & scale plan** (estimated 3 weeks)

* Identify additional WASH interventions for scale up of financing mechanism within selected pilot countries.
* Pre-select geographies (i.e., countries and towns) for the program rollout beyond pilot countries, based on the pre-defined selection criteria

Deliverable C:Finalized growth & scaling plan for facility, including:

1. Scaling plan within 2-4 selected pilot countries.
2. List of pre-select geographies (i.e., countries and towns) for the program rollout beyond pilot countries
3. Risk assessment of general context and selected geographies for investors and donors
4. **Financial model** (estimated 16 weeks)

* Risk assessment of general context and selected geographies for investors and donors
* Draft financial model including de-risking facility
* Gather and incorporate feedback on financial model from potential investors, donors and other funding partners
* Determine capital structure of the leasing facility (debt, equity, etc)
* Finalise and validate financial model according to feedback from third party external panel of experts organized by UNICEF.
* Contingent on validation of financial model above, work with legal teams to translate the financial model into a term sheet.

*Following validation of the financial model, an external panel of experts organized by UNICEF will advise on the selection process for a host institution for the financing facility.*

Deliverable D:

1. Finalized, validated financial model incorporating feedback from panel of experts, including donors and investors.
2. Draft term sheet for legal finalization.
3. **Design of governance and legal structure** (8 weeks) Upon the selection of a hosting institution:

* Assist host institution to identify and analyse proposed governance structures for the mechanism
* Work with host institution legal teams to formalize governance structuring
* Consult with panel of experts to propose representatives to serve in governance structure.

Deliverable E:

1. Provide comparative analysis and advise on governance structure (including investors representation)
2. Establish transparency and accountability mechanism towards investors into the fund
3. Provide list of potential organizations/people to fill in governance roles
4. Support to legal structuring of fund
5. **Fundraising**: ongoing outreach to potential investors and donors and active engagement with committed donors and investors to provide updates and solicit feedback.

Deliverable F:

* Pitch deck for investors and donors
* List of potential investors and donors
* Fundraising schedule

**QUALIFICATIONS**

* The profile of your firm and experience in providing similar services to international organizations across the globe must include demonstrated achievements in designing and successfully launching blended financing mechanisms at scale (>$10 million USD in capital mobilization) for humanitarian objectives in fragile contexts.
* Demonstrated, established reputation and credibility of expertise in developing innovative structured blended financing approaches joining public sector funding and together with private sector investments toward the SDGs.
* Experience working with international development financing institutions, private foundations, humanitarian donor governments, and UN agencies. Experience in working with UN financial regulatory frameworks is an added advantage.
* Please provide examples of similar assignments for clients of dimension, size and territories of UN agencies globally.
* The assignment is expected to be primarily in English, but French and Arabic written and spoken language skills are desirable.
* Assignments may include travel to high threat environments, public health situation allowing.

**PRICING**

UNICEF is interested in receiving estimated costs for this assignment in USD. Please state the cost per deliverable as outlined above as well as an all-inclusive cost.

**Legal advisory costs**: Do not include the cost of outsourced legal expertise in your pricing.

**Pilot country site visits:** Please provide cost estimates for site visits to pilot countries as necessary, public health situation permitting.

**PROCEDURE FOR INFORMATION SUBMISSION**

**RFIs (Not more than four pages) must be sent by email to Mohammed Al Ani: malani@unicef.org with a copy to Alok Sharma :asharma@unicef.org by 28 Jan 2021, 23:59 New York Local time.**

Firms are kindly requested to ensure that their full current contact details (contact person details, postal/e-mail/telephone) are included in their submission.

**Note:**

1. This RFI strictly to request interest and shall not be understood as any sign of award of a contract or as any form of commitment from UNICEF to any company/institution.
2. A response does not automatically ensure that a company/academia/corporate institution will be contacted or invited to tender in case UNICEF decides to tender for this assignment.
3. UNICEF reserves the right to request for a presentation to help us understand your approach. Cost for the presentation (if any) will be borne by the vendor. The presentation could be done through Skype/Zoom.
4. UNICEF reserves the right to change or cancel the requirement at any time during the RFI and/or solicitation process.
5. All submissions will be treated confidentially.
6. Services will be contracted according to budget availability.