



REPUBLIC OF VANUATU
DEPARTMENT OF CLIMATE CHANGE

Ministry of Climate Change and Natural Disasters

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TERMS OF REFERENCE

CONSULTANCY – DEVELOPMENT OF THE NATIONAL CLIMATE LOSS AND DAMAGE FUND BUSINESS PLAN

Activity 2.4: Development of the National Climate Loss and Damage Fund Business Plan

This person will be responsible for the development of a Business Plan setting out how the National Climate Loss and Damage Fund (NCLDF) will operate. The consultant will work closely with the Project Manager, the Loss and Damage Fund Development Project Management Unit, and the Department of Climate Change.

Project Title: Vanuatu Loss and Damage Fund Development Project

Location: Port Vila, Vanuatu

Duration: 35 days

Start Date: TBD

Reporting to: Project Manager, Department of Climate Change (DoCC), Ministry of Climate Change (MoCC), Government of Vanuatu

Funding Support from: Ministry of Foreign Affairs and Trade (MFAT), Government of New Zealand

BACKGROUND

The National Climate Loss and Damage Fund (NCLDF) is proposed as Vanuatu's national financial mechanism to manage and disburse climate loss and damage finance. Vanuatu experiences severe climate-related risks; recent tropical cyclones have caused massive financial losses exceeding 60% of national gross domestic product, while slow-onset events like sea-level rise threaten the nation's ecological and cultural foundations. In response, the Government of Vanuatu developed comprehensive policies, including the National Loss and Damage Policy and Implementation Roadmap. The NCLDF was conceived to fill the remaining gap by establishing an agile, locally appropriate financial mechanism aligned with the country's existing public financial management systems.

The NCLDF is currently transitioning from a strategic concept into a detailed operational model. In March 2026, the National Advisory Board on Climate Change and Disaster Risk Reduction (NAB) endorsed the NCLDF Concept Note in principle, and a Council of Ministers (COM) Paper has recommended the formal establishment of the Fund. As of May 2026, a 5-stage consultancy is underway to translate this high-level strategic design into an investment-ready, detailed fund design report. Following recommendations from national consultations and utilizing successful precedents such as the National Green Energy Fund (NGEF), the NCLDF requires the formulation of a phased Business Plan to establish an implementation roadmap building upon the baseline Fund Design Report.

ABOUT THE ROLE

The position is titled Consultant for the Development of the Financial Mechanism Business Plan. The consultant will report to and be guided by the Project Manager of the Vanuatu Loss and Damage Fund Development Project. The primary institutional setting for this role is within the Department of

Climate Change (DoCC), under the Ministry of Climate Change Adaptation, Meteorology, Geohazards, Environment, Energy, and Disaster Management (MoCC) of the Government of Vanuatu.

The core strategic objective of this role is to build directly upon the baseline L&D Fund Design Report to deliver an actionable implementation roadmap. The consultant will provide concrete depth to the fund's financial model, substantiate its operational assumptions, and map out a phased growth trajectory that transitions the NCLDF from a newly designed entity into a fully capitalized, active market player. This assignment operationalises the capitalisation and financial framework set in the Detailed Design Report (Activity 2.3). It does not extend to the governance instruments produced under Activity 2.6, the Fund MERL framework produced under Activity 2.7, or the operations, staff and procurement manuals produced under Activity 2.8.

SCOPE OF SERVICE

The consultant will fulfill the following core functions:

- **Financial & Roadmap Modelling:** Translate the high-level financial architecture into clear cash flow projections, defining management costs, fund sizing variables, and capitalization timelines.
- **Market Alignment & Positioning:** Contextualize the fund within both the local public financial landscape and international loss and damage finance channels (e.g., the Fund for Responding to Loss and Damage).
- **Strategic Investment Structuring:** Define specific financial instruments, investment criteria, and targeted investor profiles aligned with the fund's Theory of Change.
- **Risk & Safeguard Calibration:** Embed localized risk mitigation measures alongside international regulatory and environmental/social safeguarding (ESS) standards into the business plan.

DELIVERABLES

1. Inception and Work Plan

- Inception Report & Harmonization Framework
 - A concise report outlining the consultant's refined methodology, detailed work plan, and a timeline of staggered days.
 - An initial scoping analysis mapping out how the Business Plan will explicitly align with the baseline *L&D Fund Design Report*, the *National Loss and Damage Policy*, and the *Implementation Roadmap* to eliminate administrative duplication.
- Stakeholder Consultation Strategy
 - A structured mapping and engagement plan for upcoming consultations with relevant financial sector stakeholders.

2. Market Analysis & Strategic Architecture

- Context and Market Analysis
 - A comprehensive assessment positioning the National Climate Loss and Damage Fund (NCLDF) within Vanuatu's local public financial management landscape and existing regional/national frameworks (e.g., National Green Energy Fund).
 - An analysis mapping out strategic links to international loss and damage finance channels, such as the global *Fund for Responding to Loss and Damage*.
- Vision, Mission, Values, and Investment Strategy
 - A drafted core framework defining the NCLDF's long-term vision, mission, and investment criteria.
 - A targeted investors list linked directly to an overarching capitalization strategy, detailing potential multilateral climate funds (e.g., GCF, GEF, ADB, World Bank) and bilateral partners.

3. Financial Modelling & Risk Management

- Quantitative Financial Model and Cash Flow Projections
 - A fully operational financial model containing multi-year cash flow projections.

- Clearly defined metrics on target fund sizing, expected management fees, operational/lifecycle costs, and capitalization timelines.
- Risk Management and Regulatory Safeguards Framework
 - A comprehensive risk matrix evaluating financial, policy, regulatory, and market risks associated with loss and damage investments, paired with localized mitigation strategies.
 - An environmental and social safeguarding (ESS) compliance protocol ensuring alignment with Vanuatu's local statutes (e.g., Public Financial Management Act) and international gender equity, disability, and social inclusion (GEDSI) standards. The ESS operational protocols are produced under Activity 2.8 from the safeguard's principles in the Full Design Report. This deliverable should reflect the cost and risk implications of those safeguards in the financial model rather than author the protocol.

4. Operationalization & Finalization

- Phased Operational and Governance Plan
 - A detailed operational guide outlining internal governance structures, decision-making flows, due diligence procedures, and strategic institutional partnerships required to transition the fund into an active market player. To avoid duplication, this deliverable should be limited to the financial and phasing implications of the operating model. The governance instruments are produced under Activity 2.6 and the operational, staff and procurement procedures under Activity 2.8, and this plan should reference rather than reproduce them.
 - An Impact Measurement and Reporting (MERL) summary framework containing clear methodologies and metrics to track environmental and social impacts. The Fund MERL framework is developed under Activity 2.7; therefore, this deliverable should draw on rather than create a separate framework, summarising only the results assumptions needed for the financial model.
- Final Investment-Ready NCLDF Business Plan
 - The final, professional, integrated Phased Business Plan document incorporating all components (including an Executive Summary) revised and polished after feedback from the Project Manager, stakeholders and the DoCC.
- End-of-Consultancy Completion Report
 - A brief administrative closure report highlighting activities completed, hand-over notes for the Project Management Unit, and next-step recommendations for fund implementation.

SELECTION CRITERIA

Essential Experience and Knowledge:

- Advanced degree in governance and administration, climate finance, environmental science, project management and finance management, or a related field.
- At least 7 years of experience managing complex, multi-stakeholder projects, preferably in Small Island Developing States (SIDS).
- Strong expertise in governance, administration and financial oversight.
- Demonstrated knowledge of international and national climate frameworks, including the Paris Agreement and the UNFCCC.
- Experience with the Multilateral Development Bank or the Multilateral Climate Fund. Management, e.g., ADB, World Bank, Fund for Responding to Loss and Damage (FRLD), Global Environment Facility, or the Green Climate Fund.
- Proven ability to integrate GEDSI principles into project design and implementation.

Desirable:

- Familiarity with Vanuatu's climate policies and governance structures.
- Experience working in the Pacific region or similar contexts.
- Ability to speak English, French and Bislama.

DURATION

The duration of the contract is 35 Days, commencing in Q3 2026 (between September and November 2026). Note that the Business Plan builds on the Detailed Design Report (Activity 2.3), which will be finalised in October 2026. Therefore, this assignment should treat its financial outputs as provisional pending its completion.

EXPRESSION OF INTEREST (EOI)

Interested applicants should submit:

- Updated Curriculum Vitae (CV)
- Cover letter outlining approach and motivation
- Copies of qualifications
- Sample of previous work (or report)
- Valid Referee contact information (3)

Submit all soft copies of your EOI to bmaltera@vanuatu.gov.vu cc itoka@vanuatu.gov.vu. The subject line of the email should be “**Climate L&D Fund Business Plan**”. Address all correspondence to the Project Manager, Ministry of Climate Change Adaptation.

OTHER INFORMATION

Consulting Services Budget: **2,000,000 VUV**

Date Published: **18-Sep-2026** Deadline of Expression of Interest: **02-Oct-2026, 05:00 PM**