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TERMS OF REFERENCE

CONSULTANT FOR SUBNATIONAL FINANCING, INVESTMENT READINESS AND MARKET DEVELOPMENT

CONTRACT MODALITY	Individual Consultancy
DUTY STATION	Kathmandu, Nepal (Remote)
DURATION OF CONTRACT	7 months

Purpose of Assignment

The purpose of this assignment is to support UNICEF and government partners in strengthening the enabling environment for safely managed sanitation financing in Nepal by assessing the sanitation financing landscape, identifying viable financing mechanisms and partnerships, analysing policy and institutional barriers, and developing practical approaches for mobilizing, tracking, and scaling sanitation investments across the sanitation service chain, in line with the National Sanitation Flagship Programme (NSFP) ,the city-wide inclusive sanitation (CWIS) approach and relevant national WASH sector frameworks.

Scope of Work

To strengthen the national enabling environment for sanitation financing and support integration of sustainable financing mechanisms within the National Sanitation Flagship Programme (NSFP) and national WASH sector policies, strategies and financing frameworks, in line with national sanitation commitments and SDG 6.2 targets. The assignment will cover eight target municipalities across four provinces, to be confirmed with UNICEF and the Ministry of Infrastructure Development (MoID) at inception. The assignment will generate evidence from the eight target municipalities to inform national-level policy dialogue, NSFP implementation, sector financing strategies and the development of scalable approaches to municipal sanitation financing.
The consultant will undertake the following scope of work:

1. **Assess municipal sanitation financing and investment needs**
   - Assess municipal sanitation expenditure, budget allocation, financing sources and budget execution performance.
   - Review sanitation/FSM plans (including municipality-wide/city-wide inclusive sanitation plans), investment priorities, medium-term expenditure frameworks (MTEFs) and annual planning and budgeting processes.
   - Assess municipal capacity and readiness, drawing on the WASH sector building blocks framework, to prepare and finance sanitation investments and identify financing and co-financing opportunities across the sanitation service chain.
   - Assess financial, institutional, regulatory and technical readiness of priority investments.
   - Develop a municipal financing and investment-readiness scorecard.
   - Support municipalities to integrate priority sanitation investments into municipal WASH plans, MTEFs and annual budgets, including identification of potential co-financing opportunities.

- Identify financing gaps by comparing priority sanitation investment needs with available municipal resources, intergovernmental transfers and other potential funding sources, and recommend practical measures to address these gaps.
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2. **Assess sanitation market and service-provider ecosystem**
   - Map sanitation-related service providers and enterprises operating in the municipalities.
   - Assess the market for entire sanitation service chain i.e. containment, emptying, transport, treatment, O&M, resource recovery and sanitation-related products/services.
   - Assess the operational and financial viability of existing and planned FSM and treatment facilities (e.g., FSTPs and DEWATS), including cost-recovery, tariff and O&M arrangements.
   - identify opportunities and challenges faced by local enterprises including women led business.
   - Assess enterprise business models, revenue streams, costs, profitability and financing requirements.
   - Recommend appropriate business-development and financing support for viable small and medium enterprises.
   - Identify constraints related to licensing, tariffs, municipal contracting, treatment facilities and access to finance.
   - Identify commercially viable sanitation business opportunities and enterprises with potential to participate in investment opportunities.
   - Assess opportunities for public-private partnerships and other service-delivery arrangements, including the institutional, regulatory and commercial conditions required for viable private-sector participation in the sanitation service chain.
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   - Establish a sanitation enterprise/service-provider database.

3. **Develop municipal sanitation investment pipeline**
   - Support municipalities to identify and prioritize sanitation investments.
   - Apply agreed criteria considering technical feasibility, affordability, climate resilience, equity, and sustainability.
   - Prepare brief investment profiles for priority investments.
   - Estimate indicative investment costs with support from municipal and technical stakeholders.
   - Identify potential funding sources including municipal budgets, provincial/federal grants, development partners, and private sector opportunities, and assess suitable financing modalities (e.g., results-based financing, blended finance, co-financing and PPP arrangements) consistent with the NSFP resource mobilization approach.
   - Prepare investment-ready project concept notes, including indicative capital and lifecycle costs, financing requirements, potential financing sources, implementation arrangements and key risks.

4. **Facilitate access to financing opportunities**
   - Support municipalities in preparing presentations and concept notes for discussion with financial institutions, development partners and other potential financiers.
   - Facilitate coordination meetings with relevant government agencies, development partners, financial institutions, and private sector actors.
   - Participate in financing/investment forums and business-matching events as required.
   - Track financing opportunities, discussions and emerging commitments.

5. **Document good practices and lessons**
   - Document promising municipal practices on sanitation financing and investment planning.
   - Capture lessons learned, implementation challenges, and recommendations for scaling up.

- Provide inputs to UNICEF and MoID on lessons relevant to NSFP implementation, monitoring and resource mobilization.
- Develop simple tools and templates that municipalities can use for sanitation financing, investment screening, project preparation and investment planning.
- Validate the key findings, recommendations and proposed tools with selected municipalities and relevant government counterparts, and incorporate their feedback into the final outputs.

Work Assignments Overview	**Deliverables/Outputs**	**Delivery deadline to complete the deliverable**	**Input Days**	**Travel**
Deliverable 1 Inception report	Inception report submitted and approved, including: ○ Detailed methodology and workplan. ○ Approach aligned with the NSFP, CWIS principles and national WASH sector frameworks, with the eight target municipalities confirmed in consultation with UNICEF and MoID. ○ Stakeholder mapping and engagement plan. ○ Data collection tools and assessment framework. Municipal consultation and field visit schedule.	10 Dec 2026	8 days	Travel may be required within Nepal for workshops, field visits, and other assignment-related activities, as needed
Deliverable 2 Municipal Sanitation Financing and Investment Needs Assessed	○ Municipal sanitation financing assessment completed, covering expenditure patterns, budget allocation, financing sources, and budget utilization trends. ○ Review of municipal sanitation/FSM plans, MTEFs, and annual planning and budgeting processes completed. ○ Municipal capacity and readiness assessment, drawing on the WASH sector building blocks framework, conducted to identify opportunities and constraints for financing sanitation investments. ○ Priority sanitation investment needs and potential financing/co-financing opportunities identified across the sanitation service chain. ○ Investment-readiness scorecard developed and applied for all target municipalities. Recommendations prepared for integrating	20 Jan 2027	18 days	Travel may be required within Nepal for workshops, field visits, and other assignment-related activities, as needed

	priority sanitation investments into municipal plans, MTEFs, and annual budgets.			
Deliverable 3 Sanitation market and service-provider ecosystem assessed	○ Mapping of sanitation enterprises and service providers completed in all target municipalities. ○ Assessment of the sanitation service chain conducted, covering containment, emptying, transport, treatment, O&M, resource recovery, and sanitation-related products and services. ○ Operational and financial viability of existing and planned FSM and treatment facilities assessed, including cost-recovery, tariff and O&M arrangements. ○ Opportunities and constraints for local enterprises, including women-led businesses, identified and documented. ○ Assessment of enterprise business models, financing needs, and growth potential completed. ○ Key barriers related to licensing, tariffs, municipal contracting arrangements, treatment infrastructure, and access to finance analyzed. ○ Database of sanitation enterprises and service providers established and shared with municipalities. Recommendations developed to strengthen sanitation market systems and support viable sanitation enterprises.	28 Feb 2027	18 days	Travel may be required within Nepal for workshops, field visits, and other assignment-related activities, as needed
Deliverable 4 Municipal sanitation investment pipeline developed	○ Priority sanitation investments identified and prioritized in consultation with municipalities. ○ Investment prioritization framework applied considering technical feasibility, affordability, climate resilience, social inclusion, and sustainability criteria. ○ Municipal sanitation investment pipeline prepared, including short, medium and long-term investment priorities. ○ Investment profiles developed for priority sanitation projects. ○ Indicative capital and lifecycle cost estimates prepared for prioritized investments. ○ Potential financing sources identified, including municipal budgets, intergovernmental transfers, development partner support, and private-sector financing opportunities,	31 Mar 2027	20 days	Travel may be required within Nepal for workshops, field visits, and other assignment-related activities, as needed

	together with suitable financing modalities (results-based financing, blended finance, co-financing and PPP options). Concept notes prepared for selected priority sanitation investments including indicative capital and lifecycle costs, potential financing sources, implementation arrangements, key risks, and the remaining technical, financial or institutional requirements to make each investment ready for financing.			
Deliverable 5 **Access to financing opportunities facilitated**	○ Financing opportunity mapping completed for priority municipal sanitation investments. ○ Presentation materials and financing briefs prepared to support engagement with potential financiers. ○ Coordination and consultation meetings facilitated with relevant government agencies, financial institutions, development partners, and private-sector stakeholders. ○ Municipal representatives supported to present priority sanitation investments in financing and investment discussions. ○ A financing opportunity tracker maintained for priority investments, documenting potential financing sources, stakeholder discussions, status of engagement, emerging opportunities, any confirmed commitments, responsible follow-up parties and agreed next steps. Actual financing decisions will remain subject to the requirements and decisions of the relevant municipalities and financing institutions.	25 May 2027	20 days	Travel may be required within Nepal for workshops, field visits, and other assignment-related activities, as needed
Deliverable 6 **Municipal sanitation financing practices, tools and lessons documented**	○ Documentation of promising municipal practices and experiences in sanitation financing and investment planning completed. ○ Lessons learned, implementation challenges, and recommendations for replication and scale-up documented. ○ Findings and recommendations shared with MoID, UNICEF and sector stakeholders to inform NSFP implementation and resource mobilization. ○ Practical tools and templates developed for municipal sanitation financing,	30 June 2027	8 days	

	investment screening, and project preparation. Final synthesis report prepared, consolidating findings, investment opportunities, lessons learned, and recommendations for sector stakeholders.			

Payment Schedule:

Payment will be made on submission and acceptance of deliverables. UNICEF reserves the right to withhold payment in case the deliverables submitted are not up to the required standard or in case of delays in submitting the deliverables on the part of the consultant.

Important Notes

- Individuals engaged under a consultancy or individual contract will not be considered "staff members" under the Staff Regulations and Rules of the United Nations and UNICEF's policies and procedures and will not be entitled to benefits provided therein (such as leave entitlements and medical insurance coverage). Their conditions of service will be governed by their contract and the General Conditions of Contracts for the Services of Consultants and Individual Contractors. Consultants and individual contractors are responsible for determining their tax liabilities and for the payment of any taxes and/or duties, in accordance with local or other applicable laws.
- The selected candidate is solely responsible for ensuring that the health insurance (and visa if applicable) required to perform the duties of the contract are valid for the entire period of the contract. Selected candidates are subject to confirmation of fully-vaccinated status against SARS-CoV-2 (Covid-19) with a World Health Organization (WHO)-endorsed vaccine, which must be met prior to taking up the assignment. It does not apply to consultants who will work remotely and are not expected to work on or visit UNICEF premises, programme delivery locations or directly interact with communities UNICEF works with, nor to travel to perform functions for UNICEF for the duration of their consultancy contracts.
- UNICEF offers reasonable accommodation for consultants with disabilities. This may include, for example, accessible software, travel assistance for missions or personal attendants. We encourage you to disclose your disability during your application in case you need reasonable accommodation during the selection process and afterwards in your assignment.

QUALIFICATIONS / SPECIALIZED KNOWLEDGE / EXPERIENCE/ COMPETENCIES (CORE/TECHNICAL/FUNCTIONAL) / LANGUAGE SKILLS REQUIRED FOR THE ASSIGNMENT

Minimum requirements:

- Education:
    - Advanced university degree (Master's or higher) in Civil Engineering, Environmental or Sanitary Engineering, Public Finance Management, Development Finance, Development Studies, or related field
- Work Experience:
    - Minimum 10 years of professional experience in WASH sector reform initiatives, with a focus on sanitation financing, infrastructure/development finance and sanitation investment planning, including at least 5 years supporting government institutions in policy development, financing strategies, investment planning, and systems strengthening. Experience in Nepal's sanitation sector

and federal governance context is strongly preferred.

- Demonstrated experience undertaking sanitation programme designing at national level, financing assessments, policy analyses, stakeholder consultations, and developing financing mechanisms and implementation frameworks, and in costing sanitation infrastructure and services (including FSM and treatment systems). Strong understanding of Nepal's WASH sector, public financial management systems, intergovernmental fiscal arrangements, sanitation service chains (including city-wide inclusive sanitation approaches), and institutional arrangements with excellent analytical, report writing, communication, and stakeholder engagement skills.
- Experience in sanitation financing, fecal sludge management, blended finance, climate finance, results-based financing, municipal finance, PPPs, and engagement with development finance institutions, commercial banks, donors, or private investors will be an asset. Previous experience with UNICEF, UN agencies, development banks, or similar international organizations is highly desirable.

- Language requirement:
  - Fluency in written and spoken Nepali and English is required. Nepali is required for effective coordination with provincial and local governments, municipal officials, communities and implementing partners, while English is required for preparation of technical documentation, analytical reports, presentations, meeting records and communication with UNICEF.
- Skills:
  - Strong expertise in WASH systems strengthening with demonstrated experience in policy analysis, financing assessments, investment planning, resource mobilization, and development of innovative financing mechanisms in the federal context of Nepal, including familiarity with CWIS/MWIS approaches
  - Good understanding of Nepal's WASH sector, sanitation service chain (including FSM, wastewater treatment and resource recovery), the WASH sector building blocks, and sector financing frameworks, including the NSFP.
  - Ability to translate national sanitation policy into costed, investment-ready municipal proposals, including basic technical and cost appraisal of sanitation infrastructure.
  - Excellent analytical, stakeholder engagement, facilitation, report writing, and communication skills, with the ability to engage effectively with government, development partners, financial institutions, and private sector stakeholders.
  - Proficiency in Microsoft Office applications is required.

Desirables:

- Experience in sanitation particularly sanitation service chain assessment, financing, including innovative financing mechanisms (blended finance, climate finance, results-based financing, PPPs, and municipal finance);
- Engagement with financial institutions and development partners; and familiarity with Nepal's sanitation policies, financing frameworks, and sector coordination mechanisms and federalism of Nepal.
- Previous experience with UNICEF, UN agencies, or international development organizations is an advantage