

Call for Proposals – Natural capital risk explorer tool and website

This work is being undertaken as part of the Natural Capital Finance Alliance's Advancing Environmental Risk Management project. For any queries, contact Martin Halle, NCFE Senior Researcher: m.halle@natcapfinance.org

1. Overview

The Natural Capital Finance Alliance (NCFE) is seeking to contract an entity to assist in the implementation of the Advancing Environmental Risk Management project. The contractor will work closely with the NCFE secretariat to develop a web-based tool that enables users in the financial sector to visualise the exposure of economic sectors to natural capital related risks according to their geographical location. The contractor will also develop a web site around this tool to host the NCFE's natural capital risk knowledge base, news and updates, and other associated features.

The tool should enable users to visualise the ways in which different business sectors depend on nature to provide goods and services to them and the level of disruption risks to this provision based on the current status and trends of the environment in which they are located. This will improve the financial sector's understanding of natural capital risk and provide a first step in the journey to assessing and integrating these risks in their decision-making processes.

The tool and website will be launched in November 2018. The budget for this project is USD 150 - 200,000 including applicable taxes. Contractors are invited to indicate where they think specific features can be added or subtracted to increase functionality or reduce costs.

2. The Natural Capital Finance Alliance

The Natural Capital Finance Alliance (NCFE) is a collaboration with the finance sector to lead the integration of natural capital considerations into financial decision-making. It was launched as a set of Commitments, the Natural Capital Declaration, at the UN Conference on Sustainable Development (Rio+ 20 Earth Summit) in 2012. It drives innovation and develops the practical tools that enable financial institutions to better understand risks, pursue opportunities, and establish the foundations for resilient long-term economic growth. The Alliance is supported by over 75 signatories and supporters that include financial institutions and other stakeholders.

The NCFE Secretariat is comprised of the United Nations Environment Programme's Finance Initiative (UNEP FI) and Global Canopy and the contract for this work will be issued by one of these two institutions (See appendix for model contracts for both institutions)

The NCFE Secretariat is working with financial institutions to implement pilot projects to advance capabilities to natural capital considerations into financial decision-making. Supported financially by governments and foundations, the NCFE is implementing a work programme of pilot projects to develop and test practical methodologies and tools to strengthen the capacity of banks, fund managers, asset owners and insurers to manage risks and opportunities linked to natural resources and environmental assets. The NCFE work programme is overseen by a Steering Committee of Signatories and Supporters, with independent input from an Advisory Network.

Global Canopy is an innovative environmental organisation that targets the market forces destroying tropical forests. Since 2001, we have been testing new approaches to tackling deforestation, and guiding companies, investors and governments worldwide to think differently about our planet's forests. *Global Canopy is a registered UK charity, number 1089110.*
www.globalcanopy.org

UNEP FI is a unique global partnership between the United Nations Environment Programme (UNEP) and the global financial sector. UNEP FI works closely with over 200 financial institutions who are Signatories to the UNEP FI Statements, and a range of partner organizations, to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of financial institution operations.
www.unepfi.org

3. AERM project background

The financial sector can play a pivotal role in changing the way in which many economic actors such as companies interact with the environment. By improving the financial sector's understanding of their risk exposure arising from environmental risks affecting the businesses that they invest in or lend to, the economic contribution of ecosystems will be recognised, improving the likelihood of their protection.

Until now, there has been no systematic and comprehensive way to assess the way in which businesses in different economic sectors depend on the and the attending risks (what we call natural capital risks) should the environment become degraded to the point that it can no longer satisfy these dependencies.

The AERM project, funded by the Swiss Secretariat for Economic Affairs and the MAVA Foundation, aims to fill this gap and help financial institutions to *understand* natural capital risk, *assess* their exposure to it, and *integrate* it in their existing decision-making processes. The first phase of the project, which took place in 2017, developed an extensive knowledge base on natural capital risks covering 1) how different businesses depend on the environment, 2) how to assess the risk that the provision of goods and services from the environment gets disrupted, and 3) the data sources that enable an assessment of this disruption risk in a given geographical context (See appendix for examples)

The second phase of the project covers two parallel streams of work: 1) the visualisation tool and data explorer, which are the subject of this call for proposals, and aim to help financial institutions to *understand* natural capital risk, and 2) the piloting phase where we work directly with selected banks in Colombia, Peru and South Africa to *assess* their exposure to natural capital risks and *integrate* them into existing decision-making processes.

The outputs from the project will be launched at UNEP FI's Global Roundtable on November 26th 2018.

4. Vision for the digital project

We are seeking a contactor with strong development, user experience, and design credentials to develop an online platform with two main components: an interactive web-based visualisation tool that enables users to gain insights on natural capital risks and how they affect different economic sectors in different geographies, and related contextual information including the full knowledge

base developed in the project’s first phase, a news and events section, and a few other sections to be determined (e.g. “about the project”, “contact us”, etc.). Although, the tool is likely to be of interest to a broad range of users including businesses, policy makers, researchers and NGOs, the primary audience whose needs should guide the development is the financial sector. The online platform will be developed in two language versions: English and Spanish.

Details of the interactive tool:

The interactive tool will combine the information gathered during the project’s first phase, the “natural capital risk knowledge base”, with spatial data on various environmental factors to generate insights on natural capital risks. The natural capital risk knowledge base includes the following:

- Matrix linking 167 economic sectors to 220 production processes and each of those processes to one or several of 48 ecosystem services (goods or services provided by nature) that provide inputs or otherwise enable the production process. Each of these production process-ecosystem service interactions is further rated red, amber, or green according to the importance of the service to the process.
- Factsheets for each ecosystem service specifying which are the critical ecosystem assets and threats/drivers of change that need to be measured to assess the risk of a disruption in the provision of the ecosystem service provision. The asset-service and threat-asset relations are also rated red-amber-green according to their relative importance.
- Inventories of data sets relevant to ecosystem services, ecosystem assets, or threats/drivers of change. These have been collected at the global level, and more specifically for Colombia, Indonesia, Peru and South Africa.

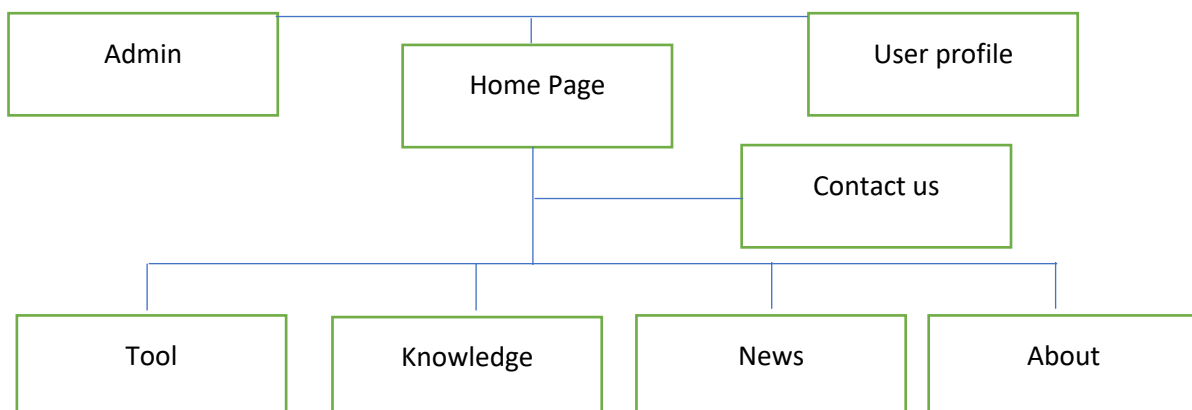
Examples of these outputs are available in the Appendix.

The aim of the tool is to enable users to gain insight into natural capital risk to the economy by combining the information on sectors, services, assets, and threats with environmental data from outside sources, which provide information on the current status and trends of ecosystem assets and threats in a spatially explicit way.

Users should be able to explore this information through a variety of approaches: starting from a particular economic sector, geographical location, ecosystem asset, ecosystem service, or threat. This should enable the user to filter the information, click through to deeper levels of information, and generate downloadable reports according to their selection. Users should also be able to aggregate their selections in a “portfolio view” that provides insights on common and relative risk exposure factors across different dimensions.

Details of the website:

The website should host the interactive tool, enable users to access the natural capital knowledge base, and provide some additional features such as a news/events section. A tentative architecture is sketched below:



Features should include:

- The Admin page should enable administrators to modify data that informs the tool, and to change text in the other sections.
- Users should be able to log in and save their own configurations and data filtering choices
- The knowledge base should present the natural capital information on sectors, services, assets, threats, and risks in easily downloadable format and provide options for user feedback (wiki).
- The news section should enable administrators to easily post updates

5. Target audiences

Primary audience:

- Financial sector users, especially in risk management and/or sustainability departments.

Secondary stakeholders:

- Policy makers and public sector
- Sustainability and risk management officers within business
- Consultancies and other service providers
- NGOs and civil society
- Academia and other researchers

The contractor will be expected to collaborate closely with the NCFAs secretariat to ensure that the perspective of financial sector users strongly informs the development process throughout. Consultation with users to validate the initial concept and to test usability will be particularly important.

6. Contractor deliverables

The contractor chosen for the project be responsible for designing and developing an impactful and user-friendly tool and website that achieve the vision laid out above. In particular, the contractor will be expected to deliver the following:

1. Scoping: Refining the project concept, defining final outputs and design, and validating these with the NCFAs secretariat and financial sector users.
2. Analysis of options for data backend: Assisting the NCFAs secretariat in for the integration of this environmental data. In particular, it will be necessary to assess key data needs for the platform and evaluate whether existing data repositories, such as those forming the backend of existing tools like WRI's Natural Resources Watch or UNEP's MAP-X, can adequately fulfil these needs or if it is instead necessary to develop a bespoke backend for the platform. The implications for data updating, hosting and maintenance of the different options should also be assessed.
3. Interactive tool development: Developing a tool and user interface that enables users to gain natural capital risk insight based on their selection of specific data filters as described above. Should be developed in both English and Spanish versions and work across main browsers.
4. Website: Design and develop a website that hosts the tool and additional features described above. Should be developed in English with the possibility of adding other languages versions and work across main browsers.
5. Usability testing: Assist the NCFAs secretariat in conducting testing of the tool and key features of the website with financial sector users to ensure outputs are relevant, appropriate and easy to use.
6. Content management system and training: The contractor will develop an easy to use content management system to enable administrators to amend data underlying the interactive tool and

change parts of the website content. They will also provide training materials and training sessions for the NCFA secretariat on the use of the content management system.

7. Hosting and support: hosting, support and maintenance services for a year should be included in the proposal but costed as a separate line item.

7. Evaluation criteria

Respondents should clearly outline how they will help to reach the project objectives and why they are uniquely suited to help us realise the vision for this digital project.

Responses will be evaluated based on the suitability of the respondent's proposal to the project's objectives as well as on the proposed budget and the respondent's proven expertise, particularly concerning:

- Building solutions that involve processing of multiple data sources, particularly spatial and/or environmental data.
- Experience in designing interactive data visualisation tools
- User experience and user testing expertise
- Strong visual design ability
- Experience in designing tools for a business or financial sector audience
- Project management and timely delivery

8. Timeline

Selection process timeline

- April 16: Call for proposal published
- April 21: Deadline for seeking clarifications from NCFA
- April 30: Deadline for proposal submission
- May 7-18: Interviews with selected respondents
- May 31: Contract sign-off

Project timeline (indicative)

- First half of June: project kick off meeting and concept finalisation
- June-July: User validation, backend selection, and prototype building
- July-September: Development
- October: Refining with user feedback, communications and marketing planning
- November 26: Project global launch

9. Procedure

Please submit a succinct proposal to tenders@natcapfinance.org by **5pm GMT, 30th April 2018**. It should include a project description, workplan including timeline/calendar of activities, financial proposal (including suggested budget and payment structure), company profile, examples of similar projects that you have undertaken, and CVs for the team that will carry out the work. It should also include the name and contact details of two referees for whom you have done similar work for in the last three years.