Terms of Reference Consultant: UK Climate Finance & Debt Research - ICF4 Methodology and Private Finance Instrument-level Review Commissioning organisation: ActionAid UK

Level of Effort: Estimated 20 working days (full-time equivalent, or part-time equivalent by agreement). Concluded by Oct 2026.

Location: Home-based

Reporting to: Amayaa Wijesinghe, Senior Climate and Resilience Advisor

1. Background

The UK published its International Climate Finance Strategy 2026 (ICF4) on 22 June 2026 under the Starmer government, committing roughly £6 billion in ODA (FY2026/27– 2028/29) alongside a further £6.7 billion in "additional public finance", primarily to mobilise finance from the private sector. The strategy now folds in instruments such as UK Export Finance guarantees, British International Investment (BII) equity and debt, and guarantees to multilateral development banks, with an explicit ambition to mobilise further private capital for climate and nature outcomes.

This represents a structural shift from the UK's previous ICF3 strategy: it is the first UK climate finance strategy to formally fold non-ODA instruments into its headline package alongside ODA, and it justifies this explicitly in terms of UK growth, security and commercial interest, leveraging "the City of London's position as a global sustainable finance hub."

The UK's prior climate finance reporting has already been subject to sustained, credible criticism. For instance, the Independent Commission for Aid Impact (ICAI)'s 2024 rapid review found the government had "moved the goalposts" on ICF3 by reclassifying existing ODA as ICF, applying a fixed proportion of ICF to humanitarian programmes, and recalculating the BII contribution ratio, thereby adding £1.7 billion to the headline total with none of it additional to recipient countries[1].

ActionAid UK, building on its existing body of work on debt-climate finance feedback loops (*The Vicious Cycle*, 2023; *Debt Swaps Won't Save Us*, 2024) and on private finance accountability (*Who Pays the Price? The Cost of HSBC's Climate Damages*, 2025), is commissioning research to test whether ICF4's shift toward non-ODA instruments and private mobilisation is compatible with debt sustainability in climate-vulnerable recipient countries, or whether it risks reproducing the debt-climate vicious cycle

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ActionAid has already documented at a structural level through formal UK government policy.

This research is timed to feed into the UK's first ICF4 reporting cycle, alongside

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[1] https://icai.independent.gov.uk/review/uk-aids-international-climate-finance-commitments/review/

ActionAid's advocacy ahead of COP31 (Antalya, 9–20 November 2026) and the G20 in 2027.

2. Purpose and Objectives

The consultant will deliver an evidence-based assessment of whether ICF4's methodology and instrument design serve climate-vulnerable countries' debt sustainability and adaptation needs, or primarily serve UK commercial and reporting interests under a climate label.

Core research objectives:

1. To establish whether the UK's ICF4 methodology for counting mobilised private and non-ODA finance toward its NCQG contribution has implications for recipient-country debt, challenging the narrative that private finance can offer an equitable alternative to grant-based finance.

2. To further analyse the debt-climate finance feedback loops ActionAid has already established, through a concrete, instrument-level lens, using the UK government as a single major donor case study.

3. To establish whether ICF4's shift toward private mobilisation is compatible with the UK's stated adaptation leadership, or structurally bypasses adaptation in favour of mitigation and energy transition activity.

3. Scope of Work

The consultant will own the following workstreams in full:

3.1 ICF3 to ICF4 methodology and KPI comparison ("moving goalposts" assessment)

- Systematic comparison of ICF4 against ICF3 reporting methodology, drawing on sources such as ICAI's 2024 findings.

- Verification of the specific claim that non-ODA guarantees counted toward the £6.7bn package include commitments formalised only recently but made in the past.

- A clear, evidenced judgement on whether ICF4 represents genuine methodological reform.

3.2 Instrument-level case studies

- Selection and analysis of **3 UK-mobilised climate finance instruments**, drawn where possible from ICF4's own named flagship examples (e.g. BII investments, British Climate Partners, UK Export Finance-backed transactions/ natural disaster clauses, or MDB guarantee/blended finance mechanisms such as the Market Accelerator for Green Construction).

- For each instrument: assessment of criteria such as economic return and favourable/unfavourable outcomes/trade-offs for investor and recipient, additionality, concessionality, risk analysis for stakeholders involved, recipient country debt status, and mitigation vs adaptation contribution. These criteria can be refined during the inception phase.

- Sourcing and interpretation of deal terms from public disclosures, various DFI and institutional reporting, and interview evidence.
- Cross-referencing and analysis of the recipient countries of the case-study instruments against current IMF/World Bank debt distress classifications (or appropriate methodology).
- Developing guidelines to assess the distributional reach of each instrument analysed: who ultimately benefits, and does this reach the most climate vulnerable people, not just the recipient country as a whole. Guidelines on assessing potential gender-differentiated impacts are especially critical. These guidelines will be used by ActionAid to further develop the case studies with field based assessments at a later date.

3.3 Key informant interviews

- Conducting and synthesising **5–8 semi-structured interviews**, drawn from: FCDO/DESNZ/DEFRA officials or recent former officials; DFI/ MDB/ financial institute representatives; UK civil society; and independent researchers.
- ActionAid UK will support introductions and scheduling; the consultant is responsible for conducting, recording (with consent) and synthesising interviews into usable evidence.

3.5 Full report and policy briefing

- A full evidence report covering methodology findings, case studies, debt distress analysis and tiered recommendations.
- Must include a clear, defensible summary of all instrument-specific and methodology findings suitable for submission to UK government departments and named counterparties for factual right-of-reply ahead of publication.

4. Deliverables and Indicative Timeline

Week	Deliverable
Week 1	Inception note confirming methodology, case study selection, and interview target list; ICF3 to ICF4 methodology comparison underway; interview outreach begun (supported by AAUK)
Week 2	Draft methodology/preliminary findings of ICF analysis; case study data collection; interviews continue
Week 3	Draft case studies complete; debt distress cross-referencing complete; interview synthesis complete

Week 4	Full draft report and policy briefing submitted; fact-check/right-of-reply summary prepared; final revisions incorporated following ActionAid review

Final deliverables:

- Full evidence report
- Interview notes/synthesis (for ActionAid UK's internal record, subject to consent)
- Short debt distress data annex (recipient countries mapped against IMF/World Bank classifications)

5. Required Qualifications and Experience

- Demonstrated experience in development finance, climate finance, and/or sovereign debt analysis, including familiarity with concessionality, grant equivalence, and debt sustainability concepts.
- Track record of independent research or analysis on UK ODA, ICF, or comparable donor climate finance methodology.
- Experience conducting and synthesising key informant interviews with government officials, civil society, and international stakeholders.
- Strong analytical writing skills, with the ability to produce technical evidence documents.
- Familiarity with the NCQG/Baku to Belém Roadmap process and the broader COP finance architecture is desirable, but not essential.

6. Working Arrangements

- The consultant will work closely with the ActionAid UK project lead, who will provide institutional access (interview introductions, prior ActionAid research, internal review) but will not conduct the analysis.
- Weekly check-ins with ActionAid UK throughout the engagement.
- All draft outputs subject to ActionAid UK review and sign-off before finalisation; final publication decisions rest with ActionAid UK.
- The consultant should flag promptly any risk to the timeline (e.g. interview access delays) so mitigations can be agreed jointly.

7. Fee and Payment

Please include your financial proposal (budget inclusive of VAT and preferred way of payment) within the application.

8. Application Process

Interested consultants should submit:

- A CV or short profile outlining relevant experience
- A brief (1–2 page) technical proposal outlining proposed approach, including any adjustments to the scope above given the 20-day timeframe
- A day rate and estimated total cost
- Two references and/or examples of comparable prior work

Deadline for applications: 20th September 2026

Subject Line: WPS- UK Climate Finance & Debt Research Consultant Application- [your name]

Contact: Amayaa Wijesinghe, amayaa.wijesinghe@actionaid.org