

Terms of Reference

Lebanon's GCF Readiness Project

Preparation of No Objection Procedure and related framework assessment for Lebanon's Nationally Designated Authority to the GCF

Background:

The Green Climate Fund (GCF) is the world's largest dedicated fund helping developing countries to act on climate change. It was established by the United Nations Framework Convention on Climate Change (UNFCCC) in 2010. By channeling climate finance to developing countries, the GCF plays a crucial role in serving the goals of the Paris Agreement on climate change, adopted in 2015.

The Ministry of Environment in Lebanon is currently leading the implementation of the "*Strengthening and enhancing Lebanon's institutional arrangements and capacity to enable and optimize access to the Green Climate Fund*" project (2020-2022) which aims at supporting Lebanon to efficiently tap into the fund. Therefore Lebanon has to align itself with GCF requirements and expectations which entail the following:

- National sectoral projects and policies have to clearly identify their linkages to climate change.
- The government has to coordinate and prioritize its needs across all sectors and stakeholders (this includes NGOs, the private sector and municipalities), and incorporate those priorities and needs in a **Country Programme** for engagement with the GCF.
- The national focal point of the fund, called the Nationally Designated Authority (NDA) (in Lebanon's case, the Ministry of Environment), has to be capacitated, both technically and legally, to coordinate Lebanon's access to the fund and to evaluate project proposals. This includes the development and implementation of a clear and institutionalized procedure (called the **No Objection Procedure**, NOP) to evaluate, select and prioritize GCF proposals from all stakeholders in line with national priorities.
- The Ministry of Environment has to draft a **Gap Assessment Report** detailing: (1) the Government and the Ministry's strengths that facilitate alignment with GCF requirements, (2) the weaknesses and gaps that may hinder/delay alignment with GCF requirement, (3) the capacity building needs to overcome weaknesses and gaps.

Please refer to Annex 1 to learn about the type of questions that will be tackled to implement the above-mentioned activities.

Objective of the consultancy:

The consultancy has one primary objective, and one secondary objective.

- The primary objective is to design an effective and efficient No-Objection Procedure for Lebanon as per GCF guidelines and requirements and based on international best practices and lessons learned.
- The secondary objective is to backstop the project management unit by undertaking specific assessments and analysis that will support the drafting of the Gap Assessment Report.

Scope

Under the supervision of the National Technical Coordinator at the Ministry of Environment and the Coordinator, Sustainable Development Climate Change and Gender Programme of, the South Centre, the consultant shall carry out the following tasks, with a backstopping role for task 1, and a leading role for task 2:

Task 1: Support the Gap Assessment process of the policy, legislative and institutional frameworks governing the Ministry of Environment's operations in Lebanon to undertake its GCF-related roles and responsibilities.

1. Compare GCF requirements regarding each of the requisite functions/capacities of the NDA to effectively and efficiently perform its GCF related roles and responsibilities with the Ministry of Environment's role and responsibilities, to identify differences and potential entry points for integration.
2. Investigate coordination and institutional processes related to the development of national environment, development and climate change policies and plans such as the National Sustainable Development Strategy, the Low Emission Development Strategy, the Nationally Determined Contribution, CEDRE Capital Investment Plan, the McKinsey report, other sectoral strategies and plans, etc. in order to:
 - Assess the role of the Ministry of Environment in the different national planning processes
 - Identify strengths and weaknesses in the national regulatory, coordination and consultation process that can enhance or obstruct Lebanon's day to day operations related to the GCF (i.e. decision making, setting funding criteria, transparent reporting, prioritization of projects/needs etc.)
3. Based on the content of national environment, development and climate change policies and plans, summarize national vision and priorities in order to:
 - Guide the assessment of needed capacities to be enhanced within the NDA (i.e. what is the role of the NDA in supporting national priorities through its GCF related work?)
 - Guide the formulation of prioritization criteria in the NOP and the Country Programme (what types of projects should be prioritized?)
4. Support in identifying indicators applicable to Lebanon to assess efficient and effective operation of NDA (example: number of project proposals received, number of GCF related meetings, quantity of funds mobilized, etc.).
5. Participate as session moderator in the Multi Stakeholder Consultation workshop organized by the project management unit.

Task 2: Elaborate a nationally appropriate no-objection procedure, to ascertain approvals of funding proposals/ concept notes received

1. Review the Ministry of Environment's project proposal appraisal, approval and implementation system, including existing arrangements for GCF proposals and other mechanisms (CDM, NAMAs, Adaptation fund, GEF etc.). Examine how this system is aligned with the national policy development, project formulation and resource mobilization process; focusing particularly on: (1) existing mechanisms to coordinate across stakeholders and facilitate effective consultation and communication and (2) current public system for planning, project formulation and resource mobilization, in particular in relation to the national budgeting process.
2. Review and assess regional and international NOP and draw best practices to be customized to national circumstances.

3. Undertake consultation with the NDA and key stakeholders to gather feedback and refine the design of the no-objection procedure and appraisal criteria.
4. Develop at least 2 scenarios for the NOP procedure to be presented and validated by stakeholders, including recommendations on adoption of different or similar procedures for state actors and non-state actors.
5. Recommend processing and proposal reviewing procedures, including indicators to be used for review and prioritization of proposals.
6. Propose appropriate institutional arrangements for the review.
7. Recommend a reporting mechanism to NDA and propose institutional arrangements for approving projects and reporting on progress of implementation in such approved projects.
8. Draft legal texts (ministerial decision/decrees/Council of Ministers decision, etc.) for NOP including establishment of review committee, review procedure, timeline, issuance of No-Objection letters, confidentiality agreements, reporting obligations, etc.
9. Draft letter templates (comments/rejection/no-objection letters) for review committee.
10. Consult with national legislative bodies such as the Legislation and Consultation Authority for appropriateness of applicability of proposed procedure and text.
11. Assist in lobbying for the enactment of the legal instruments proposed.
12. Support in training NDA and other stakeholders on NOP.

Mode of work:

- Work implies frequent interaction in the form of interviews, consultations, virtual meetings and research with the following: officials at Ministry of Environment, other officials, community groups and other stakeholders within Lebanon, and the staff of the South Centre.
- The project management unit at the Ministry of Environment and South Centre will be heavily involved in guiding progress and in communication with stakeholders. It will also be technically involved in shaping the structure and content of reports, providing advice and expertise based on international lessons learned and best practices, leading on preparation and organization of stakeholder consultation workshop, supporting in making data and information available to consultants when accessible, review consultant's deliverables to make sure they are in line with GCF guidelines and requirements.
- The project management unit will be responsible for organizing meetings, workshops, arranging for venues, printing material, issuing invitations and all other logistical and coordination matters needed for the implementation of the work of the consultant.

Expected outputs:**Task 1:**

- Brief on comparison between GCF requirements and Ministry of Environment roles and responsibilities.
- Brief on the assessment of coordination and institutional processes related to the development of national environment, development and climate change policies and plans.
- Brief summarizing national priorities and vision.

Task 2:

A report containing:

- Detailed description and analysis of the operational rules and procedures of the NDA related to project proposal appraisal, approval and implementation system, with roles and

responsibilities of each party involved in the process. It should be supported with diagrams and flowcharts as necessary to help readers' understanding.

- Description of international NOPs and analysis of their applicability to Lebanon.
- Scenarios considered for the NOP and feedback of stakeholders.
- System for reviewing proposals and issuing recommendations or no objections, including indicators and institutional arrangements.
- System for monitoring progress of implementation of approved projects.
- No objection procedure templates and regulatory documents.

Timeframe and payment:

Deliverable	Deadline
Outputs related to task 1	2 months after contract signature with South Centre
Outputs related to task 2	6 months after contract signature with South Centre

The payment will be made by the South Centre upon satisfactory completion of work.

Selection process:

Offers should be sent in English at applications@southcentre.int (stating No-Objection Procedure – Lebanon in the subject) no later than CET 24.00 hrs. on 17 April 2020.

Offers should include:

- A brief description of the firm and its previously accomplished work related to institutional arrangements and/or analysis of environmental processes in Lebanon or the region.
- The intended methodology to be adopted for the present consultancy, highlighting tasks where support is expected from the project management unit. This is to make sure that proponents understand the scope of the support provided by the project management unit.
- A presentation of the team to be allocated for the task with CVs. Note that the team should include a legal expert with relevant experience.
- A detailed financial offer.

About the South Centre:

The South Centre is the inter-governmental policy research institution of developing countries, with currently 54 developing country member States from Africa, Asia and the Pacific, and Latin America and the Caribbean. The South Centre promotes more effective South-South cooperation and coordination, supports developing countries in participating in and voicing their development interests and priorities more effectively in various multilateral and regional development policy-related issues and fora, and provides policy advice and technical assistance to governments on their national development-related policies.

The main activities of the Centre are policy research and analysis, convening of meetings and conferences for developing countries to share views and experiences, and technical assistance and capacity building activities. The issues taken up by the Centre include international and regional trade policy, global macroeconomic and finance issues, global public health, innovation and intellectual property policy, climate change, environment and sustainable development,

international economic issues including tax policy, external debt and international investment policy; human rights policy; global governance for and North-South relations, South-South cooperation, and global governance for development. The South Centre has three major institutional pillars: The Council of Representatives in which the Member States are represented; the Board comprising a Chairperson and members who act in their individual capacities and provide guidance to the Secretariat; and the Secretariat headed by the Executive Director which implements the activities of the South Centre. The Secretariat is accountable to and works under the guidance of the Board and the Council.

Annex 1:

The key questions that should drive the Capacity and Gap Assessment are:

- What is the **present state** of the NDA (human, financial, technical capacities, expertise, mandates, network, visibility, location and ability to influence or drive its mandate **vis-à-vis** line-ministries, cabinet, parliament, other multilateral climate funders, finance ministry, the private sector etc.)
- What factors inhibit or support the **institutionalization** of the NDA and its development?
- What are the nature of and constraints around **convening authority** of the NDA
- What is the **ability of the NDA to respond to demands** (coming from and with regard to GCF funding)?
- Which **procedures** are in place or missing that affect the NDA's mandate?
- What is the scope, opportunities and challenges for the NDA building strong effective **partnership** with the private sector, sectoral experts etc.
- What are the **capacities** of the NDA (and how can these be strengthened and enhanced) vis-à-vis:

1. Policy: identify and elaborate on and ensure alignment with National development plans, sector plans, understanding of relevant areas of public goods, fiscal incentives and tax breaks etc. relative to its mandate, de-risking instruments
 2. Regulation: ensure awareness and knowledge with regards to compliances with national laws and regulatory standards
 3. Technical: M&E and Monitoring, Reporting, Verification (MRV)
 4. Finance: knowledge and comfortability with de-risking CF instruments, CF framework, risk management
 5. Project management
- What are the **strengths, weakness, opportunities and challenges** (and recommendations to mitigate or enhance these facing the NDA, institutionally) in terms of:
 1. **Communication:** in relation to coordinating readiness and funding programme, NOP, nominations of (national) implementing entities, stakeholders, dissemination of documents in multiple languages, M&E/MRV; and production of knowledge tools on GCF programme and nomination appraisals.
 2. **Strategic Country Programme planning & oversight:** inclusive of knowledge of national development plans, climate change and sector plans such as LEDs or NAMA and coordination with line-ministries and focal points of other multilateral funds, on issues that are relevant to the development of national priorities and strategic plans.
 3. **NOP:** unique national NOP process for Lebanon with the capacity to: look into how, when and where funding proposals are submitted; map proposals with GCF investment criteria; involve stakeholders; undertake technical/financial/strategic analysis, inclusive of political risk; do a cost benefit analysis
 4. **Capacity to identify and mobilize external/additional financial support** by e.g. internally e.g. line-ministries, private sector or other international funders
 5. **Capacity to address and monitor issues** related to auditor general and auditing climate projects

6. **Capacity to offer advisory services**, if deemed desirable, to stakeholders such as NIEs, private sector, ministry of environment etc.
7. **Capacity and awareness of how to address or overcome bottlenecks** within government system which relate to the NDA's mandate and scope of work.