

Re-Advertisement* - Proposal Request

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. Annex 2 provides relevant information on the decisions of the Board of the GCF relative to the NOP and country ownership.

***Prior applicants need not re-apply. Your applications continue to remain under consideration.**

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/decreed/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 19 August 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.

Annex 2: Decisions of the Board of the Green Climate Fund regarding NOP

Decision B.08/10

The Board, having considered document GCF/B.06/07 Country Ownership:

- a) Decides that the Board will only consider funding proposals that are submitted with a formal letter of "no-objection", in accordance with the procedure approved in this decision;
- b) Approves the initial no-objection procedure for funding proposals contained in Annex XII;
- c) Endorses the initial best-practice guidelines for the establishment of national designated authorities and focal points as contained in Annex XIII, noting their relevance for the implementation of the programme of work on readiness and preparatory support;
- d) Endorses the initial best-practice options for country coordination and multi-stakeholder engagement, set out in Annex XIV noting that the specific guidance on multi-stakeholder engagement in the context of the development of funding proposals will be included in the Fund's environmental and social safeguards;
- e) Urges developing countries, as well as entities in a position to provide readiness and preparatory support, to take into account the best-practice guidelines for the establishment of national designated authorities and focal points and the best-practice options for country coordination and multi-stakeholder engagement endorsed in this decision;
- f) Reiterates its invitation to developing countries to nominate and register with the Fund, through the Secretariat, their respective national designated authority or focal point as soon as possible and no later than March 2015; and
- g) Requests the Secretariat to:
 - I. coordination and multi-stakeholder engagement Communicate the no-objection procedure to developing countries and to make it available on the Fund's website;
 - II. Publish on the Fund's website the list and contact details of registered national designated authorities and focal points and present to the Board an update on their nomination and registration at its next meeting; and
 - III. Communicate and publish the recommended best-practice guidelines for the establishment of national designated authorities and focal points, as well as the best-practice options for country coordination and multi-stakeholder engagement, for their use in accordance with this decision.

Annex XII: Initial no-objection procedure

I. Purpose

1. The purpose of the no-objection procedure is to ensure consistency with national climate strategies and plans and country-driven approaches, and to provide for effective direct and indirect public and private sector financing by the Fund. A no-objection is a condition for approval of all funding proposals submitted to the Fund.
2. The no-objection should be provided to the Secretariat in conjunction with any submission of a funding proposal seeking Fund funding.
3. In the case of applications for accreditation by sub-national, national and regional implementing

entities and intermediaries, the national designated authority (NDA) or focal point will facilitate the communication of applications of implementing entities and intermediaries for accreditation to the Fund.

II. Communication of no-objection to funding proposals

4. Before communicating its no-objection, each country will decide on its own nationally appropriate process for ascertaining no-objection to funding proposals according to the country's capacities and existing processes and institutions.

5. To enhance transparency and consistency with paragraph 46 of the Governing Instrument, each proposal by an intermediary or implementing entity will provide a full description of how the country ownership was conducted and, if not satisfactory, the Board may reject it.

6. The NDA or focal point will communicate its no-objection to the Secretariat in conjunction with every submission for approval of a funding proposal by an intermediary or implementing entity. The no-objection letter will be signed by the official representative of the NDA or focal point registered with the Secretariat.

7. The Secretariat will formally acknowledge the receipt of the no-objection letter to the NDA or focal point and respective implementing entity or intermediary.

8. In cases of submissions of proposals for funding that are not accompanied by a no-objection letter, the Secretariat will inform the NDA or focal point that the funding proposal will not be processed for Board consideration unless the NDA or focal point provides its no-objection. The NDA or focal point shall provide its no-objection within 30 days after receiving this information. After the passage of 30 days, the proposal will be suspended and the Secretariat will notify the IE/intermediary.

9. Communication of no-objection by the NDA or focal point in line with the provisions of this procedure will imply that:

- (a) The government has no-objection to the funding proposal;
- (b) The submitted funding proposal is in conformity with the country's national priorities, strategies and plans, and that consistency was pursued; and
- (c) The submitted funding proposal is in conformity with relevant national laws and regulations, in accordance with the Fund's environmental and social safeguards.

10. In order to enhance transparency, all no-objection communications will be made publicly available on the Fund's website. National designated authorities and focal points are GCF/B.08/45 Page 88 also encouraged to make publicly available their communications of no-objection shortly after being issued, where possible and as applicable.

11. In the case of funding proposals relating to a programme, the no-objection will apply to all projects or activities to be implemented within the approved framework.

III. Dissemination of the no-objection procedure

12. The no-objection procedure will be made available by the Secretariat on the Fund's website and in printed material where it will be explained in a user-friendly manner. Translations into other languages will be made where possible.

13. The Secretariat will assist NDAs and focal points in the understanding of the no-objection procedure upon request.

14. National designated authorities and focal points are encouraged to disseminate this procedure in their countries as appropriate and through their own websites and communication channels, especially in local languages.

IV. Review of the no-objection procedure

15. This no-objection procedure may be revised on the basis of evolving needs and experience gained in its implementation.

Annex XIII: Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points

1. The Board decided that countries may designate a national designated authority (NDA), in conformity with the Governing Instrument, or mandate a country focal point to interact with the Fund. It further decided that countries should have flexibility in relation to the location, structure, operation and governance of NDAs or focal points.

2. The following guidelines serve to help countries in selecting the most appropriate institution to be designated as NDA or focal point with a view to ensuring effective implementation of the Fund's activities.

I. Mandate

3. The NDA or focal point will likely be placed within a ministry or authority conversant with the country's national budget, economic policies and their interrelation with climate change-related priorities and development plans.

4. The selected institution should ideally have a mandate that enables the institution to work on and influence an appropriate combination of economic policy and development planning, with appropriate leverage over climate change, energy, sustainability and environmental resource management priorities, strategies and plans.

5. In cases where this combination is not possible, it is recommended that the NDA or focal point be in a position to lead and coordinate a country coordination mechanism that allows for an overview of all these sectors as they relate to the country's climate change strategies and plans.

6. Countries may choose to mandate a focal point while undertaking a process for selecting and establishing an appropriate NDA and setting up all its necessary institutional capacities and country coordination mechanisms, or in cases where special national circumstances so determine. The focal point will therefore fulfil all functions until the NDA is established.

II. Capacities

7. Ideally, the NDA or focal point should possess or attain through country coordination mechanisms and institutional networks within the country:

(a) Adequate knowledge of national priorities, strategies, and plans;

(b) The ability to contribute to and drive national development strategies and plans;

(c) Familiarity with both mitigation and adaptation efforts and needs in the country;

(d) Familiarity with relevant institutions and stakeholders in the countries (including contacts with multilateral and bilateral institutions, civil society organizations, and sub-national, national or regional entities that may be potential candidates for accreditation as intermediaries or implementing entities);

(e) Capacity to facilitate and coordinate country coordination mechanisms and multi-stakeholder engagement for country consultations;

(f) The ability to monitor and evaluate in accordance with relevant guidelines of the Fund; and
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(g) An overview of activities of other relevant multilateral, bilateral, regional and global funding mechanisms and institutions working in the country.

8. The NDA or focal point should be able to maintain regular communication with the secretariat in English through Internet-based correspondence, facilitate country visits and meetings with Fund officials, and provide written communication as required.

9. The NDA or focal point should also be able to disseminate in local languages key operational procedures of the Fund, including its environmental and social safeguards and no-objection procedure.

10. The NDA or focal point should also retain an overview of all funding proposals relating to the country and facilitate available information on the projects and programmes through appropriate media and relevant networks, including in local languages.

11. The NDA or focal point should be familiar with multilateral finance and be able to interact with private sector actors in the country.

III. Authority

12. The legal authority for the NDA or focal point with signing capacity should be at a senior level with the authority to oversee the capacities outlined in Section II.

13. The NDA or focal point should aim to have a team responsible for coordinating and driving communication with the Fund and managing operational activities.

14. The NDA or focal point should lead the country's efforts to prepare the country's country programme.

IV. Position relative to designated authorities or focal points of other funds

15. In order to ensure consistency with national priorities, strategies, and plans, the NDA or focal point should have the ability to interact and coordinate with the focal points and designated authorities of other funds, if applicable and as appropriate.

16. The NDA or focal point should be familiar with the operations of other funds within the country. Based on country capacities, the NDA or focal point should also drive and coordinate relevant country coordination mechanisms and multi-stakeholder engagement, as needed and appropriate. Accordingly, the NDA or focal point should ideally be able to oversee and streamline the country's engagement with all sources of internal and external climate finance.

V. Funding of national designated authorities

17. Funding for the establishment and operation of NDAs will be determined in accordance with Board decisions on readiness and preparatory support and paragraph 40 of the Governing Instrument.

Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement.

1. The Fund will have a broad scope, funding both mitigation and adaptation activities through multiple access modalities, including through the private sector and other innovative financial instruments. Consequently, on an operational level, it will involve various sectors at multiple levels of governance.
2. It is recommended that countries consider the following criteria for conducting country coordination and multi-stakeholder engagement at the level of national priorities and strategies, or in the development of funding proposals, as appropriate.

I. Country strategic framework

3. National climate change strategies, plans and priorities will be the strategic framework provided in a country's country programme, and would therefore be a basis for the preparation and implementation of funding proposals. Recipient countries may therefore define their strategic framework on the basis of existing national climate change plans and strategies, including nationally appropriate mitigation actions (NAMAs), national adaptation plans (NAPs) and national adaptation programmes of action (NAPAs), or choose to develop a Fund-specific strategic framework drawing on existing relevant national plans and strategies. The Fund may provide assistance for the identification of these national strategic frameworks in the context of the Fund's work programme on readiness and preparatory support.

4. In order to ensure systematization of country coordination and multi-stakeholder engagement, countries could be encouraged to design a consultative process through which national climate change priorities and strategies can be defined.

5. A consultative process should aim to be an ongoing process rather than a discrete activity only occurring once without the possibility of follow up, continuous update and regular assessment of progress.

6. These consultative processes should be inclusive and seek to engage all relevant actors within the government, the private sector, academia, civil society and other relevant stakeholder groups or sectors.

7. Criteria and options for country coordination through consultative processes may include:

(a) Use of existing regular country meetings or national planning/dialogue exercises, including in the context of other sources of funding for climate change activities, the sharing of lessons learned and collection of inputs and views;

(b) Establishment, when possible and national circumstances allow, of a dedicated country coordination mechanism for the country's identification of its strategic framework in the context of the Fund;

(c) Integration into other relevant national consultations processes or programming exercises that may enable synergies and the exchange of complementary information; and

(d) Building on the country's prior experience in coordinating cross-sectoral initiatives and investments and engaging with other sources of finance. GCF/B.08/45 Page 92

II Development of funding proposals

8. Country coordination and multi-stakeholder engagement are critical for the effective preparation of funding proposals, as well as ongoing monitoring and evaluation after approval. This process should be well

aligned with relevant provisions of the Fund's environmental and social safeguards, which require, among other things, that all projects/programmes will be designed and implemented to be consistent with the Fund's requirements for stakeholder engagement and disclosure.

9. The Fund's environmental and social safeguards also require that funding proposals for projects/programmes will also need to have an environmental and social management system (ESMS) that establishes a process of stakeholder engagement and disclosure.

10. Guidance in the application and use of the Fund's environmental and social safeguards, which includes the matters mentioned above, will be made available in the context of the guiding framework for the Fund's accreditation process.

11. Country coordination mechanisms are also important in supporting the ongoing monitoring and evaluation of the Fund's projects and programmes, thus allowing for a process for evaluation at various stages of the project cycle.

12. Through collaboration with intermediaries and implementing entities, country coordination and multi-stakeholder engagement processes may facilitate forums, meetings, or workshops to review progress against results frameworks, discuss best practices and challenges, identify opportunities for enhancing coherence, and integrate lessons learned into relevant plans and priorities