

**GREEN CLIMATE FUND READINESS SUPPORT FOR PROMOTING CLIMATE RESILIENT
DEVELOPMENT IN URBAN AREAS THROUGH COMPLEMENTARITY AND COHERENCE
AMONG FUNDING SOURCES**

**CONSULTANCY SERVICES FOR RECRUITMENT OF A FIRM TO CARRY OUT
READINESS ACTIVITIES ACROSS FOUR COUNTRIES**

TERMS OF REFERENCE

1. BACKGROUND

1.01 Caribbean states are highly vulnerable to climate change, and nowhere more than in their cities and urban areas. These areas combine carbon intensive growth sectors, such as transport, with high movement of persons. At the same time, cities are the hubs of government service and most economic activity and must be protected from climate related disasters if they are to be resilient. For countries in the Caribbean region to overcome the considerable challenges facing their urban areas, more needs to be done to crowd-in financing around a coordinated package of investments that will address key vulnerabilities and build critical capacities. The evolving climate finance landscape seeks to strengthen complementarity and enhance coherence with regards to operations and processes across climate finance institutions. It is therefore important that action be taken to better understand interaction between institutions and to better coordinate the efficient utilisation and deployment of international climate finance, particularly for investments in the urban sector.

1.02 The Latin America and Caribbean (LAC) region is the second most urbanised region in the world with over 80% of the population living in cities¹. Within the next two decades, this proportion is projected to reach over 85% thereby placing cities within the LAC region among the fastest growing in the developing world. This rate of urban expansion is faster in small and medium-sized cities relative to mega cities and by 2030, the current population of medium-sized cities is expected to increase by over 36% to 1.1 billion (bn) people. Rapid urbanisation in medium-sized cities is also occurring in the context of limited urban planning. This results in socio-economic problems such as housing into areas that are vulnerable to natural disasters or otherwise unsuitable for settlement and unsustainable use of natural resources, particularly water.

1.03 This rapid urbanisation and unplanned expansion of cities is reducing urban and peri-urban ecosystems – including wetlands, green spaces and forests that provide a wide range of ecosystem services that contribute considerably to the well-being of urban communities. Many Eastern Caribbean capital cities are already experiencing urban sprawl. Between 2001 and 2011, for example, the population in St. Georges, Grenada, declined by 15%, but its outskirts grew by 23%². Meanwhile, in St. Johns, Antigua, it declined by 5%, but the outskirts grew by 43%. These problems will be exacerbated by the predicted effects of climate change, which include the increased frequency and intensity of floods and droughts as a result of increased temperature and rainfall variability.

1.04 Given their location on the path of the Atlantic hurricane belt and their rugged topography, Eastern Caribbean countries are highly exposed to hydro-meteorological and geological hazards. As a recent World Bank study³ identified, small island economies can be hit the hardest by natural disasters, but their impact is least visible on the global stage because the overall gross domestic product (GDP) loss is small. However, when the percentage of GDP loss is considered, many small states have some of the highest

¹ World Urbanisation Prospects: The 2018 Revision, United Nations.

² <https://blogs.worldbank.org/latinamerica/what-does-urban-resilience-mean-eastern-caribbean-context>

³ <https://blogs.worldbank.org/latinamerica/what-does-urban-resilience-mean-eastern-caribbean-context>

losses in the world, with Caribbean nations ranking among the top 25 out of 175 countries. Just in the last two decades, these countries have experienced hydro-meteorological disasters costing on average [USD206 mn, annually](#). In September 2017, Hurricane Maria devastated Dominica resulting in 30 deaths and causing USD1.3 bn in damages and losses ([approximately 226% of the GDP](#)).

1.05 Given this unique set of challenges and scale, building urban resilience in the Region will require smarter land use planning and infrastructure investments to curb the impacts caused by storms, flooding, and other disasters. It will also require creating a fiscal space through relevant fiscal rules and disciplines, and efficiencies in public financial management for resilient investments and addressing the fiscal vulnerability driven by high indebtedness. To seriously address these problems, governments must craft policies, implement innovative programmes and engage development partners to revitalise their cities to attract more tourism revenue, increase economic growth and improve quality of life.

1.06 Many Caribbean countries struggle to craft bankable investment pipelines targeting urban resilience because they lack granular baseline information on climate vulnerability and greenhouse gas (GHG) emissions, including downscaled climate models and GHG emissions models. This inhibits strong decision-making and national prioritisation and makes it more difficult to estimate impact. This Readiness project will address the need to collect data to inform climate interventions, mainly for the urban area, and to use this data to develop models and carry out training. The focus on cities and urban areas in the Caribbean is seen as important given the growing urban population and high vulnerability to climate change. Many urban areas, due to their close proximity to the coast, face the risk of sea level rise and flooding.

1.07 There is also failure to climate-proof critical services such as water, sewerage and electricity. Also, within cities are important infrastructure such as business and political centres, sea and airports, hospitals, emergency centres, petroleum terminals, and schools and universities, which are threatened by climate change. There is therefore a strong case to protect cities through a coordinated set of mitigation and adaptation investments. Guided by a robust climate finance monitoring, reporting and verification (MRV) system at the regional level, countries would be better equipped to pursue thematic synergies where there is currently some overlap in the operations of the different funds, such as technology, national adaptation plans (NAPs) and urban resilience planning *etcetera*. The Caribbean Development Bank (CDB) is helping with the urban challenge and will soon finalise its Urban Policy, Strategy and Operational Guidelines for its Borrowing Member Countries (BMCs) that will focus on helping its BMCs build sustainable and resilient communities that respond to the Sustainable Development Goals (SDGs) and recommendations from the New Urban Agenda (NUA) of Habitat III.

The Need for Promoting Complementarity and Coherence

1.08 It should be noted that despite limited progress, particularly in the Caribbean region, elements of complementarity and coherence have existed in Green Climate Fund (GCF) funding proposals since the first approvals were issued by the GCF Board. For instance, fast-track accreditation of entities already delivering support through the Adaptation Fund (AF) and Global Environment Facility (GEF) allowed these entities to bring funding proposals that scaled up, expanded, or built on previous activities financed by other funds. Driven by such success stories and good practices, the current Readiness project intends to catalyse complementarity and coherence among funded activities, by identifying where parallel and/or sequential financing provided by other funds in the urban sector can enhance the impact of similarly aligned GCF investments.

1.09 The Caribbean region has also demonstrated complementarity and coherence in the implementation of GEF projects and from other bilateral donors over the years. The goal of the Readiness project is to better understand the climate finance landscape and the coordination among donors, and at the

national level, to determine how best finances can be scaled up to help support climate investments in the urban space. By enhancing complementarity and coherence, Caribbean countries can better identify, prioritise and plan bankable projects in the urban sector. Each participating country (Jamaica, Haiti, St. Kitts and Nevis and Belize) in the Readiness project can develop project ideas that can form part of a broader regional concept note for the GCF. This concept note will be built around a financing plan designed to attract other climate finance in the Region. It will enable participating countries to prioritise their projects, taking into consideration specific climate vulnerabilities.

1.10 This GCF multi-country Readiness project will support a number of activities. These activities include: (a) incorporating ideas for adaptation and mitigation investments in urban spaces; (b) seeking to better understand the climate finance landscape through mapping of climate funds and donors, which will bring greater complementarity and coherence; and (c) development of a Concept Note for a Regional Programme to fund climate change sub-projects in the urban sector.

2. OBJECTIVE OF CONSULTANCY

2.01 The objective of this consultancy is to develop a concept note for a regional programme across four countries, which is gender sensitive, for the urban sector. To accomplish this, the consultancy will carry out a mapping of interactions among climate funds and financiers and carry out country assessments to identify potential investments in the urban sector.

3. SCOPE OF SERVICES

3.01 The Consulting Firm will be responsible for:

Regional Mapping across four countries (Jamaica, Haiti, St. Kitts and Nevis and Belize) of the activities of (and interactions among) climate funds and other providers of climate finance and produce recommendations to enhance complementarity and coherence among these funds and donors of climate finance. The Sub-activities to be carried out are:

- (a) Carry out desk reviews and interviews to identify national, regional, international, bilateral and multilateral donors active in the area of climate finance and focusing on how these donor funds have helped to support countries.
- (b) Review of donor literature including web pages, strategy documents, existing donor mappings, and carrying out donor consultations; also, review of existing climate finance reports⁴ and needs-based finance assessments reports.
- (c) Undertake quantitative and qualitative assessment of existing and proposed/pipeline climate change financing activities, projects and programmes, including readiness and project preparation support. GCF country programmes for the participating countries and entity work programmes of Accredited Entities will be reviewed as a minimum requirement.
- (d) Review of cooperation and coordination between multilateral, regional and national stakeholders attached to climate finance activities.

⁴Atteridge, A., Canales, N. and Savvidou, G. (2017). Climate finance in the Caribbean region's Small Island Developing States. SEI Working Paper 2017-08. Stockholm Environment Institute, Stockholm.

- (e) Collation of donor contacts, funding modalities, period covered by funding, amount of funding available, priority areas/programme definition, priority geographies, funding criteria and eligibility, and funding gaps and barriers.
- (f) Production of a donor matrix capturing all significant climate change programmes and projects operating within countries including the identification of funding types. The purpose of this matrix will be to: (i) provide a complete inventory of climate change programmes and projects; (ii) classify programmes and projects; (iii) identify duplication and overlapping initiatives; (iv) identify omissions and gaps in donor supported programmes that need to be filled to accelerate development; (v) record information (size, sector, source etc.) on climate finance flow; and (vi) show arrangements between climate finance delivery channels, including the GCF (country/entity work programmes).
- (g) Develop recommendations to improve planning and coordination among climate funds, such as the GCF, GEF and AF, as well as existing national-level MRV systems for enhanced low carbon and climate resilience investments, and to improve complementarity and coherence at the national level.
- (h) Review country practices to determine the level of complementarity and coherence at the national level that can maximise impact.
- (i) Collect information on the impact of climate finance on emission reduction and building resilience
- (j) Present report and recommendations to stakeholders during a half-day discussion workshop.

Conducting country needs assessments to identify potential investments for the climate-resilient city initiative:

- (a) Undertake exploratory missions in four participating countries to meet with government and other relevant stakeholders, including the private sector, to start to identify opportunities for climate related investments in one prioritised urban area per country, taking into consideration support for green-resilience recovery in the context of COVID-19 and the use of innovative financial instruments (grants, equity, guarantees), which do not add a further debt burden to countries' fiscal space.
- (b) Generate scientific and other data to inform the preparation of investment portfolios for each urban area/city per country; data includes – GHG emissions, sea level rise estimates, demographic data, data for building climate models etc.
- (c) Organise national consultations with relevant stakeholders to define the resilience city vision and to identify a range of investment priorities for the prioritised urban area; out of these priorities, consensus can then be found around a selected project idea (ideas with co-benefits for mitigation and adaptation will be encouraged) that will be considered as sub-projects within a regional programme; these consultations will consider and build on GCF and other climate finance interventions in the Region (based on the MRV system developed under the project). The GCF country programmes and NDCs will be used as the guiding documents to identify the potential sub-projects.

Following national consultations, work with technical personnel and relevant stakeholders to collect relevant data and other information needed to inform the project concept for the climate-resilient city initiative:

- (a) Based on the data and other information collected, prepare a Project Idea Note (PIN) for each project idea selected by participating countries. The PIN for each sub-project at the country level should demonstrate the utility of complementarity and coherence by clearly articulating which elements will build on previous pilot efforts/proof of concepts funded by other donor support.
- (b) Using the PIN, organise group discussions with individual governments and relevant stakeholders to further inform project design and to ensure there is full country ownership.
- (c) Following group discussions and sign off by countries on the PINs, begin the pre-feasibility work to inform the development of a Concept Note, including the cost, for a regional funding programme, which will support the sub-projects identified in the country PINs. The design will take into consideration GCF guidelines and feedback on the development of a regional funding programme.
- (d) Organise consultations with participating countries and potential Accredited Entities to discuss the draft concept note and to use relevant feedback to enhance the proposal.
- (e) Conduct specific discussions with the Ministry of Finance, Ministry of Sustainable Development/Planning, National Designated Authorities (NDA) and GCF, to review the programme cost (this will be informed by the sub-projects) and to ensure that the best financing mechanism is identified that will allow for complementarity and coherence among donors.

4. DELIVERABLES

4.01 The Consultant will submit the following:

- (a) An Inception Report to be completed one (1) week after contract is signed that includes a work plan with timelines for completing the assignment.
- (b) A Draft Mapping Report on Climate Finance across the four (4) participating countries (Jamaica, Haiti, St. Kitts and Nevis and Belize), inclusive of a Climate Change Donor Matrix identifying major programmes and projects within the participating countries to be completed three months after contract signing.
- (c) Final Mapping Report to be completed within ten days of receiving feedback on the draft report.
- (d) Draft Needs Assessment Report on climate resilient city initiatives in the four (4) participating countries to be completed within four (4) months of contract signing.
- (e) Final Needs Assessment Report to be completed ten (10) days after receiving feedback on the draft report.
- (f) PINs for each project selected by participating countries showing the advantages of complementarity and coherence to be completed within two (2) months after approval of the Needs Assessment Report.

- (g) A gender sensitive Regional Programme Concept Note that is informed by the individual country PINS, completed within one (1) month after developing the PINS.
- (h) Delivery of a regional workshop and workshop report to be delivered no later than two (2) weeks prior to contract closure.

5. QUALIFICATIONS AND EXPERIENCE

5.01 The Consulting Firm must demonstrate the following:

Qualifications and Experience:

- (a) The firm must demonstrate experience in consultative research and producing high quality analyses.
- (b) The Consulting Firm should demonstrate that it has sufficiently skilled staff to undertake all aspects of the assignment, with clear provisions for local and/or regional counterparts.
- (c) The professional expertise and background of the Consulting Firm should cover the requirements of tasks defined in this Terms of Reference (TOR). Adherence to the TOR's specifications and related requirements: a clear understanding of required deliverables.
- (d) The firm should have at least five (5) years' work experience with financial instruments and finance. Experience in climate financing will be an advantage.
- (e) Experience in developing and implementing programmes in climate change, especially in carrying out mapping and stocktaking exercises, investment planning and undertaking climate finance readiness assessments.
- (f) Experience with the GCF will be an advantage.

5.02 The Consulting Firm should comprise the following experts:

- (a) **Team Leader:** The leader of the consultancy team must have a minimum of five (5) years relevant professional work experience and will lead all discussions with the Delivery Partner and the NDAs. He/She will oversee all outputs of the Team.
- (b) **Implementation Specialist:** The candidate should possess at least an advanced degree (Masters or higher) in Project Management, Environmental Studies, Business Administration, Climate Policy or a relevant field. The candidate should have at least five (5) years relevant professional experience in the implementation of projects, stocktaking exercises or policy work. The scope of work is to map across four countries (Jamaica, Haiti, St. Kitts and Nevis and Belize) the activities of (and interactions among) climate funds and other providers of climate finance and produce recommendations to enhance complementarity and coherence among these funds and donors of climate finance.
- (c) **Climate Finance Expert:** The candidate should possess at least an advanced degree (Masters or higher) in Climate Change, Environmental Studies, Business Administration, Finance, Climate Policy or a relevant field. The candidate should have experience with

developing investment plans and undertaking assessments for climate finance readiness. The candidates should also have knowledge of the climate finance landscape. Proven knowledge of the New Urban Agenda and urban resilience would be an advantage. The scope of work is to conduct country needs assessments to identify potential investments for the climate-resilient city initiative.

- (d) **Project Development Specialist:** The candidate should possess at least an advanced degree (Masters or higher) in Project Management, Environmental Studies, Business Administration, Finance, Climate Policy or a relevant field. The candidate must have at least four to five (4-5) years of proven experience in project/programme, with experience successfully writing projects/concept notes for international climate funds or similar funds for the Caribbean. The scope of work is to work with technical personnel and relevant stakeholders (after the national consultations) to collect relevant data and other information needed to inform the project concept for the climate–resilient city initiative.

- (e) **Urban Sector Specialist:** The candidate should possess at least an advanced degree (Masters) in Urban Planning, Urban Policy, Urban Development, or related discipline. A minimum of ten (10) years’ experience in the area relevant to the assignment. He/she must have experience with such undertakings in the Caribbean region and/or small island states. The Consultant shall have excellent interpersonal and communication skills (written and verbal) in the English language. The Consultant must have actively participated in the formulation of policies related to resilient urban development. The scope of work is to work with technical personnel and relevant stakeholders to collect relevant data and other information needed to inform the development of a project concept for the climate–resilient city initiative.

6. DURATION

6.01 The consultancy is expected to be implemented over a nine (9) month period from the date of contracting.