**CONSULTANCY SERVICES FOR THE PREPARATION OF A GCF FUNDING PROPOSAL AND ANNEXES: ‘CLIMATE RESILIENCE OF THE WATER SECTOR IN THE BAHAMAS’**

**TERMS OF REFERENCE**

**1. BACKGROUND**

 **Climate change and the water sector in The Bahamas**

1.01 Climate change poses a severe threat to the water sector in The Bahamas, which is already vulnerable to climate impacts and is likely to become increasingly so as projections suggest that temperatures in The Bahamas are likely to increase, rainfall is likely to decrease on average, storms may potentially increase in intensity and sea levels are likely to rise. The project aims to strengthen the climate resilience of the water sector in The Bahamas in order to adapt to future changes in climate. The project will be coordinated by the Caribbean Development Bank and its national executing agencies.

1.02 Climate resilience in the water sector underpins wider sustainable development objectives in The Bahamas, as recognised in CARICOM’s Regional Framework for Achieving Development Resilient to a Changing Climate. A reliable water supply will support development of important economic sectors across the country, including Tourism and Finance, which are the major contributors to The Bahamas economy. The outcomes of the project will, therefore, deliver the foundation for progress towards achieving not only the sixth Sustainable Development Goal on water, but also the other SDG’s.

1.03 The water sector in The Bahamas has been identified as a national priority for climate adaptation in The Bahamas Nationally Determined Contribution (NDC) and previously in the National Policy for the Adaptation to Climate Change. Ensuring long term reliable access to water and sanitation is integrated within Goals seven and nine of the Draft National Development Plan of The Bahamas. In response to the vulnerability of Caribbean SIDS to the impacts of climate change, the heads of government of the Caribbean Community, CARICOM, in July 2009 approved a “Regional Framework for Achieving Development Resilient to a Changing Climate”. Three years later, in 2012, the heads of government of the CARICOM region approved an implementation plan for the Regional Framework. This implementation plan identified water as the most important cross-cutting issue for climate-compatible development in the Caribbean.

 **The** **Green Climate Fund (GCF)**

1.04 The Green Climate Fund (GCF) is an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), which was established to contribute to the collective efforts of the international community to combat climate change. With over USD10.3 billion (bn) pledged as part of its Initial Resource Mobilisation (IRM) period, and its first replenishment process underway, the GCF is the world’s largest fund dedicated to the fight against climate change. Designed to be an important part of the effort to mobilise USD100 bn in climate finance per year by 2020, the GCF has a central role to play in addressing the pressing mitigation and adaptation needs of developing countries.

1.05 The GCF aims to support developing countries in achieving a paradigm shift to low-emission and climate-resilient pathways. This is to be achieved by funding innovative and transformative mitigation and adaptation projects and programmes developed by the public and private sectors to contribute to the implementation of national climate change priorities in developing countries.

1.06 The Caribbean Development Bank (CDB) was accredited to the GCF in 2016, and signed its Accreditation Master Agreement (AMA) in 2018. CDB now aims to scale up its support to Borrowing Member Countries (BMCs) to access and utilize GCF funding to scale up investment in climate change adaptation and mitigation. This is aligned with key CDB policies and strategies, including its Climate Resilience Strategy (CRS), two central pillars of which are to mobilise concessional resources and build technical capacity to support BMCs’ climate action ambitions and work programmes.

 **The proposed project**

1.07 Building on the above-mentioned priorities, needs and opportunities, CDB and the Water and Sewerage Corporation (WSC) in The Bahamas have been working together to develop a GCF project aimed at safeguarding water security in The Bahamas in a changing climate. A Concept Note was prepared and submitted to the GCF Secretariat in July 2019. This project aims to enhance the resilience of the water sector in The Bahamas to safeguard the country’s water security in a changing climate. The project will accomplish this by: (i) strengthening the foundations for more evidence-based policy- and decision-making on climate change and the water sector; (ii) supporting relevant stakeholders to apply this knowledge to the development and implementation of a more coordinated and coherent policy and governance framework; and (iii) scaling up investment on highly vulnerable islands to enhance the resilience of the water system and services. In so doing, the project will deliver tangible climate change adaptation benefits while also equipping government and non-government stakeholders to work together to continue strengthening the resilience of the water sector beyond project closure.

1.08 CDB and the WSC are now seeking to further refine the scope of this project proposal, and develop it into an approvable GCF funding proposal. The purpose of the consultancy assignment described in these Terms of Reference (TORs) is to support CDB and WSC to develop the current concept note into a high-quality funding proposal with all relevant annexes.

**2. OBJECTIVE**

2.01 The principal objective of this consultancy is the completion of a high-quality GCF funding proposal and all relevant annexes for the *Climate Resilience of the Water Sector in The Bahamas* project. The selected firm will bear overall responsibility for producing the deliverables listed in Section 5 of these TORs, and must also ensure they are coherent with one another and fully aligned with GCF policies, standards and expectations, as well as those of CDB and WSC.

2.02 When working to achieve the aforementioned objective, the selected firm will operate under the overall supervision of CDB, and work in close collaboration with representatives of the Water and Sewerage Corporation (WSC) and other representatives of the Government of The Commonwealth of The Bahamas (GOBC). Activities are to be completed in sufficient time to allow appraisal by CDB staff prior to formal submission to the GCF.

**3. SCOPE OF SERVICES**

3.01 The selected firm will lead the process of developing a high-quality and approvable funding proposal (and all supporting annexes) for the aforementioned project, building on the concept note developed by CDB and WSC. To do so, the selected firm will work with CDB, the WSC and their representatives to implement the nine (9) project preparation activities included in the Project Preparation Facility (PPF) application submitted to the GCF Secretariat. The project preparation activities are as follows:

1. Assess baseline conditions related to national water sector governance in The Bahamas, as well as the overall challenges that climate change poses to safeguarding water security in the country.
2. Conduct a multi-criteria analysis to identify the project area, and assess its baseline water sector conditions and associated climate change risks & vulnerabilities.
3. Identify and design suitable measures to enhance water sector governance in The Bahamas, including the design of a national water Decision Support System (DSS).
4. Identify adaptation investments and interventions that are suitable for the project area, assess their feasibility and merits, and complete all associated design work.
5. Develop the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) for the project.
6. Develop the Gender Assessment and Gender Action Plan (GAP) for the project.
7. Prepare the integrated financial model for the project.
8. Formulate the funding proposal, according to GCF requirements, and finalize all other relevant annexes.
9. Prepare/refine Terms of Reference and tender documents.

3.02 The aforementioned project preparation activities are described in more detail below.

Activity 1: Assess baseline conditions related to national water sector governance in The Bahamas, as well as the overall challenges that climate change poses to safeguarding water security in the country.

3.03 Under this Activity, the selected firm will develop a concise overview of the baseline policy, legal and institutional framework that governs the water sector in The Bahamas, assess the overall ways in which climate change is likely to undermine water security in the country over the coming decades, and articulate a (medium/long term) ‘vision’ for a climate-resilient water sector in The Bahamas. This will lay a foundation for all other design work to be carried out under PPF Activities 2-9.

3.04 Specific sub-activities to be carried out will include: (a) develop a detailed mapping of relevant water sector stakeholders; (b) develop an overview of the existing policy and legal frameworks that govern the water sector, as well as recent initiatives (i.e. programmes, projects) that have been (or are being) implemented in the sector; (c) conduct a national-level assessment of how climate change is likely to affect water security in The Bahamas; (d) define the initial parameters of a medium/long-term vision for a climate-resilient water sector; and (e) identify gaps/weaknesses in the institutional, policy and legal frameworks that are inhibiting the transition to a more climate-resilient water sector in The Bahamas.

3.05 In carrying out the above-mentioned sub-activities for Activity 1, the selected firm will produce one deliverable: a report on current (baseline) water sector governance and climate change challenges in The Bahamas.

Activity 2: Conduct a multi-criteria analysis to identify the project area, and assess its baseline water sector conditions and associated climate change risks & vulnerabilities.

3.06 Under this Activity, the selected firm will lead the process of identifying specific high-risk/high-need islands of The Bahamas in which to focus project activities and investments, and develop a more granular overview of the context-specific needs on these islands.

3.07 In particular, the selected firm will be expected to implement the following sub-activities: (a) conduct a multi-criteria analysis to identify highly vulnerable islands on which the project will scale up investment; (b) Assess relevant baseline conditions within the project area; (c) conduct an assessment of the current and projected incremental risks and challenges associated with climate change within the project area; and (d) define a set of ‘key climate change challenges in the water sector’ for each of the islands in the project area.

3.08 In carrying out the above-mentioned sub-activities for Activity 2, the selected firm will produce two deliverables: (i) a report describing the multi-criteria analysis used to identify/prioritize specific islands for inclusion in ‘the project area’; and (ii) a report describing the baseline conditions and climate change risks and challenges within the project area.

Activity 3: Identify and design suitable measures to enhance water sector governance in The Bahamas, including the design of a national water Decision Support System (DSS).

3.09 Under this Activity, the selected firm will build on the baseline assessments done under PPF Activity 1 – including the pillars of the ‘vision’ for a climate-resilient water sector and the identification of associated gaps/weaknesses – to propose concrete reforms to the existing institutional, policy and legal frameworks that are relevant to the water sector in The Bahamas. Such measures are expected to be included in the project proposal under Components 1 and 2. When identifying and defining these measures, the selected firm will collaborate closely with WSC and other relevant stakeholders in The Bahamas.

3.10 In particular, the selected firm is expected to implement the following sub-activities: (a) propose concrete institutional reforms to be supported by the project; (b) propose necessary policy and legislative reforms to be supported by the project; (c) complete the preliminary design of a national water sector Decision Support System (DSS); and (d) assess the current capacities of key water sector stakeholders to understand and respond to key climate change challenges, as well as effectively implement the envisaged policy, legal and institutional reforms.

3.11 In carrying out the above-mentioned sub-activities for Activity 3, the selected firm will produce two deliverables: (i) a report describing the proposed institutional, policy and legislative reforms; and (ii) a report describing the DSS. The contents of these reports should be aligned with the descriptions of sub-activities 3(a)-(c), as outlined above.

Activity 4: Identify adaptation investments and interventions that are suitable for the project area, assess their feasibility and merits, and complete all associated design work.

3.12 Under this Activity, the selected firm will define and design the specific infrastructure investments and related interventions to be implemented within the project area under the third component of the project. This will build directly on the assessments completed under PPF Activity 2. The identification of specific interventions will not simply aim to preserve the status quo in a changing climate and thereby safeguard water security in the short run, but also account for the medium/long-term ‘vision’ for a climate-resilient water sector developed under PPF Activity 1.

3.13 In particular, the selected firm will be expected to implement the following sub-activities: (a) identify suitable and site-specific adaptation measures for each island in the project area; (b) discuss and prioritize measures in consultation with local stakeholders; and (c) develop a consolidated feasibility study.

3.14 In carrying out the above-mentioned sub-activities for Activity 4, the selected firm will produce one deliverable: a consolidated feasibility study.

Activity 5: Develop an Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP).

3.15 Under this Activity, the selected firm will lead the process of identifying environmental and social risks and impacts that may arise during project implementation, as well as appropriate risk mitigation and management measures. This process will be done in accordance with CDB’s Environmental and Social Review Procedures (December 2014) and GCF standards and procedures on environmental and social risk management. The general objective of this assignment is to undertake an Environmental and Social Impact Assessment (ESIA) for the selected project sites and develop an Environmental and Social Management Plan (ESMP), to ensure that: (a) any potential environmental and social impacts associated with the construction and operational phases of the project are properly screened, identified and assessed; (b) all project activities are managed in order to avoid or minimise negative environmental and social impacts; (c) opportunities for creating/enhancing environmental and social effects/benefits (which will assist with mitigation) are identified; (d) stakeholders have opportunities to contribute to the process of environmental and social assessment and management, and are kept informed of progress through ongoing consultations; and (e) any potential impacts on the development caused by environmental conditions are also identified. The overall scope of work will include: (i) assessing the likely social, environmental and climatic impacts associated with the project; (ii) estimating costs, including the costs of any measures required to mitigate environmental, social and climate impacts; and (iii) conducting stakeholder workshops to present findings, conclusions and recommendations. The consultants will be required to show evidence that a participatory and consultative approach is used in undertaking the services.

3.16 In particular, the selected firm will be expected to implement the following sub-activities: (a) screen and assess E&S risks and impacts; (b) identify suitable measures to mitigate and manage E&S risks and impacts; (c) organize safeguards-related consultations; and (d) complete the ESIA and ESMP for the project.

3.17 In carrying out the above-mentioned sub-activities for Activity 5, the selected firm will produce two (2) deliverables: (i) an Environmental and Social Impact Assessment (ESIA); and (ii) a detailed Environmental and Social Management Plan (ESMP), including a stakeholder engagement plan, information on the project-specific grievance redress mechanism (as well as the CDB and GCF grievance redress mechanisms/processes), and records of all in-country consultations (incl. signed attendance sheets).

Activity 6: Develop a consolidated Gender Assessment and Gender Action Plan (GAP) for the project.

3.18 Under this Activity, the selected firm will be responsible for assessing gender dynamics in the project area, and for identifying appropriate measures to be included in the project to maximize the extent to which women are able to benefit from the project. The selected firm will reflect all of this information in a consolidated Gender Assessment and Gender Action Plan (GAP) for the project.

3.19 In particular, the selected firm will be expected to implement the following sub-activities: (a) assess gender dynamics, as well as gender-differentiated needs and challenges, in the project area; (b)develop an initial draft of the GAP; (c) organize gender-focused consultations; and (d) draft the consolidated gender assessment and GAP.

3.20 In carrying out the above-mentioned sub-activities for Activity 6, the selected firm will produce one (1) deliverable: a consolidated Gender assessment & Gender Action Plan (GAP) for the project, including records of all in-country consultations.

Activity 7: Prepare the integrated financial model for the project

3.21 Under this Activity, the selected firm will lead the process of developing an integrated financial model for the project, which will involve financially structuring he project, estimating its impacts, and assessing its financial and economic benefits. These elements will be reflected in the deliverables produced under this Activity: (i) an initial costing/budgeting for the project; (ii) estimates of the impact potential of the project; (iii) a financial analysis of the project; and (iv) an economic analysis of the project.

3.22 In particular, the selected firm will be expected to implement the following sub-activities: (a) develop the initial project costing, including a determination of the concessionality required for the different components and sub-components; (b) develop robust estimates of the impact potential of the project; (c) develop the financial analysis for the project; and (e) develop the economic analysis for the project.

3.23 In carrying out the above-mentioned sub-activities for Activity 7, the selected firm will produce four (4) deliverables: (i) an initial project costing (using the GCF budget template); (ii) impact potential estimates (Excel file); (iii) a financial analysis for the project with sensitivity analysis (Excel file and written descriptions of assumptions and results); and (iv) an economic analysis for the project with sensitivity analysis (Excel file and written descriptions of assumptions and results).

Activity 8: Formulate the funding proposal and finalize all other relevant annexes

3.24 Under this Activity, the selected firm will lead the process of developing a high quality and approvable funding proposal (and supporting annexes) for the project. When doing so, the selected firm will: (a) ensure the funding proposal is developed in a manner that is consistent with (and draws on) the deliverables from Activities 1-7; while also (b) guiding and supervising the implementation of Activities 1-7 & 9 to ensure they provide the information and deliverables needed to produce a high-quality funding proposal.

3.25 In particular, the selected firm will be expected to implement the following sub-activities: (a) guide all other individuals involved in delivering Activities 1-9 when implementing these Activities (irrespective of whether these individuals are staff members of, or sub-contracted by, the selected firm) to ensure they produce high-quality deliverables that are: consistent/coherent with one another; aligned with the standards and expectations of the GCF, CDB and WSC and the NDA; and provide the information and insights needed to support the development of a high-quality funding proposal; and (b) formulate the funding proposal, drawing on the results and deliverables from Activities 1-7. While preparing the funding proposal, the selected firm will also produce the following deliverables and ensure they are coherent and consistent with the funding proposal and all other deliverables/elements of the project package.

* 1. Detailed project budget (using the GCF template), ensuring detailed budget notes and assumptions are provided for all budget lines – particularly those that are to be financed with grant financing.
	2. Timetable of project implementation (using the GCF template), ensuring that key deliverables under each project activity are clearly indicated under the relevant year of project implementation in which they are expected to be produced/finalized.
	3. Procurement plan (using the GCF template), covering at least the first 18 months of project implementation.
	4. Project term sheet (using the GCF template), ensuring it is coherent and consistent with the funding proposal, detailed budget and implementation timetable, as well as with the overall implementation approach/needs of the project.

3.26 In carrying out the above-mentioned sub-activities for Activity 8, the selected firm will produce five (5) deliverables: (i) the GCF funding proposal; (ii) the detailed project budget (using the GCF template); (iii) the timetable of project implementation (using the GCF template); (iv) a procurement plan; and (v) the term sheet for the project.

Activity 9: Prepare/refine Terms of Reference and tender documents

3.27 Under this Activity, the selected firm will lead the process of developing and refining documents needed to enable a timely project inception and start-up process. In particular, the selected firm will be expected to implement the following sub-activities.

1. Prepare relevant pre-contract documents based on the results of Activity 3-4 (particularly the information about specific investments and their associated technical specifications) and Activity 8 (particularly the funding proposal, detailed budget and procurement plan), including: (i) tender and bidding documents for any major works for which sites are known at the time of project preparation/approval; and (ii) Terms of Reference for major contracts.
2. Consult with relevant government representatives and other stakeholders to discuss and validate the draft tender and bidding documents and draft Terms of Reference.

3.28 In carrying out the above-mentioned sub-activities for Activity 9, the selected firm will produce one set of deliverables: tender/bidding documents for any major works for which sites are known at the time of project preparation/approval, as well as Terms of Reference for major service contracts included in the detailed budget and procurement plan.

**4. DELIVERABLES**

4.01 The selected firm is required to produce one operational deliverable (an inception report and work plan[[1]](#footnote-2) for this consultancy assignment), as well as the following eighteen (18) technical deliverables that will collectively comprise the GCF funding proposal package (i.e. funding proposal and all annexes), by the end of the consultancy.

1. Report on current (baseline) water sector governance and climate change challenges in The Bahamas.
2. Report on the multi-criteria analysis used to define the project area.
3. Report on baseline conditions in the project area.
4. Report on proposed institutional, policy and legislative reforms.
5. Report describing the DSS.
6. Consolidated feasibility study.
7. Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Framework (ESMP)
8. Gender assessment and Gender Action Plan (GAP)
9. Initial project costing.
10. Impact potential estimates.
11. Financial analysis.
12. Economic analysis.
13. Funding Proposal.
14. Detailed project budget.
15. Timetable of project implementation.
16. Procurement plan.
17. Term sheet.
18. Terms of Reference and tender documents.

4.02 Additional information about the tasks/services required to produce these deliverables, as well as their expected contents, is outlined in Section 3 of these TORs.

4.03 The selected firm will produce the above-described deliverables in accordance with the following timeline (which relate to the duration of the consultancy contract).

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| --- | --- | --- |
| **Deliverable** | **Drafts due** | **Final versions due** |
| **Operational deliverables** |
| Inception report and work plan | N/A | Within two weeks of signing the contract |
| **Deliverables for the GCF funding proposal package** |
| 1) Report on current (baseline) water sector governance and climate change challenges. | By the end of Month 1 | By the end of Month 2 |
| 2) Report on the multi-criteria analysis used to define the project area. | By the end of Month 1 | By the end of Month 2 |
| 3) Report on baseline conditions in the project area. | By the end of Month 3 | By the end of Month 4 |
| 4) Report on proposed institutional, policy and legislative reforms. | By the end of Month 3 | By the end of Month 4 |
| 5) Report describing the DSS. | By the end of Month 3 | By the end of Month 4 |
| 6) Consolidated feasibility study. | Annotated outline by the end of Month 2Draft by the end of Month 4 | By the end of Month 5 |
| 7) ESIA and ESMP | By the end of Month 5 | By the end of Month 7 |
| 8) Gender assessment and Gender Action Plan (GAP) | By the end of Month 5 | By the end of Month 7 |
| 9) Initial project costing. | By the end of Month 5 | By the end of Month 6 |
| 10) Impact potential estimates. | By the end of Month 6 | By the end of Month 7 |
| 11) Financial analysis. | By the end of Month 6 | By the end of Month 8 |
| 12) Economic analysis. | By the end of Month 6 | By the end of Month 8 |
| 13) Funding Proposal. | By the end of Month 6 | By the end of Month 9 |
| 14) Detailed project budget. | By the end of Month 6 | By the end of Month 8 |
| 15) Timetable of project implementation. | By the end of Month 7 | By the end of Month 9 |
| 16) Procurement plan. | By the end of Month 8 | By the end of Month 9 |
| 17) Term sheet. | By the end of Month 8 | By the end of Month 9 |
| 18) Terms of Reference and tender documents. | By the end of Month 8 | By the end of Month 9 |

**5. IMPLEMENTATION AND SUPERVISION OF THE CONSULTANCY**

5.01 CDB and the Government of The Bahamas will facilitate the work of the selected firm. CDB will have overall responsibility for coordinating the administrative arrangements for this consultancy, where the places of work will be The Bahamas and the home base(s) of the consultants. As part of the contract with the selected firm, CDB will fund the cost of air travel from the consultants’ home base(s) to The Bahamas, the related airport transfers, ground transportation, hotel accommodation and providing an allowance for meals and incidentals. The selected firm will be responsible for booking this travel and covering associated expenses using the funds advanced by CDB. Support for the administrative and logistical arrangements will be provided by both CDB and WSC, and will include support to arrange meetings, site visits, liaising with public and private sector and non-governmental organizations in The Bahamas, as well as assistance with arranging meetings with relevant government and non-government stakeholders. WSC will also arrange to provide working space in The Bahamas for the consultants if/when needed. CDB (with support from WSC) will also assist with any operational issue(s) that may arise. CDB and WSC will further provide background information that is relevant to the completion of the assignment.

5.02 The selected firm will be required to carry out the duties listed in Section three (3) of these TORs. The selected firm will report to CDB. The selected firm are required to work collaboratively with the staff of CDB, WSC and other relevant stakeholders in The Bahamas.

5.03 In relation to computing and related equipment, software and supplies required for the implementation of this assignment, the selected firm will be responsible for providing and/or covering the cost for these items.

**6. QUALIFICATIONS AND EXPERIENCE**

6.01 The ideal firm will have considerable experience working on climate change adaptation in the water sector (preferably in the Caribbean) with a strong track record of preparing investment programmes and projects in this sector/area. Experience working on other (approved) GCF projects and/or programmes is considered to be a particular asset. The ideal firm will also have a proven track record of producing high-quality (clear, succinct) written outputs.

6.02 The firm is *required* to possess the following.

1. Key personnel must have Master’s degrees (or higher) and/or at least 10 years of work experience in fields directly relevant to this project (e.g. water resource management, water supply network planning and design, operation of water production facilities, civil and environmental engineering).
2. The firm must be able to demonstrate that its staff have the expertise necessary to implement Activities 1-9 and produce all required deliverables as outlined in these TORs (or be able to recruit such individuals through sub-contracting on a limited basis if needed), covering at least the following areas: water sector governance; water infrastructure/engineering; climate change risk and vulnerability assessment; environmental and social safeguards; gender; financial and economic modelling; and project development coordination/management.
3. The firm must have at least 8 years of experience working on investment project and programme development, with a particular focus on the water sector, with a strong track record of producing high-quality projects – particularly for Multilateral Development Banks (MDBs).
4. Key personnel must have knowledge of international climate finance funds/mechanisms, including the GCF.
5. Key personnel must have knowledge of the water sector (and challenges/needs therein) in the Caribbean, and ideally in The Bahamas.

6.03 The firm/consultants are also required to demonstrate the following.

1. Good communication skills in English (oral and written).
2. An ability to present information in a clear, precise and well-articulated manner.
3. An ability to solicit useful information from a broad range of stakeholders.

**7. DURATION**

7.01 The duration of the consultancy is 9 months (of a total of 12 months to implement the PPF Activities, which includes 3 months to procure a qualified firm).

1. The work plan should be developed at the sub-activity level to ensure the firm has a clear plan for delivering all of the sub-activities that are expected to be needed to complete the seven (7) PPF activities and produce the required technical deliverables. [↑](#footnote-ref-2)