



UK PACT

Partnering for Accelerated
Climate Transitions



Market Engagement Webinar

Colombia

17/06/2020



Agenda

- 09:00 - 09:15 00** Welcoming remarks
- 09:15 - 09.30 01** Introduction to the UK PACT programme
- 09:30 - 10:10 02** Colombia-UK PACT - Call for Proposals
- 5 min break**
- 10:15 - 10:55 03** Application process and requirements
- 10:55 - 11:25 04** Q&A
- 11:25 - 11:30 05** Wrap-up and next steps

Welcoming remarks

Andrew Ford, Economic Counsellor
British Embassy, Bogotá

UK in Colombia

Colombia and the UK formed a bold new Partnership for Sustainable Growth in 2019



- Between 2010 and 2020 the UK committed over **USD\$305m (£236m) of climate finance** to Colombia
- In 2019, the Colombian and UK governments entered a new strategic partnership – the **Partnership for Sustainable Growth**
- **UK PACT** is one of a portfolio of programmes being funded by the UK in Colombia under the Partnership

“

The United Kingdom is a great ally of Colombia to support its efforts in the agendas of climate change and green growth. All of our programmes promote better economic growth, in line with national and international agendas on sustainable development.”

Head of Economic Diplomacy
British Embassy in Colombia

AUDIENCE POLL

- What type of organisation do you represent?
- Have you previously been involved in a UK PACT project?



How this webinar will run

Introduction to UK PACT

Jenny McInnes, Deputy Director
International Climate Finance
BEIS London

01

UK PACT: Partnering for Accelerated Climate Transitions

UK PACT will work with £60 million between 2018 and 2021



- Delivered by **BEIS, the UK's Department for Business, Energy and Industrial Strategy**, through the UK's International Climate Finance (ICF)
- Supporting **achievement of Nationally Determined Contributions (NDCs)** and the long-term goal of the 2015 Paris Agreement to **limit dangerous climate change**
- Contributing to **sustainable and inclusive economic growth**
- **Demand-driven**, adjusting key focus areas based on partner countries' political and economic context and sectoral priorities

It will achieve this by:

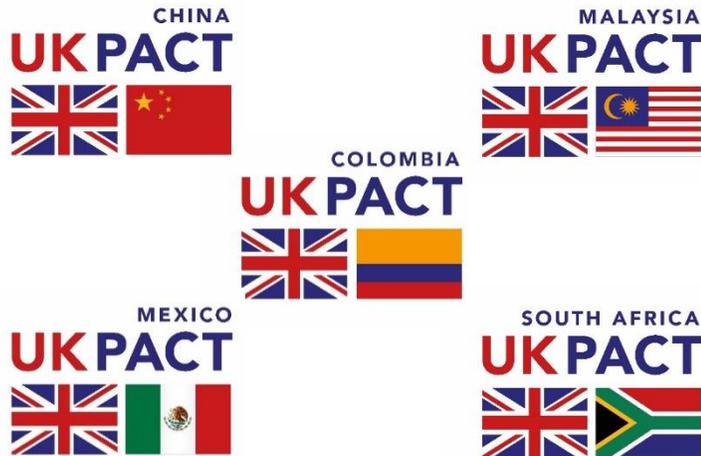
1. Working with partner countries to improve the capacity and capability of key institutions (public, private, and civil society) to reduce emissions and foster inclusive economic growth
2. Addressing barriers and constraints to clean growth
3. Pursuing opportunities for greater climate ambition

UK PACT – Programme Structure

A flexible, demand-driven delivery model to support transformational change

UK PACT is designed to be **flexible and adaptive**, with **3 core components** to its delivery model:

Country Programmes



Support in partner countries for **demand-driven projects providing capacity building** to accelerate low-carbon transitions

Green Recovery Challenge Fund



Support for **innovative capacity building** projects in a **wider range of ODA-eligible countries** to promote emissions reductions and low carbon solutions

Skill-shares and secondments



Short term **skill shares** between UK experts and their country counterparts, and long-term **secondments** into key institutions

UK PACT – Country Programmes

Palladium International Ltd will deliver the Country Programmes

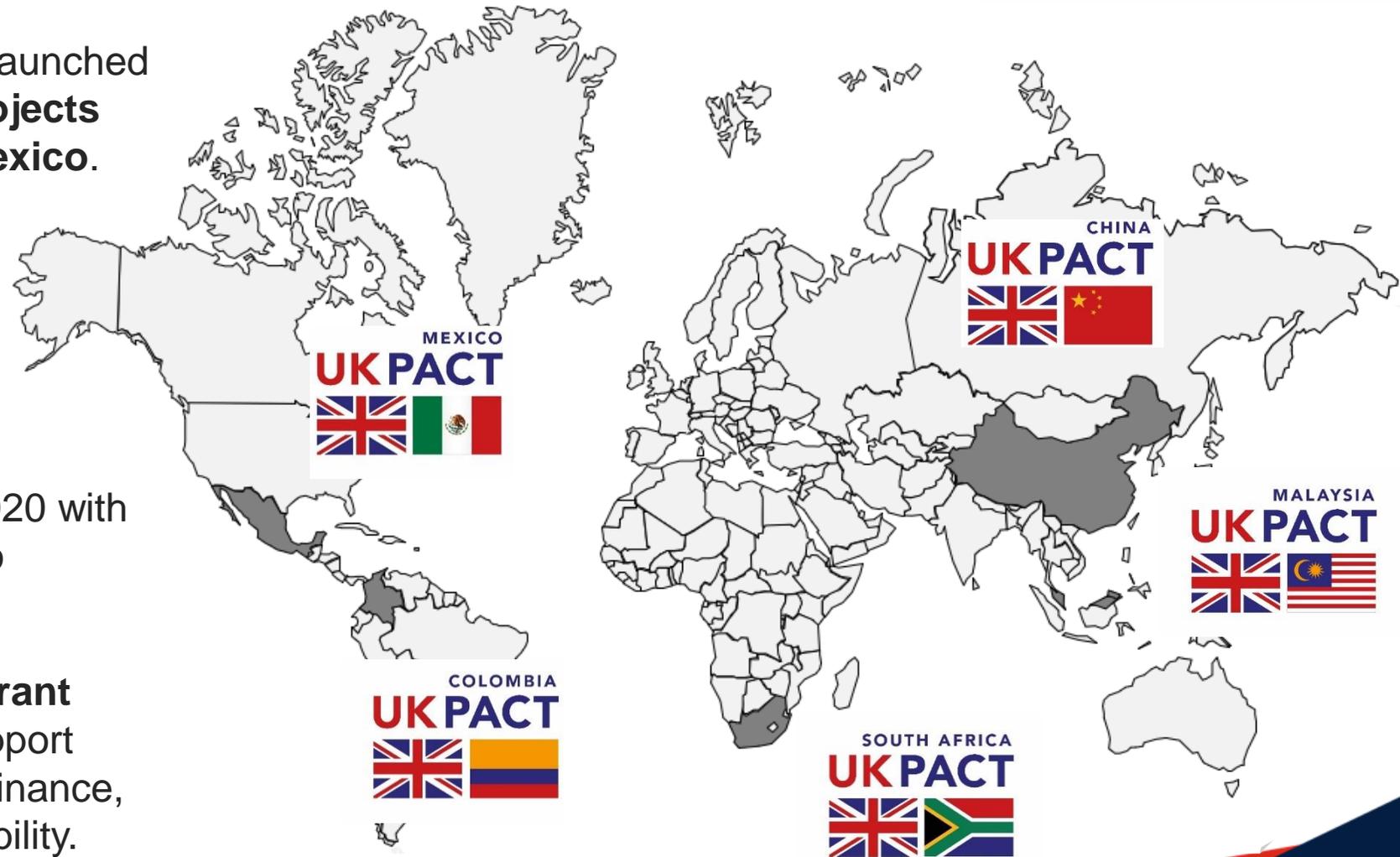


Department for
Business, Energy
& Industrial Strategy

UK PACT

Partnering for Accelerated
Climate Transitions

- The first phase of UK PACT was launched in 2018 and has supported **34 projects across China, Colombia and Mexico.**
- The second phase launches in 2020 with Country Programmes extended to **Malaysia and South Africa.**
- Through an **open, competitive grant facility**, UK PACT will seek to support activities in areas such as green finance, clean energy and sustainable mobility.



History of Colombia-UK PACT

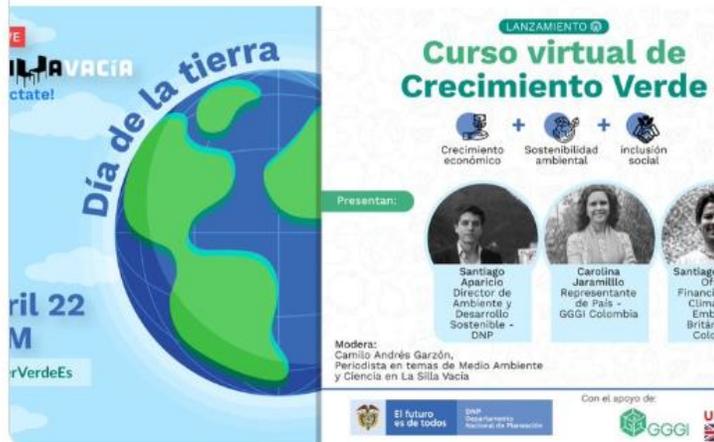


A first phase of projects was launched in 2018

- A first call for proposals was launched in Colombia in 2018, funding 13 projects in areas of **energy, sustainable mobility, green finance, eco-tourism, green growth governance and measurement, reporting and verification (MRV)**
- Projects totalled a funding allocation of around **£4.7 million**

Example projects funded include:

- Building awareness of the importance and benefits of climate-smart investment strategies through the Colombian Climate Asset Disclosure Initiative (CCADI)
- Facilitating the procurement of an electric bus fleet with Transmilenio in Bogota
- Promoting forest protection and peace-building through training and development of community-based ecotourism



11:00 PM · Apr 22, 2020 · Twitter Web App



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Colombia-UK PACT
Call for Proposals

02

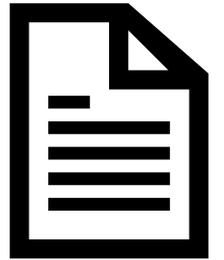
Key parameters for next funding round

The 2020 call for proposals will allocate up to £7 million of funds through an open, competitive grant facility



The following key parameters will guide the next call for proposals in Colombia:

- Up to **~£7 million of funds** to be allocated through an open, competitive call for proposals
- Individual project grants approximately **£250,000 - £500,000** (maximum ceiling)
- Maximum project duration of up to **12 months**; estimated start date **January 2021**
- Projects should deliver **technical assistance, capacity building** support

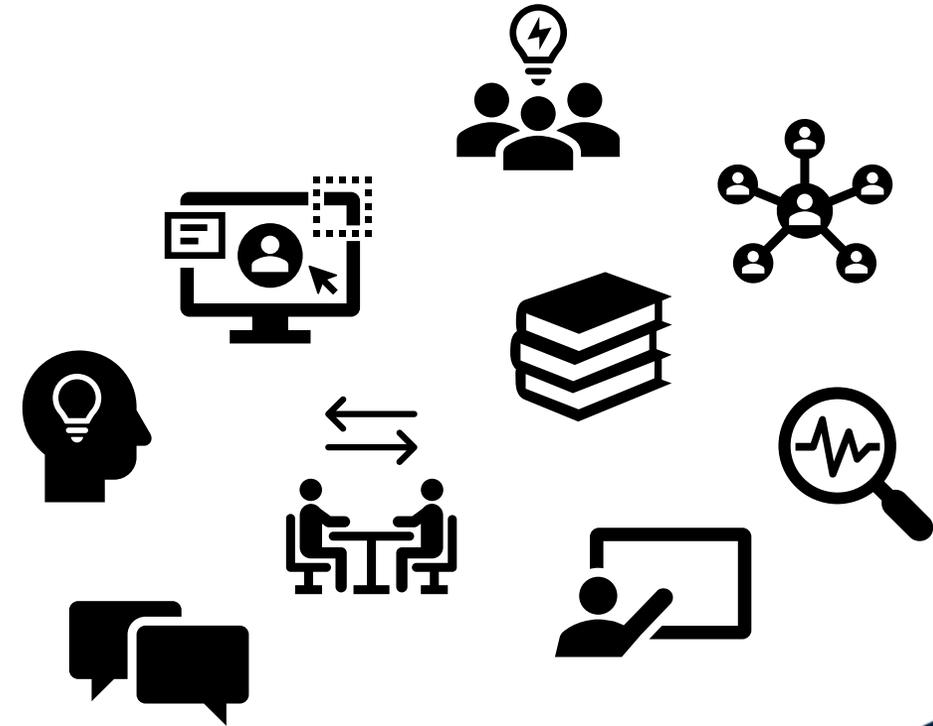


What is meant by Technical Assistance?

UK PACT projects should help build capacity, capabilities and knowledge within key institutions to support low carbon transitions and emissions reductions



- Technical Assistance is defined as non-financial support provided by external specialists
- UK PACT activities may include:
 - research and studies;
 - training;
 - consultancy services;
 - convening and facilitation of dialogues and exchanges;
 - development and communication of models, tools and other resources;
 - provision of recommendations and review services
- Activities aimed at building capacities, capabilities and knowledge to support low-carbon transition



Who are the beneficiaries of Technical Assistance?

As a demand led programme, demonstrating strong beneficiary relations and buy-in is key



Primary beneficiary partnerships are likely to include:

- Government:
 - Central Government / Ministries
 - Regional / State / City / Community
 - State Enterprises and other state funded agencies, regulatory bodies and policy centres



Secondary beneficiaries could also include:

- Industry Associations and Labour Organisations
- NGOs and Community Organisations
- Private Sector Enterprises



These will generally be in partnership with primary beneficiary partners as listed above

Priority sectors for the next Call for Proposals (CfP)

UK PACT has selected four priority sectors for the next CfP

A collection of black icons representing energy. It includes two wind turbines, a solar panel with a sun icon above it, and a circular icon containing a leaf with a plug symbol, representing renewable energy.

Energy

A collection of black icons representing sustainable mobility. It includes an electric car with a charging plug, a bicycle, and a train.

Sustainable mobility

A collection of black icons representing green finance. It includes a handshake, a stack of three coins, and a person in a suit holding a smartphone that displays a bank building icon.

Green finance

A collection of black icons representing sustainable livelihoods. It includes a tree, a group of four stylized human figures, a bird, a small plant, and a field with a sun icon.

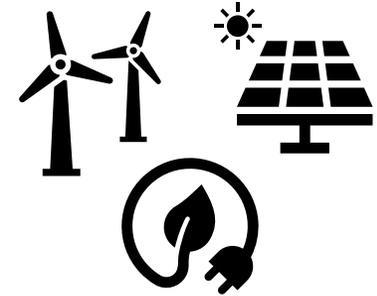
Sustainable Livelihoods

Energy

Transformation of the energy sector holds great emissions reduction potential in Colombia

Significant emissions reduction gains can be achieved through improved **energy efficiency measures** and development of Colombia's great potential for **non-conventional renewable energy sources (NCREs)**, such as solar and wind.

Although a robust legal framework and national targets are already in place – there is a **need for more investment and capacity building** and **improved data and analytics** to support awareness and implementation of best practices and technologies.



Example projects could include:

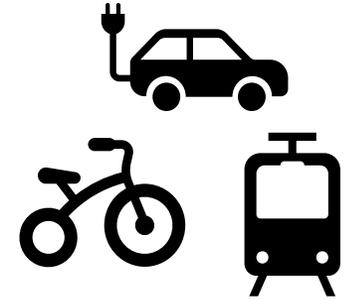
- Capacity building for development and financing of non-conventional NCREs and associated demand management technologies
- Tools to provide better data on consumption profiles in key sectors and strengthen MRV systems design and implementation
- Proposals that will help unlock both public and private financing for renewable energies and energy efficiency
- Improved data and analytics on energy consumption needed to support grid integration of NCREs and planning, forecasting, implementation and auditing of appropriate energy efficiency measures

Sustainable Mobility

Facilitating the expansion of improved sustainable mobility measures can have substantial emissions reduction and public health impacts

In Colombia, the transport sector accounts for around 39% of total energy demand. Transitioning the sector to a low-carbon model will also have **significant social, public health and economic benefits**, contributing to reducing air pollution in cities and improving mobility and accessibility for millions of Colombians.

The government has outlined ambitious targets for the scaling of zero-emission vehicles in Colombia and initiatives for improved urban planning are being piloted in various cities. However, transformation of the transport sector will require **significant investment and capacitation at the city and municipal level** to be achieved.



Example projects could include:

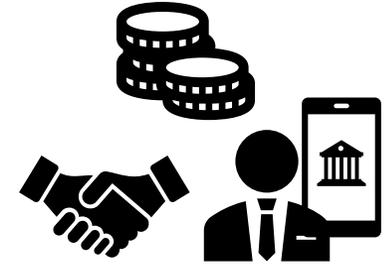
- Targeted support for cities and municipalities to facilitate sustainable mobility planning, implementation and expansion, (e.g. feasibility studies, modelling and design of appropriate non-financial incentives such as congestion zones, special lanes, reduced fare structures, etc.)
- Proposals that help unlock both public and private financing for sustainable mobility expansion, e.g. through better modelling of risks and returns to incentivise investment
- Support for improving data capture and analysis on emissions, energy efficiency and other environmental factors, facilitating reporting and auditing and encouraging investment

Green Finance

Strengthening and consolidating the burgeoning green finance sector, with an emphasis on public-private partnerships

Green finance is a rapidly developing sector within Colombia, which has been an early mover in the Latin America region. Efforts to foster public-private coordination have supported work to transition the sector in areas such as **transparency and disclosure, harmonisation of standards, and structuring of 'bankable' green projects and financial instruments**, such as green bonds and blended finance models

However, the sector is still nascent, and **key knowledge and capacity building needs remain** amongst FIs, policy makers and project developers to facilitate understanding and application of green finance principles, risks and returns and accelerate development of the sector.



Example projects could include:

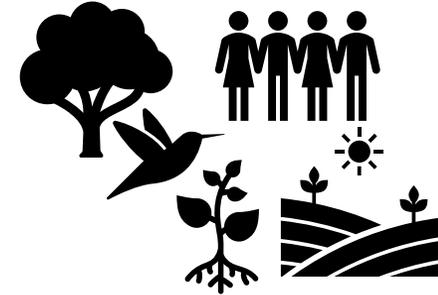
- Initiatives that deliver increased knowledge and capacity building around key green finance principles, including ESG, climate risk modelling, classification of green assets, etc., to the least served sectors of the financial industry, such as insurance agencies, pension fund managers and other institutional investors
- Support to structuring of green investments and financial instruments in other UK PACT priority sectors (e.g. energy, sustainable mobility, sustainable livelihoods)
- Proposals which are focused on leveraging finance to support a green recovery, or economic impact modelling of green recovery measures to support government policy and planning

Sustainable Livelihoods

Fostering an innovative and competitive green economy that capitalises upon Colombia's natural resource wealth and biodiversity

The forest and land use sector accounts for around half of Colombia's GHG emissions. Alternative sustainable livelihoods that reduce deforestation is a core part of Colombia's national strategy for rural development and the peace process.

The sector is complex and **multiple constraints need to be addressed to support scalable change**. These include strengthening legal, normative and policy frameworks for development and scaling of sustainable livelihoods; formulation of financial and non-financial incentives to support adoption by rural communities; and mobilisation of necessary finance to support sustainable transitions for the sector (e.g. blended finance, green bonds, rural credit, etc.).



Example projects could include:

- Supporting development and implementation of Colombia's bioeconomy strategy at the national and sub-national levels, including technical assistance to accelerate development of new businesses
- Facilitating scaling of sustainable production practices, through knowledge and capacity building to support implementation of relevant and recent policy developments (zero-deforestation commodity agreements, upcoming NTFP decree), as well as formulation of financial and non-financial incentives
- Targeted analytical or research pieces supporting development of a post-COVID sustainable tourism industry

Additional cross-cutting themes

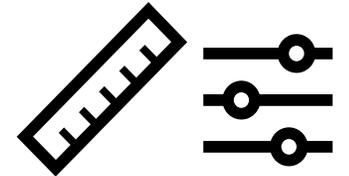
Projects focused on leveraging finance, strengthening MRV and delivering education and awareness raising can be proposed across all pillars of the call for proposals



Meeting the financing gap for emissions reductions actions



Strengthening MRV systems, data availability and reporting to track performance and progress against targets and support action planning



Environmental education to support behaviour change



Adapting to COVID-19 – Supporting a ‘green, clean & resilient recovery’

UK PACT aims to deliver sustainable change and should play a role in supporting green and inclusive economic recovery efforts for Government, businesses and civil society



- UK PACT has an important role to play in contributing to a ‘**green, clean and resilient recovery**’ and ensuring new policy, planning, investment and action remains aligned with climate ambitions
- As part of our assessment criteria for the next phase of UK PACT, we will be looking for evidence of how project proposals can contribute to **both emissions reductions and economic recovery** objectives
- We will also be looking for **robust risk assessments and mitigation strategies** to ensure projects have the necessary built-in flexibility and adaptability to prepare for continued uncertainty and change within the operating environment



These are all example interventions and we also welcome innovative proposals that align with core UK PACT objectives and criteria

AUDIENCE POLL

- Which sectors are you interested in presenting a project for?
- Which sectors do you consider to be most important for supporting a green, clean and resilient economic recovery?



Application
process and
requirements

03

Two key application stages: Eol and Full Proposal

What are the main components of each stage?



STAGE ONE: Expression of Interest (Eol)



- Capturing initial concepts: assessing eligibility, strategic fit and early planning
- High level budget

STAGE TWO: Full Proposal



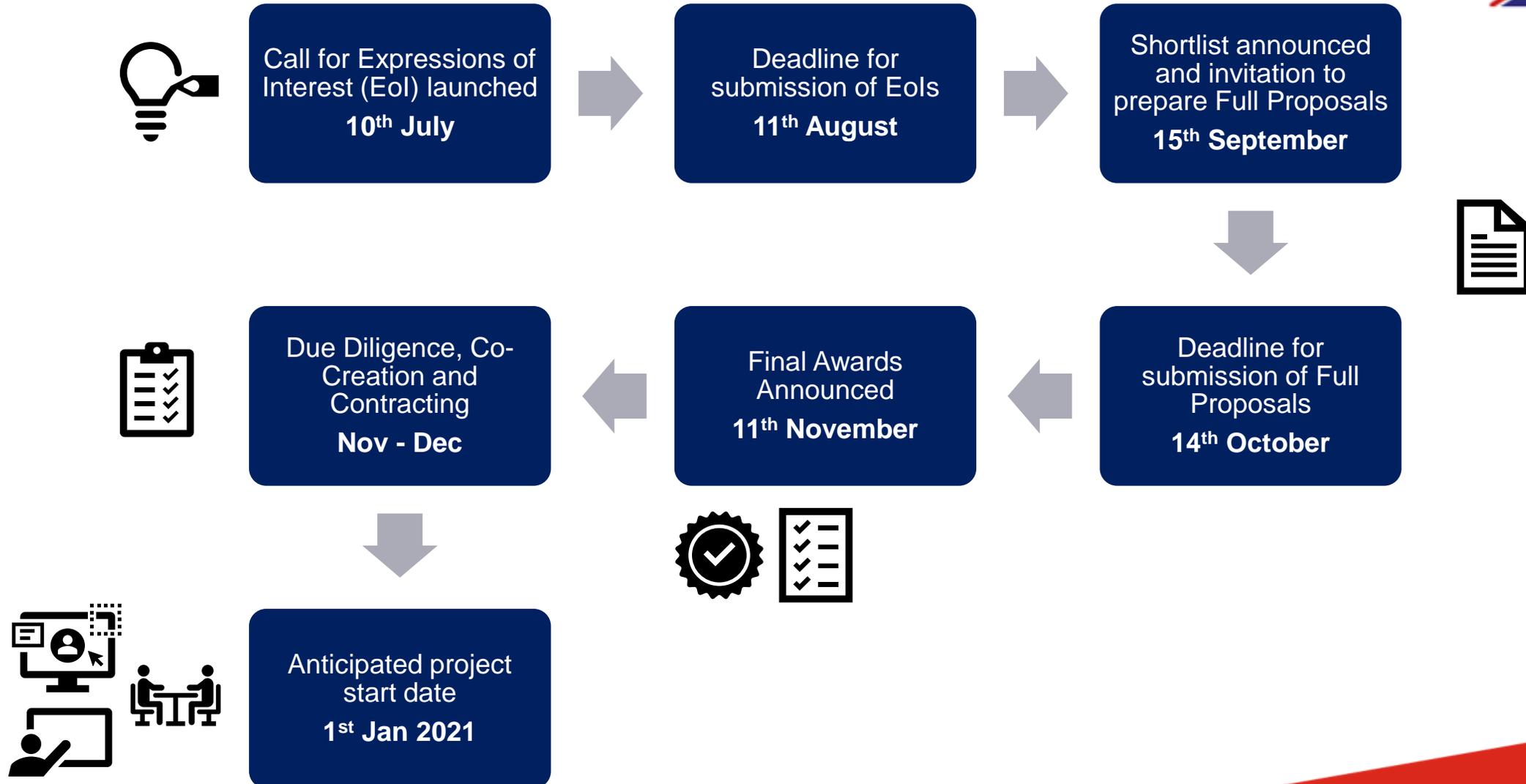
- More detail provided on full project scope, activities, management, risk and reporting
- Detailed budget



Applicants successfully selected following Expression of Interest stage will be provided further guidance during the selection process

Overview: application key steps and timeline

Indicative timeframe for CfP process:



What's required? Eligibility requirements



Organisation eligibility

- ✓ Think tanks, consultancies (private sector firms), academic institutions, NGOs, professional associations or similar organisations that have the knowledge, skills and experience to deliver Technical Assistance projects relating to one of the priority sectors outlined
- ✓ Registered to lawfully conduct activities in Colombia
- ✓ Experience of delivering similar projects
- ✓ Consortia welcome

Project Eligibility

- ✓ Strategic fit with the UK PACT priorities outlined
- ✓ Demonstrate clear pathway and plan to engage intended beneficiaries in Colombia
- ✓ Up to 12 months duration (including delivery of intermediate outcomes)
- ✓ Between approximately £250k and £500k
- ✓ ODA Eligible (Economic Development and Social Welfare)
- ✓ Incorporating opportunities for Gender Equality and Social Inclusion (GESI)

Project Building – Developing a successful project

The importance of developing a “Theory of Change” (project logic)



- Clearly outlined activities
- Clearly outlined outputs that address key constraints to UK PACT objectives
- A causal link between the proposed outputs and intermediate outcomes

Applicants should explain how outputs will lead to enhanced capacities and capabilities amongst target stakeholders, and how this in turn will contribute to enhanced and sustained action on emissions reductions.

Further Monitoring, Evaluation and Learning (MEL) Guidance will be available during the application process.

Project Building – Developing a successful project

UK PACT aims to work through four key outputs. Others are eligible.



Problem:

Greenhouse gases cause climate change, which reduces prosperity and undermines security.

The rate of emissions reduction is still inadequate for curbing climate change impacts, which disproportionately affect the poorest and most vulnerable.

Constraints:

to addressing the problem

Lack of political support and leadership

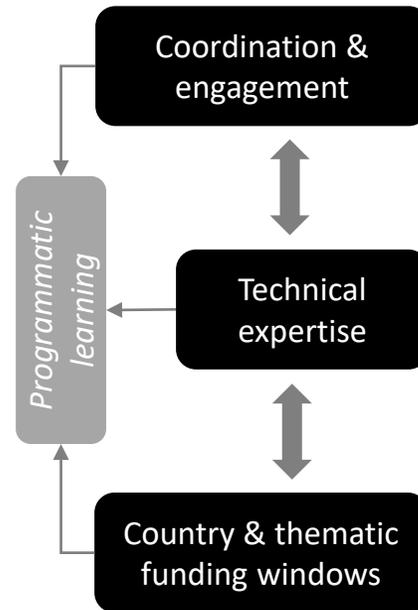
Competing priorities and interests

Inadequate policies

Lack of awareness and capacity

Lack of financial resources

Inputs:



Outputs:

1. Skills enhanced

2. Recommendations proposed

3. Knowledge & communication products

4. Network links established

**UK PACT
KEY
OUTPUTS**

Intermediate Outcome:

Stakeholders adopt programme outputs, improving the political economy for accelerated climate action

Impact: Accelerated emissions reductions in target countries

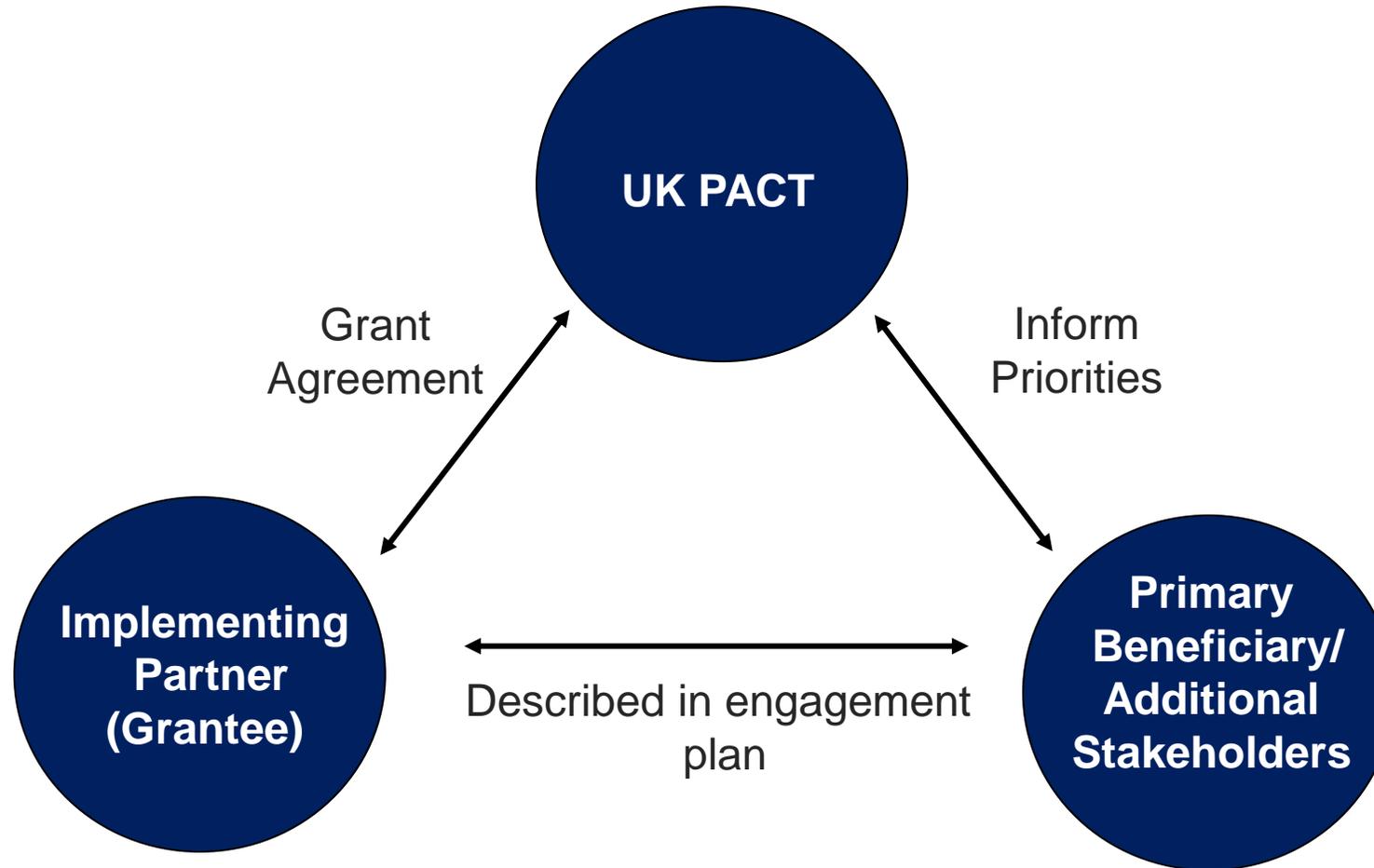


Outcome:

Enhanced and sustained action on emissions reduction (implementation and use of outputs)

Project Building – Developing a successful project

Demonstrating a close collaboration model



Project Building – Beneficiary engagement

What do we expect to see at each stage?



Expression of Interest (Eoi) Stage:

Identify primary beneficiary partnerships and additional stakeholders.



Full Proposal Stage:

Shortlisted applicants will be asked to develop proposed engagement plan with beneficiaries as appropriate to the project. This could include:

- Informing beneficiaries through regular communications,
- Establishing joint working groups,
- Agreeing to more specific project Terms of Reference if appropriate

Key principles of selection:

Project selection criteria designed to ensure a strong portfolio of relevant projects



Transformational change:



- Far reaching interventions interventions that can overcome widespread behavioural inertia
- Encouraging others to adopt, replicate and scale-up successful activities
- Facilitating substantive institutional and policy change towards a low-carbon future

Demand led:



- UK PACT objectives and local and national priorities
- Beneficiary and stakeholder interest

Deliverability:



- Skills, knowledge, experience to deliver the project
- Technically sound delivery model

Value for Money:



- The Four Es (Economy, Efficiency, Effectiveness and Equity)

Key principles of selection: Political Will and Buy-In

Responding to demand, evidencing political will and support for the project



- ✓ Need for the project and level of demand for the project
- ✓ Strong understanding of the context
- ✓ Primary beneficiary engagement in the development of the project proposal
- ✓ Plan for working with beneficiaries to deliver
- ✓ Identification of other stakeholders and their type and level of interest.
- ✓ Broad support from across societies, cultures, and interest groups
- ✓ Clear plan for maintaining support as the project progresses
- ✓ Impact of COVID -19



Key principles of selection: Incentivising Action

Ensuring we support projects that will incentivise action and ensure uptake of outputs



How will the project incentivise others to act on climate change:

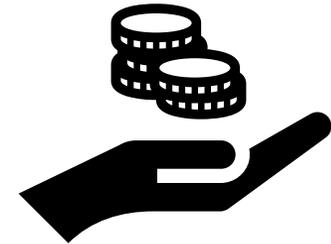
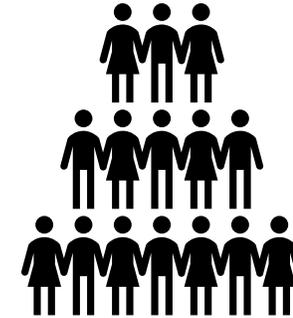
- For policy and capacity building activities:
 - how the project **could** lead to incentivised action (for example producing evidence making acting on climate change a sensible decision for public agencies, commercial firms, and private individuals) and then **how the applicant will carry out activities** that encourage that uptake.
- For project level interventions (initiatives in sub-national energy efficiency or city level sustainable mobility):
 - a strong understanding** of the **replicability** and the **scalability** of the project activities and results. This includes **outlining who might replicate project activities** and results and how, and **identifying pathways to scale**.

Key principles of selection: Economic Development & Poverty Alleviation

Delivering positive economic and social outcomes across society



- All UK PACT projects must be focused around economic development, poverty alleviation and welfare objectives
- Applicants will be asked to describe how the project could lead to improved economic outcomes across society
- This includes **identifying both potential positive and negative actions and outcomes**



Key principles of selection: Gender Equality and Social Inclusion

Delivering positive outcomes for all



Gender Equality and Social Inclusion (GESI) will be mainstreamed into the Grant Selection process:

- Identify possible positive and negative outcomes or unintended impacts
- Identify activities that offer opportunities for inclusion
- Identify how they will monitor and evaluate specific GESI related impacts during project implementation

Social inclusion:
improving the conditions of disadvantaged individuals and groups

Equality: distribution of opportunities, choices and resources

Key principles of selection: Skills, knowledge and experience



Projects will be assessed to ensure:

- The proposed consortium has **relevant knowledge and experience** in the subject area and the **skills in the team to deliver the project**. This might include:
 - Staff members with a relevant background
 - Experience delivering similar contracts
 - Appropriate blend of partners within consortium
- We welcome applications from consortia involving international, UK based and local partners
- Strong networks in country are required

Key principles of selection: Commercial Viability

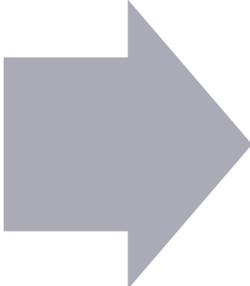
- Budget within the available funding range
- Costs indicated are eligible and clearly linked to the activities and outputs outlined
- Cost reasonableness:
 - Rates of staff; benchmarking; procurement approach and policy
- Project Management
- Financial management
- Risks management
- Environmental impact



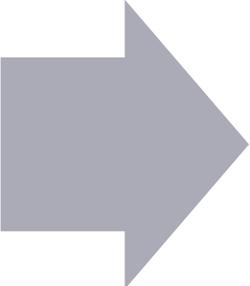
Key Principles of Selection: Value for Money



Economy
Are the right things being purchased for the right price



Efficiency
Are the right things being done at the right time



Effectiveness
Are the expected results being delivered



Equity
Are the impacts equitably distributed



Budgeting for UK PACT

Submitting a proposal that includes eligible costs



Eligible costs include:

- Consultancy and staff time required to deliver activities
- Marketing and communications costs directly related to project delivery or to promote the project(s) delivered under UK PACT. Wider marketing and communications costs linked to other work delivered or to the organisation receiving the grant are not eligible
- Travel and subsistence costs for staff or consultants working on the project when delivering project activities
- Other delivery costs directly related to activities and outputs (workshops, seminars, production of outputs, translation etc.)
- Reasonable administration costs/overheads.
- UK PACT **does not fund** the purchase or maintenance of any assets (capital expenditure or CAPEX)

Budgeting for UK PACT

Submitting a proposal that includes eligible costs



- Unless approved by the UK PACT programme team, the funds **cannot be used to pay for the costs/ time of any other organisation/ expert** other than those approved and indicated during the Call for Proposals process
- The funds **cannot be used to pay for Government Officials' time** involved in the project
- Applicants should note that **UK VAT is not eligible** as a cost in the budget however, **local taxes** can be included

Reporting and monitoring, evaluation and learning (MEL)

Developing a robust MEL framework will be essential for capturing project impacts and building the evidence base for UK PACT interventions



- Full proposal stage - initial project plan will be developed, including indicators and verifiers to track progress against expected outputs and intermediary outcomes
- Further guidance on UK PACT's programme level MEL framework, including ToC and logframe, will be provided alongside the application process to facilitate project MEL development
- Projects will be expected to report on a quarterly basis on MEL, alongside technical, financial and risk reporting
- Projects will be encouraged to identify opportunities for developing case studies



Grant Payments and Reporting

What payment mechanisms do you offer?

- Payments to recipients to be made in arrears upon the achievement of pre-agreed milestones (**Milestone cost reimbursement**).
- Once pre-agreed milestones have been achieved, recipients may request reimbursement for any eligible costs incurred undertaking grant funded activities.
- Applicants should consider whether they are able to cashflow the project they are proposing to deliver.
- Payments will be made in **GBP (£)**. Applicants will be expected to manage exchange rate fluctuations.



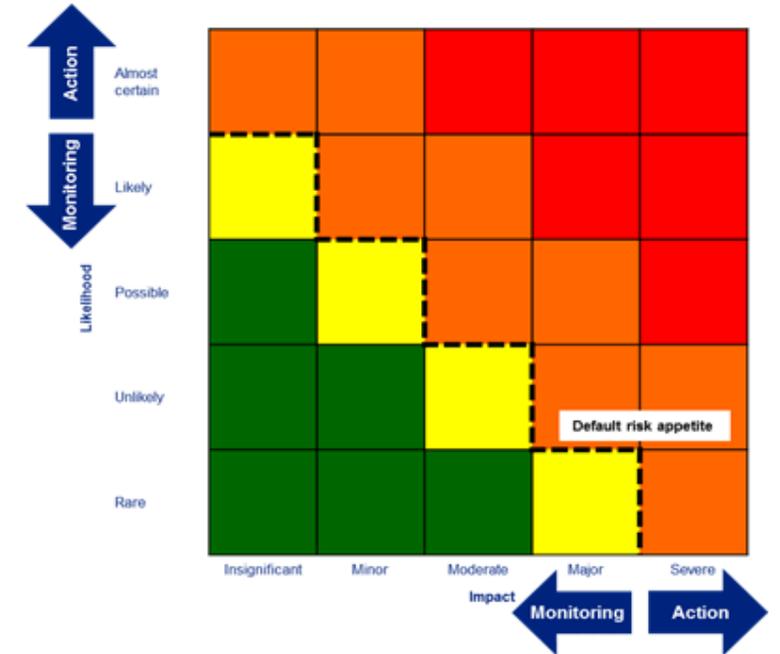
Milestone cost reimbursements

- Evidence of achievement of pre-agreed milestones is required to trigger payment
- Reporting takes place at least quarterly
- Payment is made on the basis of actual amount spent up to the point of milestone achievement.
- All expenditure is evidenced throughout implementation as standard.

Risk Management

Ways in which we will monitor and manage risks at project level:

- **Regular check ins** – we monitor and update our live risk register regularly and will arrange monthly meetings with you to discuss your risk register
- **Field visits** – depending on the nature of the contract we will conduct site visits throughout the project to conduct routine assessments
- **Technical & financial reporting / milestone management** – as part of the quarterly reporting we will take more of a formal look back at the risks to see how/ if they have escalated, also noting any new risks
- **Budget tracking** – underspend / overspend – as part of the quarterly reporting you will be required to report on any variances to the budget/ expected spend to date



Due Diligence - Pre and Post Award



- Financial Health, Financial Governance, and Fraud Control Policies
 - Governance (including good conduct)
 - Conflict of interest
 - Data security
 - Procurement
 - Recruitment and employment practice
 - Safeguarding practices
 - Environmental Safeguards
 - Sub-subcontractors
 - Any additional disclosures
 - Self-certification
- Palladium will request and review basic due diligence information at EOI stage and a more in depth due diligence review post award
 - Palladium will support organisations with training and other forms of ad hoc support to help grantees through the process
 - Assessment of the due diligence information will respond to specific risks relevant to the programme

How to apply?

Applications should be made through UK PACT's online application portal



- Launch date: **10th July 2020**
- Language of application: ENGLISH
- Online EOI form
- All sections completed, within word limits
- Eligibility and due diligence checklist completed
- Further guidance, including consolidated FAQ, will be made available to accompany the application process
- Application portal: www.UKPACT.co.uk (going live following this event)

Q&A



Wrap-Up

05

Next steps

Reminder on upcoming timeframes for application



- Spanish language version of webinar on **19th June**
- Presentation will be published on UK PACT website in coming days
- Survey to be sent out to participants to gather additional feedback on webinar, call for proposals and preparing for green economic recovery (please reply by **22nd June**)
- Window for further Q&A open until **22nd June** (contact us section of UK PACT website)
- FAQ will be consolidated and published alongside the CfP on **10th July**

Thank you