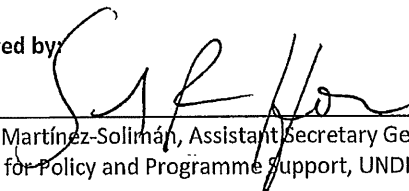




INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG)

Project Title: The Climate Aggregation Platform for Developing Countries	
Country: Global Project	
Project Objective: To promote the scale-up of business and financial models which aggregate small-scale, low-carbon energy investments in developing countries. The project aims to help build in-country pipelines of standardised, low-carbon energy assets and to develop low-cost sources of financing, tapping new and diverse investor bases.	
Initiation Plan Start Date: 10 March 2016	
Initiation Plan End Date: 31 May 2016	
CPAP Programme Component: Not Applicable. Global project. ATLAS Project Award: [TBD] 00094508 ATLAS Project ID: [TBD] 00098651 PIMS Project ID: 5749 Management Arrangement: DIM	Total budget: US\$ 50,000 Allocated resources: • GEF US\$ 50,000

Approved by:  Date: March 10 2016
Magdy Martínez-Soliman, Assistant Secretary General, Assistant Administrator and Director
Bureau for Policy and Programme Support, UNDP

- Annexes to this Initiation Plan**
- Annex 1: GEF CEO PIF approval letter
 - Annex 2: TOR for consultancy for project preparation activities
 - Annex 3: GEF PIF (separate attachment)
 - Annex 4: Concept Note for the Climate Aggregation Platform (separate attachment)



INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG)

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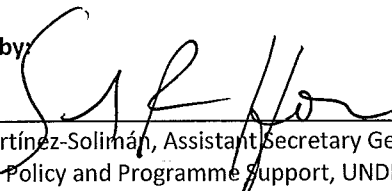
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CPAP Programme Component: Not Applicable.
Global project.
ATLAS Project Award: [TBD]
ATLAS Project ID: [TBD]
PIMS Project ID: 5749
Management Arrangement: DIM

Total budget: **US\$ 50,000**
Allocated resources:
• GEF **US\$ 50,000**

Approved by:


Magdy Martínez-Solimán, Assistant Secretary General, Assistant Administrator and Director
Bureau for Policy and Programme Support, UNDP


Date

Annexes to this Initiation Plan

Annex 1: GEF CEO PIF approval letter

Annex 2: TOR for consultancy for project preparation activities

Annex 3: GEF PIF (separate attachment)

Annex 4: Concept Note for the Climate Aggregation Platform (separate attachment)

A. Brief Description of the Project:

This will be a USD 2 million, 3 year global project (the “Project”), funded by the Global Environment Facility (GEF) and using the GEF’s Medium Sized Project (MSP) modality. UNDP and the Climate Bonds Initiative, an NGO, will implement the Project.

The Project will launch the Climate Aggregation Platform (CAP)¹. The CAP aims to promote the scale-up of business and financial models which aggregate small-scale, low-carbon energy investments in developing countries. The initiative aims to help build in-country pipelines of standardised, low-carbon energy assets and to develop low-cost sources of financing, tapping new and diverse investor bases.

The CAP will be a concerted, coordinated effort - a global coalition of key actors - seeking to raise awareness, exchange information and build momentum around financial aggregation. It will be structured around 3 core activities:

- A global working group, to promote engagement and coordination amongst key finance and industry stakeholders.
- Standardised tool-kits (template contracts, performance metrics, transaction structures), capable of regional and national modification.
- In-country demonstrations and scale-up, showcasing and providing technical support for pilot transactions, and creating the policy and market architecture to build pipelines and achieve scale.

More information on the CAP can be found in the GEF PIF (Annex 3) and the CAP concept note (Annex 4).

The GEF PIF was approved by the GEF on 24 November 2015. The CAP was announced at the Paris UNFCCC COP in December 2015. The aim is to operationally launch the CAP in late Spring 2016.

B. Brief Description of Initiation Plan:

During the initiation plan period, a number of studies and stakeholder consultations will be undertaken with the view to further develop the approved project GEF PIF and concept into a fully formulated project document. The final output of the initiation plan will be a UNDP-GEF project document and GEF CEO endorsement template ready for submission to UNDP and GEF.

C. Project preparation activities:

The project preparation activities will be structured into four components. UNDP will perform component A in-house. UNDP will recruit and supervise a consultancy firm to perform components B, C and D. A detailed TOR for the consultancy is found in Annex 2. A summary of the four components are found below.

Component A: Determination of implementation arrangements (UNDP HQ, in-house)

This project will be a global project. As set out in the GEF PIF, it is envisaged that the Climate Bonds Initiative, an NGO, will implement 2 of the project’s 3 core activities, amounting to approximately 50% of the project budget. UNDP will implement 1 of the project’s 3 core activities, directly managed globally from HQ, amounting to the remaining approximate 50% of the project budget. Initial consultations within UNDP-GEF indicate that UNDP-GEF typically uses NGO implementation in these scenarios.

In component A, the appropriate formulation for implementation arrangements (implementing modality, accountability, oversight, reporting and staffing etc.) will be explored and an informed decision will be made as to implementation arrangements. This will then guide components B, C and D.

¹ Note that earlier versions of the project used an alternative name, the “Climate Finance Aggregation Initiative” (“CFA Initiative”). The “CFA Initiative” has now been renamed the “Climate Aggregation Platform”.

Component B: Capacity assessment of Climate Bonds (Consultant)

Component B will involve performing a capacity assessment of the Climate Bonds Initiative to implement its activities under this project. The assessment will use UNDP's 'Capacity Assessment for Project Implementation' methodology and checklist and will be based on interviews with key personnel at Climate Bonds and a desk study of relevant documents. The output of this component will be a report addressing the questions in the methodology and recommending any risk mitigation actions.

Component C: Design Options (Consultant)

Component C will involve undertaking an analysis of design options for the Project. This analysis will build on the GEF-PIF and Project concept, but will now go to a deeper level, researching and considering key baseline information and design questions related to the Project. While the Project PIF and concept set out an initial design outline for the CAP, the concept's thinking is early-stage. There is a need to further scrutinize and refine the design, in particular to think through and anticipate the strategy and practical operations of the CAP.

The detailed TOR sets out a list of issues for which this design options analysis should be performed. This analysis will be based on: (i) a desk-review of available literature, (ii) consultations with relevant stakeholders, and (iii) the considerations and insights of the consultant's team.

The output of this component will be an internal paper on design options. This paper will address each design issue in turn, setting out any findings, recommendations and considerations. UNDP and the Climate Bonds Initiative will provide inputs and feedback on drafts of the paper.

Component D: Project Documentation (Consultant)

Component D will involve the preparation of the project documentation necessary for submission and approval of the Project for both UNDP and to the GEF.

The outputs of this component will be:

- Completed UNDP-GEF project document and GEF CEO endorsement template, including, in particular:
 - Detailed multi-year work plan and corresponding multi-year budget
 - Finalized project results framework, including quantitative and qualitative indicators
 - Monitoring and evaluation (M&E) work plan, reflecting GEF M&E requirements
 - Definition of management arrangements
 - Terms of reference of project staff
- Explore co-financing opportunities and secure co-financing letters
- Complete the GEF climate change mitigation tracking tool
- Prepare a UNDP environmental and social standards screening report
- Complete a UNDP HACT financial assessment of Climate Bonds Initiative
- Oversee an online/virtual validation workshop (for example, with GotoMeeting) with relevant stakeholders to present, discuss and validate the draft project documentation
- Revise the project documentation to reflect feedback received by corporate UNDP and GEF reviews

D. Project preparation activities work plan, timeframe, responsibilities:

PPG Activity	Timeframe (in weeks)											
	1	2	3	4	5	6	7	8	9	10	11	12
Component A												
Component B												
Component C												
Component D												

E. Total Budget and Work Plan :

Award ID:	[TBD]	000 94 505
Award Title:	PPG: Climate Aggregation Platform for Developing Countries	
Business Unit:	[TBD]	
Project Title:	PPG: Climate Aggregation Platform for Developing Countries	
Project ID:	[TBD]	000 9 8657
Implementing Partner (Executing Agency)	[TBD]	

GEF Outcome/Atlas Activity	Responsible Party/	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount US\$
Project preparation grant to finalize the UNDP-GEF project document for project: PPG: Climate Aggregation Platform for Developing Countries	UNDP	62000	GEF TRUSTEE	71200	International Consultants	45,000
				71300	Local Consultants	
				71600	Travel	
				72500	Supplies	
				74500	Miscellaneous Expenses	5,000
				75700	Trainings	
					PROJECT TOTAL	50,000

Annex 1: GEF CEO PIF approval letter



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Naoko Ishii
CEO and Chairperson

November 24, 2015

Ms. Adriana Dinu
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that I have approved the medium-sized project concept detailed below. I have also approved your request for project preparation grant.

Decision Sought:	Project Identification Form (PIF) and Project Preparation Grant (PPG) Approval
GEFSEC ID:	9309
Agency(ies):	UNDP
Agency ID:	5749 (UNDP)
Focal Area:	Climate Change
Project Type:	Medium Size Project
Country(ies):	Global
Name of Project:	The Climate Finance Aggregation Initiative for Developing Countries
Indicative GEF Project Grant:	\$1,950,000
Indicative Agency Fee:	\$185,250
PPG Grant:	\$50,000
PPG Agency Fee:	\$4,750
Funding Source:	GEF Trust Fund

This PIF and PPG approval is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures. Please submit your final medium-sized project document for my approval no later than 12 months after PIF approval.

Sincerely,

Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: GEFSEC Project Review Document
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

1818 H Street, NW • Washington, DC 20433 • USA

Annex 2: TOR for consultancy for project preparation activities

TERMS OF REFERENCE

Project Preparation Activities for the Climate Aggregation Platform (CAP) for Developing Countries

Location:	At Service Provider's location
Type of Contract:	Contract for Professional Services
Starting Date:	7 March 2016
Completion Date:	31 May 2016
Languages required	English
Supervisor:	Energy Finance Specialist, UNDP, New York, USA

Background

Energy systems around the world are in the midst of a fundamental transition. The energy systems of the future will incorporate many millions of individual small-scale, low-carbon energy assets, made-up of both distributed renewable energy generation and consumer-driven energy efficiency measures.

The Climate Aggregation Platform (CAP) aims to accelerate this transition in developing countries, promoting the scale-up of business and financial models which aggregate small-scale, low-carbon energy investments. The initiative aims to help build in-country pipelines of standardised, low-carbon energy assets and to develop low-cost sources of financing, tapping new and diverse investor bases.

The CAP will be a concerted, coordinated effort - a global coalition of key actors - seeking to raise awareness, exchange information and build momentum around financial aggregation. It will be structured around 3 core activities:

- A global working group, to promote engagement and coordination amongst key finance and industry stakeholders.
- Standardised tool-kits (template contracts, performance metrics, transaction structures), capable of regional and national modification.
- In-country demonstrations and scale-up, showcasing and providing technical support for pilot transactions, and creating the policy and market architecture to build pipelines and achieve scale.

The CAP is being launched as a USD 2 million, 3 year Global Environment Facility (GEF) Medium Sized Project (MSP) (the "Project"). UNDP will design and oversee the Project. The Climate Bonds Initiative, together with UNDP, will implement the Project. The Inter-American Development Bank will be a core partner to the Project, providing co-financing for initial demonstration transactions.

More information on the CAP can be found in the concept note attached as an annex to the RFP.

The concept was approved by the GEF on 24 November 2015. The CAP was announced at the Paris UNFCCC COP in December 2015. The aim is to launch the CAP in Spring 2016.

Objective of the Consultancy

The objective of the consultancy is to undertake a number of project preparation activities, moving the CAP from an initial concept to a fully formulated design. The final output of the consultancy will be a completed UNDP-GEF project document and GEF CEO endorsement template, together with supporting documents.

Scope of the Work

The consultancy will be structured under three activities: (1) capacity assessment of the Implementing Partner; (2) design options; and (3) project documentation. The service provider will be guided and will report to the Energy Finance Specialist, UNDP HQ. The Climate Bonds Initiative will also provide inputs and guidance to the service provider.

Activity 1: Capacity assessment of the Implementing Partner (Estimated 3 working days)

Activity 1 will involve performing a capacity assessment of the Climate Bonds Initiative (CBI) as an Implementing Partner to the Project. The assessment will use UNDP's 'Capacity Assessment for Project Implementation' checklist (see Annex to RFP) and will be based on interviews with key personnel of CBI and a desk study of relevant documents. The output of this activity will be a report (typically around 10 pages) addressing the questions in the methodology and recommending any risk mitigation actions.

Activity 2: Design Options (Estimated 20 working days)

Activity 2 will involve undertaking an analysis of design options for the Project. This analysis will build on the Project concept, but will now go to a deeper level, researching and considering key baseline information and design questions related to the Project. While the Project concept sets out an initial design for the CAP, the concept's thinking is early-stage. There is a need to further scrutinize and refine the design, in particular to think through and anticipate the strategy and practical operations of the CAP. There is also a need to draw lessons learnt from earlier initiatives, such as the Solar Access to Public Capital (SAPC) working group.

This analysis will be based on: (i) a desk-review of available literature, (ii) consultations with relevant stakeholders, and (iii) the considerations and insights of the service provider's team. The service provider will document consultations with stakeholders, and where possible, should seek to bring stakeholders on board as partners to the Project.

The output of this activity will be an internal paper. This paper will address each design issue in turn, setting out any findings, recommendations and considerations. UNDP and the Climate Bonds Initiative will provide inputs and feedback on drafts of the paper. The purpose of this activity is to allow UNDP and the Climate Bonds Initiative to decide on these design recommendations in a transparent, systematic and considered manner. This activity will be an important precursor to developing Activity 3, the project documentation. This activity will also allow the CAP to hit the ground running at its operational launch in Spring 2016.

Topics to be addressed in this Activity 2 will include the following:

Baseline Analyses:

- *Baseline analysis of financial aggregation for low-carbon energy:* analysis by region, type of low-carbon technology and deal structures in both developed and developing countries; historic track-record and forward outlook; considered examination of barriers to further uptake
- *Baseline analysis of public initiatives to promote financial aggregation:* survey of other initiatives; strengths and weaknesses of other initiatives; positioning of CAP relative to other initiatives

Design Options:

- *Project scope:* advise on a manageable scope for the project; review current focus (small-scale activities; countries; and low-carbon technologies); refine value proposition for the project's stakeholder groups (government; financial/legal advisory; investors; power industry); review balance/fit between the project's three components (working group; standardization; demonstrations); suggest any activities which could further strengthen the project
- *Project component 1, awareness raising:* suggestions for initial research agenda (studies, reports) for the CAP; initial approach to conference events, media and online presence
- *Project component 2, industry working group:* suitable structures, management and composition of working groups (global, regional, national); frequency and form of working group meetings; evolution and prioritization of working group activities over time
- *Project component 3, standardized toolkits:* how to make global toolkits relevant at the country level; how best to engage in-country in ensure ownership; evolution and prioritization of standardized toolkits work over time
- *Project component 4, in-country demonstrations:* criteria regarding selection of countries; balance and coordination between (i) pilot transaction and (ii) policy/enabling activities; how to maximise the role and impact of the CAP financial contribution to demonstration projects; how to maximize the role of the CAP in policy/enabling conditions; envisaged evolution and prioritization of in-country demonstrations over time, including quick-wins
- *Project name and terminology:* review suitable names for the initiative; suggest a user-friendly set of terminology to be used by the CAP
- *Engaging partners:* approach to working group members and key partners; identification of launch working group members and partners
- *Human resources:* approach to in-house human resources; possible *pro bono* contributions from partners and members
- *Sustainability and fund-raising opportunities:* approach to ensuring long term sustainability of CAP; initial approach for additional fund-raising

3) Project Documentation (Estimated 20 working days)

Activity 3 will involve the preparation of the project documentation necessary for submission and approval of the Project for both UNDP and to the GEF. The outputs of this activity will be composed of a completed UNDP-GEF project document (typically around 30-40 pages) and a completed GEF CEO endorsement template, together with required supplementary documents.

Tasks to be addressed in this Activity 3 will include the following:

- Completed UNDP-GEF project document and GEF CEO endorsement template, including, in particular:
 - Detailed multi-year work plan and corresponding multi-year budget
 - Finalized project results framework, including quantitative and qualitative indicators
 - Refinement of project concept's emission reduction estimates
 - Monitoring and evaluation (M&E) work plan, reflecting GEF M&E requirements
 - Definition of management arrangements
 - Terms of reference of project staff
- Explore co-financing opportunities and secure co-financing letters
- Complete the GEF climate change mitigation tracking tool
- Prepare a UNDP environmental and social standards screening report
- Oversee an online/virtual validation workshop (for example, with GotoMeeting) with relevant stakeholders to present, discuss and validate the draft project documentation
- Revise the project documentation to reflect feedback received by corporate UNDP and GEF reviews

Outputs

The following is a list of key deliverables and their timeline

Activity	Deliverable	Timeline
Activity 1	Capacity assessment report on Implementing Partner	End of Mar. 2016
Activity 2	Draft options paper	End of Mar. 2016
Activity 2	Final options paper	End of Apr. 2016
Activity 3	Draft project documentation	End of Apr. 2016
Activity 3	Final project documentation	End of May 2016

Travel

- No travel is envisaged as part of this consultancy.

Required Skills and Experience

UNDP is seeking a service provider who can assemble a team of specialists for this consultancy, with appropriate skill sets and experiences. UNDP welcomes proposals which most cost-effectively use the time of senior team members, and where senior team members can guide and supervise additional team members on more routine tasks. At the minimum, service providers should propose a team composed of a senior low-carbon energy team member (Team Lead), a senior structured finance team member, and a mid-level or junior low-carbon energy team member. Additional team members may also be suggested.

Qualifications of the Service Provider:

- At least 3 year's experience with the preparation and implementation of public-sector projects to promote low-carbon energy investment. Experience with UNDP and GEF projects will be an advantage.
- Experience working in developing country contexts preferred
- Experience working with multilateral organizations and the UN system preferred

Qualifications of Key Personnel:

Education:

- *All team members:* Bachelor's degree or equivalent in energy, engineering, finance, economics, international affairs, or other related field. Team members with Master's or equivalent degrees will be at an advantage

Experience:

- Evaluated for each individual team member:
 - *Senior low-carbon energy team member:* at least 10 years of experience with low-carbon energy (renewable energy, energy efficiency)
 - *Senior structured finance team member:* at least 10 years of experience with structured finance. Candidates with experience with low carbon energy will be at an advantage
 - *Mid-level or Junior low-carbon energy team member:* at least 3 years of experience with low-carbon energy (renewable energy, energy efficiency)
- Evaluated across the team:
 - Experience with preparation and implementation of public-sector projects to promote low-carbon energy investment. Experience with UNDP and GEF projects will be an advantage.
 - Experience working in developing country contexts preferred
 - Experience working with multilateral organizations and the UN system preferred

Language requirement:

- Fluency in English required. Excellent drafting skills required.