UK PACT

(Partnering for Accelerated Climate Transitions)

Market Engagement Workshop
27 November 2018
Welcome and Introduction

Jenny McInnes
Deputy Director, Partnerships and Capability
International Climate Finance
What is today for?

1. Update on UK PACT activities to date
2. Get your input on the procurement of our Delivery Partners
3. Generate discussions amongst peers on the key challenges of UK PACT
Agenda

1. Welcome and introduction
2. Update on UK PACT activities, inc. Q&A
3. UK PACT panel session, inc. Q&A
   Coffee break
4. Procurement of delivery partners overview
5. Roundtable discussions
6. Next steps/wrap-up
   Close
Strategic Context for UK PACT

Kate Hughes
Director, International Climate Finance
UK performance – decoupling growth and emissions

UK and G7 economic growth and emissions reductions

Source: UNFCCC; World Bank; BEIS
The UK has committed with other countries to mobilise $100bn of climate finance a year by 2020.

The UK contribution: £5.8bn.

International Climate Finance (ICF) for 2016-2021

BEIS ICF manages £2bn.

UK PACT: £60m fund to build capacity and capability to reduce carbon through technical assistance in ODA-eligible countries.

Other programmes through Defra and DFID.
Technical Assistance: money for experts, training, research, services and data (programmes)

The overarching aim of UK PACT is to:

• Increase the **capacity and capability** of partner institutions, in order to facilitate **increased ambition** for emissions reductions at the country level.

• Put our **best foot forward** by working in areas of key **UK low-carbon strengths**.

Aligned with best practice for TA delivery:
UK PACT Key Components (1/2)

**HMG delivery team in London and in key countries**
3-4 people in country and UK PACT team in London

**Bilateral programmes**
3 priority countries this year with a view to add 4 new priority countries in 2019 and 2020.

**A global ‘challenge’ fund with thematic windows**
Determined by global policy need / thematic initiatives (e.g. the Powering Past Coal Alliance)

**Short term**
Skill sharing in areas of UK expertise
Responding to in-country requests for short-term TA

**Long term**
Secondments of individuals into key institutions
Delivering responsive, long-term support and capacity building

UK PACT Market Engagement Workshop, 27 November 2018
# UK PACT Indicative Key Components (2/2)

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<td>Long-Term Secondments (2 per country, 12 in total)</td>
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- ⭐️ = 1 STSS
- 🔴 = Secondments underway
- ⬜️ = Program Allocation Rounds
- ⬛️ = Projects Underway

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Department for Business, Energy & Industrial Strategy

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UK PACT vision

“to support partner countries to accelerate their clean growth transitions, meeting the demand for high quality skills and expertise aligned with UK leadership”

UK PACT will deliver high-impact technical assistance (TA) which will support low-carbon growth in ODA-eligible countries. Our goals are to:

• Contribute to the **reduction of the country’s emissions and poverty**, by improving the **capacity and capability** of key institutions (public, private, and civil society);

• Provide **demand-led TA** that prioritises implementation and helps **raise climate ambition**, by addressing barriers, constraints and areas of opportunity based on the country’s political and economic context and sectorial priorities;

• Work in areas where the **UK has experience and expertise to share**.
Update on UK PACT early activities: Bilateral programmes
Early activities in priority countries

**Initial activities** being implemented in **China**, **Colombia** and **Mexico** worth £6m. Proposals worth over £98m submitted.

- Proposals value: £16m  
  No. of proposals: 60

- Proposals value: £30m  
  No. of proposals: 120

- Proposals value: £52m  
  No. of proposals: 150

4 new priority countries to be added in **2019 and 2020**.

Highlighted countries feature on the shortlist.
Update on UK PACT early activities: Skill-shares
Colombian Amazon Skill-share – September 2018

• The British Ambassador to Colombia, Dr. Peter Tibber

• A delegation of 6 British and 6 Colombian organisations (total of 16 experts)

• Four days of international exchanges to improve and implement good sustainable tourism practices and scientific research

• Ultimate goal: **stop deforestation** and **stimulate** the **socioeconomic development** of the region.

• Seeking to integrate skill-share into other elements of the programme where appropriate.
Update on UK PACT early activities: Monitoring & Evaluation
Monitoring & Evaluation

• ITT for dedicated M&E partner currently live – M&E partner will be selected before Christmas.

• **Aim:** to ensure decision-making on the design and implementation of PACT is regularly informed by an up-to-date evidence base and that lessons learnt are fed back and acted upon by BEIS and delivery partners.

• Relies on close collaboration with BEIS and delivery partners.
Q&A
Country Leads: Panel Discussion

Ben Rattenbury – China
Jack Williams – Colombia
Steven Gray – Mexico

Moderated by Kate Dowen
TIER 1: Climate Partner countries (coordinated multi-sector programme: long- and short-term skill-share + funds)

TIER 2: Countries with single sector interventions (skill-share + programme funds)

TIER 3: Priority countries + (Challenge Fund projects + short-term skill-share)
Pilot activities Call for Proposals launched in summer 2018 with £2m funding available, focusing on:

Green Finance
With four strategic pillars:

- Harmonisation
- Capacity Building
- Innovation
- Transparency

62 proposals received
Proposals evaluated and analysed
6 projects selected
Pilot activities Call for Proposals launched in summer 2018 with £2m funding available, focusing on:

- Energy: renewables, efficiency, access
- Green growth policy
- Climate finance
- Sustainable tourism & scientific research
- Infrastructure & mobility

159 proposals received. Proposals evaluated and analysed. 2 ETA* projects selected; 11 full bids for 1 year projects pending final selection.

*Early Transition Activities
Pilot activities Call for Proposals launched in summer 2018 with £2m funding available, focusing on:

- Energy: renewables, efficiency, access
- Mobility
- Waste
- Climate finance
- Green growth policy

132 proposals received
Proposals evaluated and analysed
3 ETA projects selected; 18 full bids for 1 year projects pending final selection
Country Leads: Panel Discussion

Ben Rattenbury – China
Jack Williams – Colombia
Steven Gray – Mexico

Moderated by Kate Dowen
Coffee Break
ITT update and questionnaire

Ben Rattenbury
International Climate Finance
ITT Update

Procurement of UK PACT delivery partners, to support BEIS in running the four components of UK PACT, scope demand, and wider strategy.

- Significant consultation with other government programmes, cross-Whitehall and external experts
- Draft ITT and questionnaire released to the market for comment
- Market engagement event to feed into the ITT further
- ITT finalised and published early January 2019
- Contract signed and implementation phase begins in March/April
Procurement Structure – 3 Lots

Lot 1: 
- "Core" delivery partner
- Skillshare Partner
- BEIS

Lot 2: 
- Challenge Fund Partner
- BEIS

Lot 3: 
- BEIS
- Central coordination/programme management
- Comms
- Bilateral programme fund
- Strategic oversight
- Relationship management
- Contract management
Procurement guidance

• Suppliers are allowed to submit bids as consortias, however the ‘Lead Supplier’ must be named.
• Suppliers can submit bids individually as well as joining up and bidding as a consortium. Suppliers should declare this information with both BEIS and the supplier/s they would be joining up with as a consortia.
• Suppliers may not restrict another organisation (such as a partner or subcontractor) from making any arrangements with a third organisation (e.g. becoming a partner in another consortium)
## Strategic Questions Summary

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<td>1. In-country presence</td>
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<td>2. Bilateral programme delivery model</td>
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<td>3. Conflict of interest</td>
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<td>4. Long delivery chains – ensuring VfM</td>
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<td>5. Strategic interface – ways of working</td>
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<td>6. Payment by results</td>
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<td>7. Skillshares – organisations vs. individuals</td>
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1) In-country Presence

Lot 1 DP permanent office

In-country partner(s) – could be procured by Lot 1 DP

Local organisation

Local consultant

Part-time presence

Regional hub

Range of options
2) Bilateral programme delivery model

Demand scoping and analysis
How, when and what types of funding rounds: (linked to country strategy)

- Call for Proposals
  - Open
  - Time-limited
  - Subject-specific

- Responsive funding

- Procurement of services

- Other options?

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<td>Review impact of 1st round of projects</td>
<td>Review of impact of projects to date</td>
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3) Conflict of Interest

Options:

A. Lot 1 DP banned from running bilateral programmes

B. Lot 1 DP banned from bidding for bilateral programmes but could deliver up to 15% of bilateral programme budget in each country

C. Lot 1 DP allowed to bid for both challenge fund and up to 15% of bilateral programme budget in each country

? What other CoIs?
4) Ensuring VfM and mitigating risk from long delivery chains

Up to 5 levels between BEIS and the project implementer, this could:

- Drive up cost from overheads from a long list of organisations
- Lead to increased risk from fraud etc.
- Create too much distance for BEIS from actual project
5) Ways of Working

UK PACT team BEIS (London)

UK PACT team BEIS (in-country)

Central DP (Lot 1)
Challenge Fund DP (Lot 2)
Skillshare DP (Lot 3)
M&E DP (Separate procurement)

Significant collaboration across delivery partners

Local Delivery Partners
6) Key Performance Indicators and Payment by Results

Proposed Payment Structure

- Outcome-based KPIs
- Results-based payments
- Programme costs
7) Skill-shares and Secondments

Short-term skillshare – different feedback on how to set up roster...

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<th>Roster of Experts</th>
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<td><strong>Mixed Roster:</strong> Individuals &amp; Organisations</td>
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Options

Issues

- Ability to respond to demand
- Vfm
- Workable Contractual Arrangements / Employment status
- Performance Management
- Integration with Lot 1 & Lot 2

Our preference would be for the most simple, cost-effective solution to these issues

Long-term secondments –
there were some questions around the split between civil service and delivery partner. We envisage most of the roles and processes used will be civil service, but will clarify this in the final ITT.
### Table Discussions

**Topic 1:** In-Country Presence

**Topic 2:** Bilateral Programme Delivery Model

**Topic 3:** Conflict of Interest

**Topic 4:** Ensuring VfM and mitigating risk from long delivery chains

**Topic 5:** Ways of Working

**Topic 6:** Key Performance Indicators & Payment By Results

**Topic 7:** Skill-shares and secondments
Next steps and wrap-up

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Holly Daniels
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