



Department for
Business, Energy
& Industrial Strategy

International Climate Finance: Mexico Technical Assistance Programme

Call for Proposals – Strategy and Guidelines

July 2018

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1. Context

1.1 BEIS International Climate Finance

At the UNFCCC Conference of the Parties (COP) in Paris, the UK reaffirmed the collective commitment with other developed countries to mobilise \$100bn of climate finance a year by 2020 from public and private sources, to help developing countries mitigate and adapt to climate change. The UK has committed at least £5.8bn of International Climate Finance for 2016-2021, which is managed jointly by the Department for International Development (DFID), the Department for Business, Energy and Industrial Strategy (BEIS), and the Department for Environment, Food and Rural Affairs (DEFRA). The three departments have different allocations from the fund, and different focusses for their spend.

The BEIS International Climate Finance (ICF) team focusses on climate change mitigation primarily in middle-income countries where the largest climate change mitigation opportunities exist.

The BEIS ICF looks to mobilise private finance, towards the Paris \$100bn goal. We look to achieve transformational change, supporting projects and programmes that have a multiplier effect. We aim to *innovate* to overcome critical barriers in the market, *invest with impact* by mobilising private capital at scale, and *inspire* by sharing UK skills to support ambition.

As part of an ongoing portfolio of programmes towards BEIS ICF aims, the ICF is launching support for small-scale technical assistance activities in areas of distinct need.

2. Call for Proposals

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Demand-led technical assistance can support Mexico in achieving climate goals and increasing opportunities by:

- **Strengthening crosscutting schemes of coordination and collaboration amongst** all levels of government and non-state actors;
- Developing needed **interventions to overcome market barriers that accelerate mobilisation of private capital** at scale to finance Mexico's NDC targets.
- Building institutional and technical capacities for **innovative and effective policy delivery and enforcement in key areas** at the national, subnational and municipal levels.

The ICF launches this Call for Proposals (C4P) to invite innovative project ideas that address technical assistance needs in Mexico.

This C4P request implementation partners to submit **concept bids** for the following **project types**:

1. **Year 1 projects.** Year 1 projects should aim to deliver activities between November 2018 and November 2019.
2. **Skill share projects.** Skill share projects should aim to facilitate skill-sharing between Mexican, UK or international experts (public and private) to share technical knowledge and embed good practice in an identified policy area of specific need. Skill-sharing could range from short-term deployments, thematic conferences, and long-term secondments depending on need.
3. **Early transition activity projects.** Early transition activity projects will be delivered between October 2018 and March 2019 and shall aim to support the new administration's transition period.

The call will run in two phases: a concept bid stage; and a second phase for full proposal bids.

Successful bids will need to contribute towards one or more of the **objectives** and **themes** included in this strategy document, be eligible and meet the selection criteria.

Concept bids must indicate how their projects contribute to ODA (Overseas Development Assistance). Selected concept bidders that are requested to submit a **full proposal** will also be required to demonstrate how their project outcomes contribute to ODA development goals – poverty reduction, development benefits and gender equality. Successful bidders will receive grant funding to implement and deliver approved project proposals.

Activities of Mexico's Technical Assistance Programme (TAP) aim to support the following **objectives**:

1. **Contribute to the reduction of the country's emissions** by improving the capacity and capability of key institutions (national, sub-national and non-state).

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2. **Support demand-led technical assistance that prioritises implementation and helps raise climate ambition**, by addressing barriers, constraints and areas of opportunity at different levels of government based on the country's political and economic context and sectorial priorities.

The following **themes** should guide the development of all project bids, and all bids must demonstrate how projects will contribute to one or more of these:

- a) **Local level implementation** that translates Nationally Determined Contribution (NDC) targets into actions at the state and municipal level;
- b) **Coordination across different levels of government and non-state actors** has its challenges and can be strengthened;
- c) **Increase transparency** through development and implementation of functional MRV systems and standardisation of disclosure practices;
- d) **Capacity building** and developing technical capabilities for effective policy implementation and enforcement in key areas at different levels of government; and
- e) **Innovative approaches** to overcome systemic barriers, constraints and develop markets that accelerate the mobilisation of private sector capital at scale.

2.1 Eligibility

- I. **Strategic fit.** Proposals must meet one or more of the objectives and themes listed in section 2 above. Please speak to the Mexico TAP team before you submit concepts to ensure:
 - a) That a project is additional and complementary to other programmes sponsored by Her Majesty's Government (HMG) across priority sectors and amongst other international cooperation agencies.
 - b) That a project does not duplicate activities taking place under other sources of funding.

Equally, not selected bids under TAP Mexico, where suitable will be referred to other Funds if they are better-matched with such sources of funding; or to joint-fund activities with other HMG funds (or, if appropriate, to other international funders operating in Mexico).
- II. **Funding range** Based on their type, projects can have the following ranges of funding. All concept bids (for all projects) should clearly state and justify the budget required; the budget ultimately awarded will be at the discretion of the Mexico TAP team, dependent upon the scale and likely outcomes of the project.
 1. **Year 1 projects** should require funding from the ICF of between £250,000 - £500,000 (indicative), **for up to one year** of activity from the point of signing the grant agreement. The total project budget may exceed the amount requested from the ICF with co-funding and exceed the timescale of one year, if the activity applied for is an initial phase or component within a larger multi-year project. Also, see '**Co-funding**', and '**Multi-year projects**', below.
 2. **Skill share projects** should require funding from the ICF of between £25,000 - £100,000 (indicative), for up to one year of activity from the point of signing the grant agreement.

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3. **Early transition activity projects** should require funding from the ICF of between £25,000 - £100,000 (indicative), for up to six months of activity from the point of signing the grant agreement.

- III. **All projects must be compatible with Official Development Assistance (ODA) criteria** and must demonstrate how they will support the economic development and welfare of eligible developing countries. See the following link for more detail on ODA compatibility:

<http://www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm>.

2.2 Selection Criteria

Eligible concept bids will be assessed based on the following criteria:

- **Strategic fit.** How well the project fits with the objectives and themes listed in section 2 above.
- **Potential for transformational impact.** How well the project effects change that catalyses further change. Indicators that are conducive to transformational change are:
 - Political will and local ownership;
 - Capacity and capability can be increased;
 - Innovation: innovative technologies/approaches are piloted;
 - Evidence of effectiveness is shared;
 - Leverage – creating incentives for others to act;
 - Replicability (by others in country/more widely)
 - Scale: interventions have sufficient reach to achieve institutional and political reform, or drive down costs of technology deployment
 - Sustainability: change is likely to be sustained once ICF support ends.
- **Value for Money.** How the project ensures an efficient allocation of resources for maximum effect.
- **Additionality.** Evidence that the proposed project would not go ahead, or not go ahead at sufficient scale to achieve desired demonstration effect/critical mass, in the absence of our funding.
- **Deliverability.** Expertise and track record of delivery partners; in-country presence; local buy-in from government and civil society; risks are continuously reviewed; project is sufficiently resourced to deliver/oversee and; project is deliverable with budget. Evidence that the proposed project can be delivered as expected. This includes as a core component the extent of key stakeholder(s) buy-in.

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2.3 Implementer Requirements

Implementers. Technical assistance projects allow exchange of expertise and best practice amongst Mexican, UK or international stakeholders. Proposals must demonstrate substantial collaboration and involvement on implementation between Mexican, UK or international partners. The grant agreement will only be signed with one implementing partner, who must be nominated as the lead implementer. Implementing partners will be required to submit curricula vitae (CVs) for their project team and seek agreement to any changes of the project team.

Strong engagement and support of the host government or other key beneficiaries and stakeholders is essential. Proposals must demonstrate that host governments have been consulted and are supportive of the project. If they have not, the bid should explain how the project has sufficient buy-in from Mexican stakeholders to deliver the expected outcomes.

Evidence-based policy outcomes. All proposals should demonstrate how they will achieve real, measurable policy outcomes. BEIS ICF places strong emphasis on evidence-based results clearly defined and tracked through project indicators of success. BEIS ICF is unable to consider proposals that solely focussed on basic or scientific research or whose primary goal is to increasing public awareness or benefitting business interest.

Proposals for **skill share projects and early transition activities** will only be considered if they have a realistic chance of achieving significant and measurable outcomes in the context of the project indicators of success.

Co-funding. Projects may operate with co-funding from other stakeholders. Implementers must demonstrate how the funding from the ICF is additional and necessary, and not duplicative. The funding portion received from the ICF must be for activities with distinct, measurable outcomes.

Value for money and additionality must be demonstrated in project proposals. Proposals must make clear how they will ensure an efficient allocation of resources for maximum effect, and that the project would not take place without funding from the ICF team. Proposals should also demonstrate how projects are adding value to, and not duplicating, existing activity.

Budgets should be inclusive of all activities required to fully achieve the project's stated goals, including dissemination and translation activities. Any significant additions or changes to the budget will need to be approved by the BEIS programme team before payment. Unless approved by the BEIS programme team, the fund cannot be used to pay for the costs/time of any other organisation/expert other than the implementer or sub-contracted organisation. The funds cannot be used to pay for Government Officials' time involved in the project.

Administration costs of implementers must be incorporated into the original project budget and should aim to be no more than 5% of the overall budget. In some cases, higher administrative costs may be considered, provided this is deemed to be appropriate and necessary by the Mexico TAP team.

Multi-year projects. Project proposals shall only be funded for only up to one year of activity, though implementers shall give detail of intended multi-year activity, which may be possible either through co-funding or by further funding from the ICFs Mexico TAP. **Multi-year project outcomes must include intermediate stand-alone outcomes for the single year 1 activities.**

Monitoring and evaluation. BEIS ICF places a strong emphasis on project monitoring and evaluation. Project implementers must submit quarterly progress reports and relevant financial reports for the duration of the

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project and submit a project completion report within three months of project completion. In addition, depending on the scale of the project, an independent evaluation may be required.

3. Indicative Priority Sectors

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3.1 Rational for prioritisation

Initial prioritisation of indicative sectors for Mexico TAP activities is based on the following:

1. **Research commissioned by ICF/BEIS and carried out by an independent third party.** The scope of such research covered national priorities, demands for technical assistance at different government levels and across different sectors, as well as opportunities for UK support in climate mitigation in Mexico.
2. **Experience from previous collaboration between Mexico and UK on climate change** through ICF programmes and Prosperity Fund activities.
3. **National, subnational and local priorities** and ongoing engagement activities by the British Embassy Mexico (BEM), ICF programmes and ICF partnerships team, with different levels of government, NGOs and market participants.
4. **Understanding of other international cooperation models and activities** in Mexico through ongoing engagement and initial coordination.

3.2 Areas identified as indicative priority sectors for 2018/2019 are:

- Mobility;
- Waste;
- Green Finance; and
- Diffusion of renewable energy.

It is important to note that this C4P is not limited to activities that fall under this initial prioritisation of sectors. However, implementers must provide strong evidence to justify the consideration of other sectors.

3.2.1 Mobility

Indicative opportunities to address in this sector include (but are not limited to):

- Supporting access to finance for state and municipal governments, developing alternative financing models and identifying bankable projects in low carbon mobility.
- Designing and advocacy for relevant policies, programmes, and fiscal and regulatory incentives to encourage low emission vehicle take-up.
- Facilitating inter-ministry and inter-municipal coordination, increasing technical capacity for enhanced planning and effective implementation.

3.2.2 Waste

Indicative opportunities to address in this sector include (but are not limited to):

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- Supporting access to finance for waste management projects, developing alternative financing models and identify bankable projects in this sector.
- Supporting coordination on waste management across municipalities, between national and subnational governments, and between the public and private sector, increasing technical capacity for enhanced planning and effective implementation.
- Increasing awareness and understanding of waste technologies across both municipal governments and the financial community, taking into consideration local context and necessities, as well as the risks and opportunities of different technologies.
- Promoting exchange of quality information, education and training to enhance comprehensive waste management across all sectors, from generation through to disposal.

3.2.3 Green Finance

Indicative opportunities to address in this sector include (but are not limited to):

- Harmonising of climate and financial sectors by increasing capacities and capabilities in both public and private sectors.
- Promoting innovation and ambition in the market by growing green bonds issuance and exploring the development and incorporation of other mechanisms to mobilise private capital (e.g. insurance, securitisation and green fintech, amongst others).
- Promoting climate-related financial disclosure and climate risk assessments.
- Greening of national development banks pipelines, contributing to boost green infrastructure developing and leveraging private sector participation.
- Supporting enhanced coordination across government departments, different levels of government, and between government and private and social sectors to mainstream green finance across the country, building upon existing initiatives.
- Contributing to building a healthy pipeline of green projects to accelerate the development of green infrastructure, including (but not limited to) through platforms like the Climate Finance Accelerator (CFA). Further information on the Climate Finance Accelerator can be found [here](#).

3.2.4 Diffusion of Renewable Energy

Indicative opportunities to address in this sector include (but are not limited to):

- Supporting the strengthening and expansion of the grid and the development of storage infrastructure through ambitious policy frameworks and attractive financial mechanisms to accelerate the development of these technologies.
- Prompting early and adequate consultation with local communities to promote a fair, democratic spill over of the benefits of renewable energy projects located in their lands, supported by robust assessments of environmental impacts.
- Promoting the development of innovative, tailor-made financial mechanisms to incentivise smart solutions, stimulate markets and accelerate maturity of current instruments.

4. Bidding Process

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The Mexico Technical Assistance Programme (TAP) is coordinated by the British Embassy in Mexico City. Information regarding bidding rounds in Mexico is published on the British Embassy's website.

4.1 Concept Bid Development

Implementing organisations should develop bids in consultation with the British Embassy: organisations looking to submit a concept bid should contact the Mexico TAP team to ensure it is eligible and meets Mexico TAP objectives. Contact details are given in Section 4.6 below. We also recommend that in advance, prospective bidders check the terms and conditions in the Grant Agreement, which can be downloaded from the Embassy's website.

Implementers whose bids are successful at the concept stage will be invited to develop full proposal bids.

4.3 Development of Full proposals

If a concept bid is selected, the implementer will be provided with templates and instructions on developing a full project proposal bid, which will involve a detailed project plan and an activity-based budget. Only bids selected at concept stage will be invited to submit full bids. Implementers will be informed of selected bids.

If necessary applicants may request funding to support the development of a full proposal. Decisions on whether to provide such funding will be taken on a case-by-case basis, drawing on evidence supplied by the applicant, and will be at the sole discretion of the Mexico TAP team.

4.4 Approval of Full Proposals

Full project proposals will be assessed by a Programme Board consisting of senior officials from the British Embassy Mexico, BEIS ICF London, and input from external sector experts. Proposals will be assessed on the selection criteria listed under 2.2, above.

Successful projects will start from:

October 2018 for **Early transition activity projects**; and
November 2018 for **all other projects**.

4.5 Submission

Concept proposals must be submitted in **English only**. Submission should include:

- The completed Project Concept Bid Form
- The complete Project Concept Bid Checklist
- The CVs of key staff leading the delivery of the project at the implementing organisation(s)

Submissions should be sent to **both** ICF.Mexico@fco.gov.uk **and** ICF.Mexico@beis.gov.uk, by deadline.

4. Bidding Process

Deadlines

Early Transition Activity	Skill Sharing	1 Year Projects
Deadline of concept bids for Early transition is activity projects 23:59 on Friday 27 July 2018	Deadline of skill sharing bids is 23:59 on Friday 10 August 2018	Deadline of concept bids for 1 Year Projects is 23:59 on Friday 10 August 2018

4.6 Contact Details

For enquiries please contact:

Mexico Technical Assistance Programme Team

ICF.Mexico@fco.gov.uk and ICF.Mexico@beis.gov.uk