

## Call for consultancy tenders:

### ACTION BY CHURCHES TOGETHER ALLIANCE (ACT)

#### Consultancy for production of a report about post 2025 climate finance

#### Consultancy period 14 days, before the 14<sup>th</sup> of October

<b>Location:</b>	Desk work, no travel expected
<b>Type of Contract:</b>	Consultancy
<b>Languages Required:</b>	English
<b>Consultancy start target date:</b>	30/08/2021
<b>Duration of Contract:</b>	Around 14 days. Final products should be delivered the 14 <sup>th</sup> of October.
<b>Application deadline:</b>	<b>20/08/2021</b>

#### About ACT Alliance Climate Justice Programme

ACT Alliance is the largest coalition of Protestant and Orthodox churches and church-related organisations engaged in humanitarian, development and advocacy work in the world, consisting of more than 130 members working together in over 120 countries to create positive and sustainable change in the lives of poor and marginalised people regardless of their religion, politics, gender, sexual orientation, race or nationality in keeping with the highest international codes and standards.

#### Terms of reference

Developed countries have, in several UN agreements, committed to supporting developing countries with climate finance. That commitment is an integral element to the Paris agreement according to which rich countries are obliged to mobilize 100 bn USD annually from 2020 onwards to climate action in the Global South. Moreover, it is also stipulated within the agreement that from 2025 onwards, there should be a new increased financial target. The negotiations about that target and the qualifications about what kind of funding is eligible for that target are to begin at COP26.

ACT Alliance is interested in hiring a consultant to write a paper, based on existing data and research, about Climate Finances, as described within these Terms of Reference.

#### Deliverables

##### Aspects to be addressed by the desk study and the report:

##### 1. Scale

It was clear from the get-go that 100 bn USD was not enough to avoid climate crisis as the target was based on political compromise instead of solid research. UNEP has evaluated, for example, that 70 bn USD a year, is needed for adaptation alone.

The assessment should review existing research about the need for climate finance of the existing promise, and compare with data about delivered climate finance.

The assessment could, for example, be based on the reports from OECD and Oxfam.

## 2. Allocations

The concept of balance between climate action emphasis on adaptation and mitigation was introduced to safeguard funding for the vulnerable populations of the poorest countries to cope with climate risks, but it never worked. A significantly larger proportion of funding is channeled to mitigation activities. Thus, the research should assess the current balance between mitigation and adaptation as well as explore the potential for a separate adaptation finance goal.

Furthermore, requests for loss and damage finance have increased and the research should assess the existence, and potential of loss and damage finance.

The assessment could, for example, be based on the reports from OECD and Oxfam.

## 3. New and additional

Most of the climate finance is channeled as official development cooperation and there is a risk for a reduced focus on other important development needs. The concept of “new and additional” has not worked as donor countries have diverse and often vague definition for the concepts. Alas, clear rules are needed.

The research will assess the existing interpretation of “new and additional” and the potential effects for developing countries.

The assessment could, for example, be based on the report about EU climate finance, from the ACT Alliance EU.

## 4. Special attention to those most in need

According to OECD, only 14% of climate finance reach LDCs, and even less reaches local level.

The assessment should provide an overview of how climate finance is allocated to different countries and if possible, how much support reaches down to local level.

The assessment could, for example, be based on the report about EU climate finance by the OECD, ACT Alliance EU, and IIED.

## 5. Modalities

There is confusion about the 100 bn goal because of unclear agreements about modalities. 100 bn as loans is not the same as 100 bn as grants. Loans are needed especially in larger-scale commercial renewable energy projects but should not replace grant-based finances for the poorer contexts where there is a significant risk of increasing the debt burden.

This section should also discuss the ways of building the accountability of leveraged funding from private sources as part of the financing goal for post-2025.

The assessment could, for example, be based on the report about EU climate finance by Oxfam and ACT Alliance EU.

## 6. Definition

Reports document that no agreement on the definition about what kinds of projects are eligible for climate finances exists. It has led towards a top-down managed fashion of enacting finances which favours the donors instead of beneficiaries.

At the same time, reporting results from financed projects is opaque, and subsequently, developing definitions might go hand-in-hand with developing practices (indicators and metrics) for showcasing impacts too.

The assessment could for example be based on the report about EU climate finance by CARE.

## 7. Alignment of financial flows / 2.1.c

There are no clear agreements or targets, and no possibility to monitor. It is still important to ensure the fulfilment of the Paris Agreement. This includes the elaboration of modalities for financial flows (i.e. flows which are not part of climate finance).

## 8. Projections / monitoring and transparency

The issue of monitoring and transparency concerns the above-raised discussion about the results. The practices of how, at least, the key institutions channeling climate finances (e.g. multinational development banks, the UN funds, World bank funds) report their impacts should be harmonized and made publicly accessible for critical scrutiny.

The study could also analyse some key suggestions circulating in academic and gray research literature.

The assessment could, for example, be based on the report about EU climate finance by CARE.

## Deliverables

The consultant will produce a report on Climate Finance that includes:

1. Foreword (written by ACT Alliance)
2. Introduction, with background about climate finance
3. Assessment: A number of aspects of climate finance are addressed. Each aspect will be addressed in three ways:
  - a. Experience from the past (based on desk study)
  - b. Voice from the global south (why is it important/what is the problem) (quotes gathered by steering group)
  - c. Recommendation for the post 2025 finance goal (written by consultant based on discussion with steering group and the ACT framework position)

Each aspect will be covered in two pages, including photos/tables/illustrations, in a language which is not too technical (target group: negotiators, ACT members, faith groups, media, youth).

The consultant may request assistance from the ACT Alliance related to layout, photos, proofreading, etc. The Lutheran World Federation, Dan Church Aid and FELM will be crucial partners in this project and will, therefore, also provide expert advice in terms of the content of the report.

## Timeframe and cooperation

The consultant will work closely with a steering group, consisting of climate finance experts from the ACT Alliance. The steering group will contribute with suggested data and research, which can be used for the study, and the steering group can also contribute with text suggestions, e.g. for the foreword, and quotes from related to the different aspects referred to above).

The consultant should propose a timeline, including calls, together with the steering group, and a final deadline by the 14<sup>th</sup> of October.

## Qualifications and experience

The consultant shall have as a minimum:

- An excellent knowledge about climate finance
- Fluency in written and spoken English
- Experience in the writing of reports for media use
- Research experience

### Tender process

Only registered consultants or companies shall be considered. Qualified and interested parties should send their tender application to: [recruitment@actalliance.org](mailto:recruitment@actalliance.org) by **24.00 CET 20/08/2021**.

In your tender, please include:

- Expression of Interest, including time estimation
- CV of the consultant
- Justification of consultancy or company registration.
- Samples of/or links to previous consultancy work completed.
- List of 3 professional reference persons
- Financial offer: gross daily rate for the consultancy in USD, EURO or CHF - including administrative overheads, taxes/VAT and charges.

Please note that only shortlisted applicants will be contacted.