



Terms of Reference for the establishment of a LIFE-AR Project Implementation Unit in Uganda

Date: December 2022

Location: Uganda

Assignment title	Terms of Reference for the setup of LIFE-AR PIU in Uganda
Reporting to	Joseph Eritu, Permanent Secretary, Ministry of Water and Environment
Duration of assignment	30 days
Assignment logistics	

1.0 Project background

To date, responses to climate change have often been short-term, projectised and sectoral, with limited impact due to climate action requiring long term, cross-sectorial and multi-level support. In addition, climate responses have often been defined and led externally and not by the Least Developed Countries (LDCs) themselves, limiting opportunities for long-term capacity building and the building of LDC systems.

To overcome the pressing and unprecedented challenge of climate change, the LDCs have launched their 2050 Vision for a climate resilient future: all countries to be on climate-resilient development pathways by 2030 and deliver net-zero emissions by 2050. One initiative to support LDCs in achieving this vision is called the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). This will be LDC led and driven, ensuring climate action is in line with LDC needs and priorities.

LIFE-AR is a 10-year initiative to support LDCs to strengthen their approaches to climate resilience and support learning between countries. The LIFE-AR Platform will initially work closely with a group of six “front-runner countries” (FRCs) who are ready to commit to the changes required to deliver the Vision¹. The front-runner countries will develop, strengthen, and operationalise their own long-term climate resilient and low emission strategies and build on the core development interventions in country.

¹ Uganda, Malawi, Burkina Faso, Ethiopia, Bhutan, The Gambia

IIED has been providing support to the LDCs on climate change for nearly 20 years, including technical advice, training and capacity strengthening for its members and leaders. The LDC Group considered the options for a partner to support the interim period before the LIFE-AR/LDC Platform is fully operational, and selected IIED to act as the interim secretariat for LIFE-AR.

In the future LIFE-AR will be housed in a new platform to be established and managed by the LDCs. The legal identity for this Platform is currently being discussed by the LDC Group.

Within their current role of interim secretariat, IIED is to provide support to (i) the establishment of the global LIFE-AR/LDC Group Platform that will take over providing the secretariat for the implementation of the initiative and the management of the funding; while (ii) Manage the LIFE-AR funds on behalf of the LDC group and identify interim measures for getting funds into each FRC quickly while developing, with the FRC, a more sustainable, long-term mechanism that strengthens existing public finance management systems to enable countries to gain direct access to LIFE-AR funding from the LIFE-AR/LDC Group Platform thereby creating a track record for gaining direct access to global climate finance.

In order to provide recommendations on the different financial modalities, with their pros and cons, for an in-country financial mechanism able to operate in Uganda, a financial consultant was contracted to conduct a review and produce a report outlining the recommended options for implementing the Test and Evolve Phase of LIFE-AR in Uganda.

These recommendations were provided in light of (i) the different donor conditionalities (currently FCDO and Irish Aid, but potentially additional donors); (ii) the country public finance management policies, legislation and regulations; and (iii) the principles that underpin the LIFE-AR initiative.

The report and discussions with relevant stakeholders (LIFE-AR development partners and Ministry of Finance in Uganda) led to a recommendation of establishing a new Project Implementation Unit (PIU) as an appropriate model for receiving, disbursing, managing, and reporting on LIFE-AR funds in Uganda in the current context for its compatibility with the development partners' conditions of funding (donor conditionality), and within the context of Uganda and the LIFE-AR principles.

2.0 Purpose

This Terms of Reference is **to provide a clear implementation plan, including a governance framework, a financial management protocol and a clear timeline in order to establish the LIFE-AR Project Implementation Unit** (LIFE-AR PIU). The assignment will draw on the Government of Uganda's experience of using PIUs and detail the resources needed and the financial management policies and procedures required to ensure sound financial management, transparency, compliance and accountability for LIFE-AR in Uganda, as well as ensuring the LIFE-AR Principles that the Government of Uganda have committed to through the LIFE-AR partnership compact are upheld.

This consultancy will produce a PIU manual that will support the PIU to align with current donor conditionalities, LIFE-AR principles, and the principles and standards outlined in the LIFE-AR Standard Operating Procedures (SOP) Manual that is currently under development, as well as a roadmap for implementation which includes key decision points, roadmap for implementation and a timeline. This alignment is essential for the PIU's success and its ability to be scalable as the initiative develops (drawing on the CRGE (Climate Resilient Green Economy Facility)_example from Ethiopia and others for examples of funding facilities that have demonstrated long-term and scalable structures) for Uganda. PIUs can often be time bound and project focussed. This PIU needs to support the Government of Uganda to strengthen wider

capabilities and capacities from the outset and take a more long-term approach to implementation and capacity building that will ultimately be wider than LIFE-AR.

3.0 Scope of Work/Assignment summary

This work is intended to develop the governance, legal and financial policies and procedures required for the setup of the LIFE-AR PIU.

The scope of work for this consultancy includes:

- i. Organising an inception meeting to agree on the scope of work
- ii. Develop an implementation plan outlining what to do to set up the PIU within the expected timeline (PIU will need to be ready to receive funds by end of March 2023), with indication of required documents for each step for effective planning, clear decision-making trigger points and responsibilities. This includes organising a validation meeting with relevant stakeholders to validate the plan.
- iii. Develop a PIU establishment report that includes;
 - a. **A governance Framework**, taking into account the agreed legal status of the PIU, through a collaborative process for the overall governance of the PIU. This will include setting out the roles, responsibilities, modus operandi and membership of the Board (or other supreme governance forum), a Steering Committee, and a Management Team (or such other governance bodies as may be decided). Provide **a clear visual map** of how this PIU will link strategically as well as operationally with the existing climate finance unit in Uganda and the Nationally Determined Contribution delivery plan. Expert/s will conduct interviews with current PIUs in the MWE and other Ministries, Departments and Agencies(MDAs) of Government to understand best practices already in place where PIUs align with government financial systems;
 - b. **A legislative and Donor compliance note** building on the previous financial management consultancy, to establish the extent to which the PIU must comply with legislation which covers the use of public funds, including (but not limited to) the Public Finance Management Act, the Public Audit Act, and the Procurement and Disposal of Assets Act. Prepare a detailed note of legislative requirements which PIU must comply with and indicate other areas where it would be desirable.
The Consultant will review finance providers written guidelines where not covered in the previous consultancy and conduct interviews with finance providers and others to establish any specific donor conditionalities or requirements which would impact on the design, nature or operations of PIU if needed (*For example, donor requirements that LIFE-AR funds cannot currently pass through Government systems and procedures*).
 - c. **A Matrix of Authorities** (organogram highlighting the positions in the PIU and linkages to existing Government of Uganda structures) setting out levels of responsibility in terms of decision making using a RACI (Responsible, Accountable, Consulted, Informed) methodology;
- iv. In light of all of the above, develop a **PIU financial management protocol** which is consistent with applicable legislation and LIFE-AR Principles and which includes, but is not limited to sections on:
 - The applicable accounting standard
 - Financial information within the Management Information System (MIS)
 - Budgeting and Reporting
 - Risk Management

- Performance management
 - Compliance [including with donor conditionality]
 - Internal and external audit function (including annual audit and financial statements)
 - Bank accounts including signatories
 - Record keeping
 - Liquidity management
 - Bank reconciliation
 - Processing all payment requests under contracts, funding agreements or other obligations
 - Payments
 - Expenses
 - Treasury management
 - Records management
 - Procurement and grant management
- v. Develop a **staffing structure** for the PIU and identify other non-staffing resources which may be required.
- vi. Develop a **PIU budget** for the operating costs of the PIU.
- vii. Develop a **risk matrix** outlining the key risks which could affect the establishment of the PIU and its subsequent operations.
- viii. Those documents will be part of the final PIU establishment manual that will be approved by the Board. The Consultant will also prepare relevant Board papers for Board sign off.

The purpose of the LIFE-AR PIU in Uganda is to support the implementation of the LIFE-AR initiative. As part of this, the set up and structure of the unit will need to follow the LIFE-AR “Offer and Principles”². The implications of these principles for the unit are briefly explored below

LIFE-AR Components	Implication for the PIU
Coordination	LIFE-AR seeks to support transparency and accountability through a shared and equal platform. The PIU will therefore need to enable transparent financial decision-making and accountability on the flows of funds that are communicated clearly to stakeholders.
Finance	LIFE-AR seeks to delivery 70% of finance to support local level action on the ground by 2030. The PIU will need to ensure that financing is aligned to this objective, that is, for the financing structure to seek to strengthen the national and local financing systems to be able to achieve these flows. This will also mean that administration costs of the PIU will need to be kept as low as possible, so that more money is available to flow down to the local level.
Planning	LIFE-AR seeks to integrate climate into national and local development objectives. The PIU will need to support the integration of resilience, mitigation and adaptation planning to be embedded within government planning, budgeting systems and financing frameworks at the national and local levels over the long term.

² Insert [link] to LIFE AR Offer and Principles.

Capabilities	LIFE-AR seeks to support the strengthening of climate capabilities, institutions, knowledge, skills, and learning. The PIU will need to support the strengthening of national and local institutions and capabilities over the long term.
Governance	LIFE-AR seeks to support inclusive governance of climate decisions that are centred on gender transformation and social justice. The PIU will need to support, and be governed by, inclusive governance of decision-making.

5.0 Outputs

- A. An **inception meeting** to agree on the scope of work
- B. An **Implementation Plan** on what to do to set up the PIU within the expected timeline, with indication of required documents for each step for effective planning, clear decision-making trigger points and responsibilities.
- C. **Workshop** held in Uganda to support the MWE to agree the implementation plan
- D. **Governance Framework**
- E. **Legislative and Donor Compliance Note**
- F. **Matrix of Authorities**
- G. **Financial Management Protocol**
- H. **Staffing Structure**
- I. **PIU Operating Budget**
- J. **Risk Matrix**
- K. **A PIU establishment final manual– validated in a Task Team meeting**
- L. **Preparation of relevant Board paper for the report to be approved by the LIFE-AR Board**

Outputs	Date	Review
Inception meeting	9 th January	NA
Submission of draft implementation plan draft	13 th January	Week of 16 th Jan
Submission of final implementation plan draft	20 th January	Week of 23 rd Jan
Workshop to validate the implementation plan	8 th of February	NA
Draft PIU Governance Framework	3 rd of February	Weeks of 6 th and 13 th Feb
Draft Legislative and Donor Compliance Note	20 th January	Week of 23 rd Jan
Draft Matrix of authorities	27 th January	Week of 23 rd Jan
Draft Financial management protocol	27 th January	Week of 23 rd Jan
Draft Staffing structure	3 rd February	Week of 6 th Feb
Draft PIU operating budget	3 rd February	Week of 6 th Feb
Draft Risk matrix	3 rd February	Week of 6 th Feb
PIU establishment final report	10 th February	Week of 13 th Feb
Organisation of the task team meeting to sign off final report	Week of the 13 th February	NA

Draft Board paper to sign off report at the Board level	15 th of February	Week of 13 th of Feb
Final Board paper to sign off report at the Board level	22d of February	NA

6.0 Time Frame

The consultant/s would be needed for a total of 30 days of work (with 2 to 3 trips to Uganda if not based in Uganda) over a 3-month period.

7.0 Reporting Requirements/Project Organization

The consultant could operate as an individual or as a team.

They will be working as part of a team that will include Government staff designated by the LIFE AR focal point, Joseph Epitu, in Uganda. The Government team will involve the Ministry of Finance, Planning and Economic Development.

The expert/s will be required to lead the process below and outline clear roles and responsibilities within the team he or she is working with from the Government.

1. The Consultant/s shall report to the Permanent Secretary, Ministry of Water and Environment, Alfred Okot Okidi on formal aspects of the contract, including interpretations and obligations.
2. However, for operational matters, the Consultant/s shall be supervised by Joseph Epitu, the LIFE-AR National Focal Point in Uganda, and by Lilian Motaroki, Researcher, of the International Institute for Environment and Development (IIED).

The Ministry of Water and Environment in partnership with IIED will work together to support the consultancy processes. IIED will be involved in the process of selecting the Consultant/s and reviewing the outputs once submitted.

8.0 Consultant's Inputs

The expertise needed is:

- at least 8 years' experience of excellent financial management/accountancy;
- an understanding of LIFE-AR current financial providers' conditionality and requirements³;
- a practical understanding of the Public Finance Management Act in Uganda;
- experience working in and/or managing/establishing a PIU for the Government of Uganda;

³ Safeguarding, Modern Slavery, Environmental Social and Governance (ESG), Health, Safety Environmental and Social (HSSE), Equal opportunities, gender and diversity, Bullying and Harassment, Anti-Bribery and Anti Money Laundering (AML), Climate, Expenses, Value for Money and Procurement, Data Management, Reserves, Whistle blowing, Due Diligence, project development and appraisal systems and processes.

- experience of developing user-friendly financial management/fiduciary management protocols, handbooks, guides; and
- experience of public sector training and capacity building.

The expert/s shall be required to provide the following;

- Professional personnel (with relevant qualifications and experience) in Accounting/Financial Management
- Own transport for the period of the exercise
- Own Secretarial services, including materials
- Own office facilities

9.0 Support from the Client

The Client shall provide the following inputs to support the Consultant in undertaking the assignment:

- Relevant documents related to the assignment and LIFE-AR project.
- Relevant staff shall be made available to attend scheduled Workshops.
- A contact at the Ministry of Water and Environment to work alongside the consultant and lead the development of the financial management protocol.
- Inputs from IIED throughout the process.
- Any other information required for the exercise in the agreed time.

11.0 How to apply

In order to express your interest in this consultancy we request you to email Joseph Ebitu - <josephebitu@gmail.com>, and copy Valentine Lecluse <Valentine.Lecluse@iied.org> by Friday 16th December with a technical and financial proposal for us to consider.

12.0 LIFE-AR Reference Materials

LIFE-AR 10 years strategy

LDC Group Vision - see <http://www ldc-climate.org/wp-content/uploads/2017/12/LDC-Group-Vision-1.pdf>

PIU structure document

The Financial Consultancy Final report

Current drafts of the LIFE-AR SOP manual

Roles of different actors in the current financial management structure under LIFE-AR:

Front Runner Country Ministry

LIFE-AR Secretariat

PIU Uganda

- National Platform (NP)

- Planning
- Implementation
- Delivery of outcomes
- Budget management
- Expenditure Decisions
- Reporting for stakeholders
- Issuing disbursement requests to Financial Agent
- Development and implementation of the global SOP for LIFE-AR
- Oversight of use of donor funds
- Guide budget approval process
- Technical support to NP planning and Implementation including budgets, procurement & TORs, contract management
- Reporting to LDC Group and donors
- Build Capacity
- Support budget preparation
- Ensure compliance with donor funding conditions
- Manage budget
- Procure services (manage procurement process, support ToR drafting)
- Payments to SPs
- Service contract performance management
- Reporting to NP and Secretariat on (financial, compliance, outcomes)