

## Green Financing Facility

### Independent Mid – Term Evaluation



Submitted by

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## List of Acronyms and Definitions

Acronym	Definition
ACoDG	Avoided Cost of Diesel Generation
ASS	After Sales Service
Continuing Operations Period	Period from completion of first pilot project
EPC	Engineering, procurement and construction agreement
Establishment Period	Period from inception to the delivery of the first pilot project
Green Box	Initiative to measure live energy consumption
LCOE	Levelised Cost of Energy
LTA	Long Term Agreement
O&M	Operations and Maintenance
PPA	Power Purchase Agreement
PPS	Pre - design Power Solution
PSC	Private Sector Comparator
PT	Project Team
Secondary Bidding Stage	PPS procurement stage where framework PSC's tender for specific works using agreed BOQ pricing
Sida	Swedish International Development Cooperation Agency
Supporting Services	UNHCR departments such as procurement and legal
Type 1 Contracts	Lease style contracts
Type 2 Contracts	EPC +O&M style contracts

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## 1 Executive Summary

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### 1.1 Findings

This report is the second deliverable in the assignment for the 'Mid - Term evaluation of the Green Financing Facility (GFF)' carried out by the MRC Group (comprising Energy Market and Regulatory Consultants LTD (UK)).

#### 1.1.1 Pilot Implementation successes

The GFF conducted a comprehensive project development program for energy service contracts (PPA or Lease) in East Africa, starting in Ethiopia, Kenya and Uganda covering both technical as well as regulatory assessments.

The first energy service contract was signed by UNHCR with the private sector, leveraging 7 Mio USD of private sector investment, anticipating cost savings for UNHCR operations over next 10 years of 2.5 Mio. USD (20% savings compared to BAU), and expecting emission saving potential over next 10 years of 11.000 t CO<sub>2</sub>eq (80% savings compared to BAU).

Establishment of project pipeline for PPA/ Lease agreements covering up to 30% of UNHCR GHG emissions.

#### 1.1.2 Data Collection Roll-Out and Building of Global Project Pipeline

This workstream provides the GFF with the necessary understanding of on-site energy costs, energy management systems, efficiency of generation sources, emission factors, etc., which are necessary to do business case development, and entailed the following:

- Roll-out of over 400 GreenBoxes
- Completion of 48 feasibility studies covering the comprehensive supply and demand assessments of UNHCR operations with investment grade recommendations for solarisation and energy efficiency
- Development of a monitoring system with RETScreen for global GHG emissions and building of project pipeline

#### 1.1.3 Adjustment of Procurement Strategy for Smaller Sites

The Establishment period has seen a shift in strategy, with a move from projects only using the Guarantee modality (or lease model), principally seen in the Pilot and Ethiopian projects, to additionally using the Revolving Fund modality (Framework (PPS) or EPC models). Please refer to Figure 1 – Number of Compounds below.

Figure 1 - Number of Compounds

	2022	2023	2024	2025	TBC	Total
Lease	4	5				9
PPS / EPC		44	44	23	180	291
<b>Total</b>	<b>4</b>	<b>49</b>	<b>44</b>	<b>23</b>	<b>180</b>	<b>300</b>

Source: Energy Team 2022 plan v2.xls; Annex A TOR – for PPS

The intention is to use the Guarantee model to address the largest facilities (accounting for approximately 30% of UNHCRs emissions) and the PPS (Pre - design Power Solution) model to deliver the smaller sites (majority of the project pipeline), except for where there is a country or other specific requirement justifying the use of an EPC model.

The shift in contract approach is driven by several factors:

1. The need for a more flexible or agile model, capable of meeting short term requirements. The expectation that the PPS model is more capable of being scaled up or down to more closely reflect the ongoing operational requirements of UNHCR in response to refugee needs globally
2. Due to improved data on UNHCR sites their energy sources and their associated energy needs through the installation of over 400 energy meters and survey - based data collection. Energy consumption on the majority of sites is smaller, and more volatile than originally anticipated. Furthermore, the majority of the smaller sites are tailored to short-term needs in the field and therefore more suitable for shorter contract periods than implemented with a PPA/ Lease model.
3. The shift from a focus on cash flow leveraging (i.e. making more cash available earlier, a benefit of the Guarantee modality) to the acceleration of project roll - out (simpler and quicker procurement using the EPC contract delivery model)
4. A restriction in available in - house resources to deliver the pipeline of projects, leading to a tendency for more traditional procurement
5. The more standardised EPC style / PPS contract type has a simpler procurement process and is initially more recognised in the market and familiar to UNHCR as an organisation.
6. Affordability constraints for lease payments as compared to the calculated EPC payments

The difficulties in bundling multiple compounds within a lease structure have resulted in a significant reduction in opportunities to use this contract option. Challenges include regulatory environment immaturity and scrutiny, jurisdictional differences, transactional cost and complexity, and additional resource requirements.

A possible benefit of multi - site contracts is the economies of scale offered by the Lessor, for both the provision of assets, but also the provision of O&M (both maintenance and lifecycle) services. These economies of scale have to be weighted however against the additional complexity of bundling jurisdictions as described above.

The multi - site contract may also attract larger, more robust Tenderers, providing better risk management for the tenure of the lease.

The procurement of long-term contracts can conflict with the term and type of rental agreement on the compounds, which are typically leased on a shorter term let.

It isn't certain yet that these perceived benefits of multi-site contracts will be realisable by UNHCR as the Pilot projects are not yet under construction and therefore the benefits and impact of this approach are still to be verified.

The PPS model attracts some of the benefits of the multi - site contract, in that it potentially offers economies of scale in the purchase of assets (where the PSC has visibility of a pipeline of projects) with the possibility of a similar benefit for O&M services.

The PPS model does offer a robust procurement of PSC contractors (a limit of circa 5 PSC's to be selected), which should allow those selected to invest in suitable resource to deliver the pipeline of upcoming projects.

Initial testing of the PPS model (see the Lebanon example 4.3.1) demonstrates the difficulty in applying a template solution to an asset with multiple and complex factors. For many urban based compounds, a bespoke EPC model becomes the easiest to transact.

In both PPS and Lease model there is the requirement to interact with the local regulator (due to the asset interaction). Whilst this activity is transferred to the PSC in a Lease model, the PT has found that the diligence requirements needed for a Lease transaction are substantial. The significant reduction of regulatory requirements and interactions with local regulators under the PPS model due to UNHCRs privileges and immunities was one driver for the adjustment of procurement strategy.

**From a GFF perspective, the change in strategy results in the more rapid consumption of Fund resources, but with accelerated repayments to the fund via service charges to the GFF.**

During the interview process, it was suggested that the UNHCR typically procures for goods and services. The procurement for owned assets or similar constructs is less familiar, although the UNHCR does have substantial experience in some asset classes such as vehicles.

The use of the PPS model transfers ownership risks to UNHCR. Whilst this is not necessarily positive or negative, it is important that the risks are understood and managed.

The Table below summarises the key differences between the two approaches:

*Figure 2 - Owned Vs Leased Assets*

Criteria	Owned	Leased
Costs	Payment up front	Payment spread over lease term
	Internal finance costs	Payment includes the cost of finance
Performance	Supply of energy risk sits with UNHCR	Supply of energy risk sits with the Lessor
O&M	Procured separately and the risk of failures outside of the warranty period sits with UNHCR	Included in the Lease payment Performance driven

Termination	Risk sits with UNHCR	Risk sits with UNHCR
Decommissioning	Risk and costs sit with UNHCR	Risk and costs sits with the Lessor (not applicable if the agreement is to be extended/ asset transferred to UNHCR)
Term	5 years or repayment within the limits of LCOE cap	10 years; and potentially longer

The move to an ownership model removes cost certainty from an UNHCR perspective. Repairs outside the warranty / insurance period, decommissioning and O&M pricing are subject to change throughout the asset’s life (or at least the medium term). This can create uncertainty when budgeting for these services and parts in the future.

The PPS model seeks to mitigate some of this risk by:

- Limiting the number of framework Suppliers pre - qualified, thereby ideally focusing on experienced and robust PSCs
- Limiting the number of technologies to monitor and integrate into the global monitoring software
- Better managing spares on a regional basis
- Allowing the extension of the framework from 3 to 4 or 5 years
- Requiring After-Sales services for up to 5 years
- Use of insurance to mitigate some of the asset performance risk
- Having a single contract structure applicable to all PSCs in all jurisdictions

**The use of the PPS contract model more closely meets the UNHCR’s short term requirements for accelerated project roll - out, in addition to providing flexibility and scalability. The PPS structure has initial provisions to mitigate some of the ownership risks, and a framework to enable further development via the two - stage procurement process.**

#### 1.1.4 The GFF Team

Through the period from GFF inception to the current period, the Project Team (PT), and UNHCR support services (Procurement and Legal), have developed a depth of understanding of the solar renewables and procurement environment. Whilst this process has at times proven challenging in the face of developing an innovative funding solution, it has allowed for the creation of a core team of in – house experts, now available to support the delivery of the Continuing Operations phase.

As part of the development process, both the PT and Legal teams have recruited specialist in - house resource to support the project. This not only ensures consistent central support, but also the ability to support Countries and Regions.

It is noted that the support services, and in particular the Legal team, have been involved in the strategic and operational development of the scheme from an early stage, which is an example of good strategic development management.

Whilst the development of the strategic plan has been positive, the application of the innovative procurement approach (the Lease model) has been more challenging. There have been some difficulties in adjusting the existing UNHCR procurement policies and processes to meet the model's requirements. This has resulted in delays and has in part contributed to the addition of the PPS model.

**There is a recognition that the Establishment Period has been particularly challenging in the face of the change in strategy and levels of complexity the project carries. The overall result of the Period to date shows excellent progress, with a deliverable framework in place.**

**It is also recognised that the PT team will need to be expanded to meet both project scope and timelines.**

### 1.1.5 UNHCR Policies, Processes and Systems

Throughout the interview process, the challenges offered by combining a complex contract construct such as the Lease model, with internal UNHCR policies and processes was made evident. This is also evident in the added complexity of cross - border jurisdictions, local regulatory and legal frameworks where UN standard policy / exemptions differs from the typical commercial position.

**Whilst the external challenges are difficult to manage, there are several internal policy matters, particularly around the procurement process which could be amended to better suit the project, driving better value for money and a more robust outcome overall.**

**Given the volume of project work and timescales involved in the delivery of the Continuing Operations program, dedicated procurement, finance, legal and commercial processes and documentation should be put in place to facilitate the delivery of the program.**

**A comprehensive suite of communication plans should be developed for each of the Stakeholder groups listed below.**

**Communication Plans to be developed:**

Stakeholder	Benefits
Internal UNHCR Departments	Better coordination of strategic and operational matters
Private Sector / Bidders	Enhanced clarity on tendering structure and bidding process
Donors, Foundations	Increase the likelihood of sponsor funding
Other UN Agencies	Promote the use of the GFF facility across the UN to achieve economies of scale and knowledge transfer
Country Operations	Increase interest and understanding among country operations
General Public	Demonstrate best practice and value for money initiatives



## 1.1.6 Private sector engagement

Private sector engagement for the Pilot project was good, with 7 tenders shortlisted and 4 compliant tenders received. The second Lease project in Ethiopia received 10 shortlisted tenders with 5 compliant tenders received.

Feedback from the Preferred Bidder on the Pilot project was mixed. The attractiveness of a large - scale project with the UNHCR is significant, but the learning curve for the lease model has proven challenging from both a commercial and cost perspective.

This lack of understanding has led to pressures in deliverable timescales, and an increase in project risk.

This is in part due to the Preferred Bidder's lack of knowledge of this contract methodology and a failure to procure legal representation.

The tender documentation could provide additional clarity in the context of a new contract model. A more detailed explanation of the legal, technical, and commercial aspects of the contract model could be included, with the possible addition of worked examples and frequently asked questions sections.

No feedback is available for the PPS / EPC models.

**There is a risk that the uncertainty around the contractual position on the Pilot has resulted in a mis - pricing of the services by the PSC. Whilst performance risk sits with the PSC, quality of service may be impacted.**

## 1.1.7 Partnering and Promotion

UNHCR has already secured \$8m of funding from BMZ and have developed a strong technical partnership with GIZ. Additional funding for 2022 staffing was sourced from the Government of Japan and a number of events have been attended including the European Humanitarian Forum, and NGO Week, to promote the lessons learn from the Project.

UNHCR aims to develop a more strategic and targeted approach to its fundraising efforts on Climate agenda, including the GFF. UNHCR is proposing a preliminary approach on how it may work to support these efforts. Some of the areas may include, but not be limited to:

- UNHCR identifies the most relevant donor prospects across Trusts and Foundations, Corporate Foundations, Corporates and other leading stakeholders in the Climate space.
- Leverage key climate events (COP 27, Climate Week, WEF, etc) for visibility, new partner introductions and positioning of UNHCR in the climate space and displacement
- UNHCR plans and organizes a series of round table with like-minded funding partners and other relevant actors in the energy space to: i) discuss climate and displacement interconnections, ii) present UNHCR Climate strategy and its portfolio with impact-oriented climate & displacement initiatives, with a focus on Green Financing Facility, iii) among other
- UNHCR brings a small group(s) of like-minded funding partners to the field

As the climate space is very extensive, UNHCR has preferred not to list all its potential partners at this stage. The following is a sample of potential partners that may also be interested in the GFF and the broader climate and displacement agenda: Rockefeller Foundation, Climate Works Foundation, Bezos Earth Fund, Children's Investment Fund Foundation (CIFF), The Africa Climate Foundation.

**The promotion and wider development of the GFF is on the agenda for the Continuing Operations phase.**

## **1.1.8 Procurement**

The GFF has successfully taken the Pilot project to contract signing and has further developed its understanding of the Lease model through the second procurement for the GFF, the Melkadida (Ethiopia) project.

The structuring and delivery of the procurement process has been challenging due to several factors:

- The novel nature of the contract structure from an UNHCR perspective
- The change in contract structure focus (from Lease to PPS / EPC)
- Issues with the continuity of both internal and external staffing
- At times, competing priorities between internal support services
- The quality of data from project sites and the limited dedicated resource on site.

There remain a number of outstanding Conditions Precedent with the Pilot preferred bidder including funding finalisation and a number of permitting items which requires resolution prior to full ratification of the agreement.

The PSS model is in final stages of procurement and is awaiting approval for the selected 5 suppliers. Procurement for the Secondary bidding stage is to commence in early 2023.

We understand that the Secondary Bidding contractual framework has yet to be finalised, along with the final EPC contracts for those projects following this contract method.

## **1.2 Recommendations**

### **1.2.1 GFF Strategy**

1. Given the changes to the original strategy and delivery methodology, it may be worth extending the Establishment Period (as defined in the Charter, S8) from the completion of the Pilot period to the completion of the first defined PPS project (Pilot 2). This will allow for the proper definition of process and subsequent mobilization of resource for the core mechanism used in the delivery of the GFF.
2. The GFF Charter, Operations Manual and Facility Design document enshrines the objectives and methodology of the GFF. It is important that this document remains a working document and is kept up to date on a regular basis to reflect the current strategy and operational approach.
3. As part of the GFF Charter, Operations Manual and Facility design review, it is recommended that the strategic objectives be reviewed and set against a timeframe, short, medium and

long term. These may also be prioritised to allow for both de-carbonisation and financial savings.

## **1.2.2 GFF Team**

4. As part of the preparations for the commencement of the Continuing Operations phase, and further to recommendation 1., the GFF Team and dedicated supporting services should be assessed and sufficiently resourced to meet the GFF strategic deliverables and timescales.

## **1.2.3 UNHCR Policies, Processes and Systems**

5. Given the volume of project work and timescales involved in the delivery of the Continuing Operations program, dedicated procurement, finance, legal and commercial processes and documentation should be put in place to facilitate the delivery of the program.
6. A comprehensive suite of communication plans should be developed for each of the Stakeholder groups identified.

## **1.2.4 Private sector engagement**

7. Private sector engagement can be enhanced by:
  - a) With respect to the Lease model, where possible continue bundling multiple projects so the project value justifies the bid costs and drives value for money through economies of scale and risk transfer.
  - b) With respect to the PPS model, offering a clear and certain project pipeline, with sufficient forward notice.
  - c) Developing the procurement documentation (from market briefings through RFP) to more fully and clearly describe the contract terms and conditions; ideally with examples.

## **1.2.5 Partnering and Promotion**

8. Given the change in strategy adopted by the UNHCR regarding the use of the various contract types and the significant impact this has on the application and use of the GFF, consideration should be given to the basic principles of the Fund where applied to other sectors / agencies / asset types. The use of the Guarantee modality, via a non – ownership, balanced risk transfer approach should be attractive to a variety of situations. Similarly, the PPS model, where a pipeline of projects is ascertainable and a design solution is suitable, should generate positive value for money.

## **1.2.6 Procurement**

9. The consultant has proposed the use of the UK HM Treasury Green Book guidance to be used to review and align with the current processes for both feasibility and business case methodology and presentation. The UK HM Treasury Green book is widely considered to be a benchmark for best practice and provides a consistent and transparent framework for the

assessment of the benefits, risks, financial, commercial, legal and technical assessment criteria.

10. The procurement tender documentation for the lease structure should be reviewed and updated to provide additional clarity. This should be streamlined and clarified, so that both the contract construct and procurement process is fully understood by the tenderers.
11. Lessons learnt should continue to be discussed and documented considering the Pilot learning points and market imperatives.
12. Template contracts for the EPC / PPS style contracts have yet to be finalised. These should be tested and communicated with the market to ensure that the procurement process and associated contracts ensure adequate risk transfer is achieved for UNHCR and that these are acceptable to the target Bidders.
13. It is recommended that future Lease type procurements, or any non – ownership model contract, have a pass / fail criteria included at the EOI stage to determine whether the bidder is likely to have funding in place to deliver the project. This can be evidenced in the form of Bank letters of support, balance sheet commitments, consortia member funding commitments, or any other tangible commitment to deliver funding. This should then be crystallised prior to the completion of the RFP process and a condition of selection as PB.
14. For PPS / EPC type projects, Information such as turnover (as a proportion of contract value), financial ratios, insurance levels, and credit ratings can be used to assess financial risk.

## 2 Introduction

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### 2.1 Terms of Reference

The Purpose of the MTE is to take stock of progress in achieving the intended results of the GFF to date, to document key challenges in achieving those results, and to propose recommendations for improving the effectiveness, reliance and efficiency of the GFF.

The scope of the assessment is defined by:

- The period from grant inception to mid-2022 (extended to November 2022)
- Procurements to date
- Contracting types

Key Areas of Enquiry have been specified and are to be refined through the reporting process. These were supplemented by additional areas of interest as specified by Sida. These Areas can be broken down into the following categories:

- The suitability of the GFF structure and processes
- The effectiveness of the procurement process
- The identification of key challenges and lessons learnt
- Recommendations for Improvements

There are two deliverables for the works, the first, being the Inception Report, having been submitted on the 11 November, and the second being this Report.

### 2.2 Initial Concept

In September 2018, the UN reaffirmed its commitment to ‘curb the effect of climate change’. This followed several initiatives as set out in the UN’s Climate Neutral Strategy.

UNHCR’s compounds, premises, and offices generate greenhouse gas emissions of 33,461 tons of CO<sub>2</sub> annually (2022). This is the largest source of UNHCR emissions. A key source of these emissions is the use of diesel generators, particularly in African large field compounds.

The Swedish International Development Cooperation Agency (Sida) commissioned a study which showed that converting these compounds to solar energy could have both a positive carbon impact, as well as positive financial impact.

Based on these findings, Sida committed \$4m to fund a pilot scheme through the creation of a Fund and commissioned the development of the founding documents, the Charter. Within the Charter, the intention was to provide energy via Power Purchase Agreements (PPA’s). The Fund would be a guarantee fund, capable of supporting multiple projects at once, rather than follow a capital grant model.

The belief was that this model would achieve enhanced value for money and affordability through better allocation of project risk (such as Termination risk), increased private sector

competition, and longer-term concession periods. In addition, the cash flow of the Fund, and consequently that of the UNHCR is enhanced through the leveraging of Fund value.

The focus was on large sites, with the option to bundle multiple sites together to drive value through competitive tendering.

There was also a desire to utilise the fund / model to assist other agencies, such as NGO's and other UN agencies.

In 2020, the GFF guarantee mechanism was approved, followed by the Revolving fund approach in 2021; two innovative mechanisms to finance clean energy solutions.

The Guarantee Mechanism offers the PSC recourse should the contract term be cut short.

The Revolving fund approach allows for the fund integrity to remain whole (subject to several caveats), as disbursements made from the fund are repaid out of the Countries' budgets.

The GFF's Objective was to 'facilitate the switch from diesel generation, or dirty grid connection, to renewables; with two primary Objectives:

- To maximise the reduction in CO2 emissions from energy consumption in UNHCR compounds by incentivizing the switch to renewables for its portfolio of projects,
- To generate financial savings in fuel and fuel transport costs associated to diesel generation at UNHCR Compounds, and where practicable, other generators for which UNHCR is responsible,

and a Secondary objective being to increase access to renewable energy for other agencies, host, and refugee communities where possible to do so without significant cost to UNHCR.

## 2.3 Current Perspective

A significant amount of diligence has been completed in the intervening period between the GFF's inception and this mid – term evaluation. The wider initiative is ground – breaking and required careful consideration across all aspects of Project delivery.

Following on from the Green Box initiative (where compounds' energy consumption is recorded on a live basis), and the further assessment of site suitability, an assessment of the delivery method was undertaken.

It was decided that the Lease model was not the most optimal for small and medium sized compounds

There was also a need for scalability and down - scaling capabilities, which the current Lease model was less suited to.

The solution selected, being the PPS model, is considered to meet the short - term requirements of the GFF, whilst offering some protection as compared to a more standard EPC contract.

The GFF lease approach is being Piloted on two sites in Uganda (Adjumani and Yumbe) and a site in Kenya (Kakuma). As of November 2022, the Pilot project has recently signed the lease agreement and is awaiting the satisfaction of the conditions precedent. Construction is due to start on the 6th of February 2023.

The Ethiopian project is in internal negotiation due to a variance in the Office’s LCOE payment calculation, and this is expected to be resolved shortly so that contract award can occur.

As of 31 October 2022, the defined GFF project pipeline consists of:

*Figure 3 - Project Pipeline*

Project Pipeline	Type	Contracting
Pilot RFP	Lease	Dec-22
Ethiopia - Melkadida	Lease	Feb-23
Kenya - Dadaab	Lease	2023
South Sudan	Lease	2023
Mauritania	All PPS country	Sep-23
Uganda	All PPS country	Sep-23
Ethiopia	All PPS country	Sep-23
Nigeria	All PPS country	Sep-23
Rwanda	All PPS country	Sep-23
Bangladesh	All PPS country	2023
Lebanon	County lead EPC	2023
Jordan	County lead EPC	Jun-23
Pakistan	County lead EPC	Jun-23
Iran	HQ EPC	2023
Niger	Unknown	2023
Chad	Unknown	2024

Source: Energy Team 2022 plan v2.xls; Annex A TOR – for PPS

In addition to the above projects, there are additional Countries identified as part of the GFF pipeline:

*Figure 1 - Number of Compounds*

	2022	2023	2024	2025	TBC	Total
Lease	4	5				9
PPS / EPC		44	44	23	180	291
<b>Total</b>	<b>4</b>	<b>49</b>	<b>44</b>	<b>23</b>	<b>180</b>	<b>300</b>

Source: Energy Team 2022 plan v2.xls; Annex A TOR – for PPS

## 2.4 Methodology

The MTE is founded on the Key Areas of Inquiry as set out in the Terms of Reference. These have been expanded upon and categorised:

*Figure 4 – Areas of Inquiry*



<b>1 Suitability of the GFF structure and process</b>			
1.1	GFF Documentation (Charter, Manual, Fund Design) – structure & process	Does the GFF Documentation have sufficient clarity and detail to appropriately support the implementation of the projects? Is the documentation up to date?	Desktop review of version control through procurement process. Analytical review of Documentation in light remaining Projects and wider strategic Project requirements. Feedback from Project Team.
1.2		Are there examples where the GFF scheme does not align with existing initiatives or policy within the wider UN organisation?	Feedback from Project Team and Tenderer interviews
1.3	Appropriateness of supporting resources from a staffing and skills perspective. To cover both UNHCR staff and any other supporting resource	Do the UNHCR Project Team have the correct skill set and sufficient resource to support the Projects?	Feedback from Project Team and Tenderer interviews
1.4		Does the Supporting resource have the correct skill set and sufficient resource to support the projects?	Feedback from Supporting resource and Project Team interviews
1.5	The Quality and effectiveness of UNHCR policies, systems and processes	Do the UNHCR's policies, systems and processes appropriately support the Projects	Desktop review of Project transaction process with feedback from Project Team
1.6		What have been the key challenges facing the UNHCR team aligning Project funding / cash flows with UN requirements?	Feedback from Supporting resource and Project Team interviews
1.7	Lease agreement (PPA) principles impact on risk transfer and pricing	Is the Lease agreement suitable for the types of Projects being procured?	Assessment of capacity to deliver in comparison to alternative contract methods
1.8		What are the areas which are causing issues with either deliverability or pricing?	Review of Tender Lease agreement mark - ups and interview query
1.9	Overall impact on private sector of the GFF	What has the impact been of the GFF (and in particular the guarantee and revolving fund mechanism) on i. engagement, ii. Risk, iii. Pricing, iv. Procurement approaches	Feedback from Project Team and Tenderer interviews
1.1	The leveraging of partnerships to further the GFF objectives	Has there been any activity around leveraging partnerships to further GFF objectives?	Interview with Project Team
1.11	GFF funding requirements	Has the strategy for reaching the target fund size been followed?	Feedback from Project team and Support resource
1.12	GFF Scheme promotion	What is the strategy for scheme promotion withing the Donor community and how has this been enabled?	Feedback from Project team and Support resource
1.13		What is the strategy for promotion of the GFF structure within the wider international community?	Feedback from Project team and Support resource
1.14		How is the GFF scheme being promoted within the UN (from a strategic and Project perspective) with a view to align objectives.	Feedback from Project team and Support resource
<b>2 The effectiveness and suitability of the procurement process</b>			
2.15	Site Selection	Is the feasibility process sufficient to select appropriate sites for the GFF?	Desktop review and Project Team interview
2.16	Contract Type selection	Is the contract type selected via the GFF the most appropriate / suitable?	Desktop review and Project Team interview
2.17	RFP structure	Are the RFP requirements sufficiently tailored to meet GFF requirements?	Desktop review and Project Team interview

2.18	Tenders Received	Do the Tenders received meet the relevant GFF standard needed for acceptance?	Desktop review and Project Team interview
2.19	Clarifications	Is the clarification process sufficiently timely and robust to meet GFF requirements?	Desktop review and Project Team interview
2.2	Preferred bidder selection	Are any Preferred Bids selected sufficiently defined to provide sufficient risk and price certainty by GFF standards? Do they meet the Value for Money threshold?	Desktop review and Project Team interview
2.21	An assessment of whether the projects have achieved their expected outcomes	Does each project achieve both primary objectives and the secondary objective	Desktop review
<b>3</b>	<b>Lessons learnt and recommendations</b>		
3.22	How might the GFF documentation be improved	Review of latest GFF documentation as compared to issued version with explanation of changes. Review in light of current requirements	Summation of both desktop review and interviews
3.23	What have been the lessons learnt from the process to date from an approach, implementation, and systems / instruments perspective and how might these be improved	Summation and wider review of findings	Summation of both desktop review and interviews
3.24	Recommendations for enhancing sustainability , GFF funding and wider promotion	Summation and wider review of findings	Summation of both desktop review and interviews

The sources of data for the MTE have come from interviews with key stakeholders (the project team, support teams, and a selection of Tenderers), and data requested from the project team (See Appendix A1).

The interviews took the form of written questions followed by a media call to discuss. See Appendix A2 for the list of interviewees.

The Consultant undertook a desktop review of the data provided and the results of both written and interviews and provided commentary and recommendations.

## **This report is structured as follows:**

- Section 1: Executive Summary
- Section 2: Introduction
- Section 3: Suitability of GFF structure and process
- Section 4: Effectiveness of procurement process
- Section A: Appendices

## 3 Suitability of GFF structure and process

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### 3.1 GFF Documentation

The GFF Charter, Operations Manual and Facility Design document were reviewed in the context of changes made since the original drafting of the documents.

#### 3.1.1 GFF Charter, Operations Manual and Facility Design

We have compared the GFF Charter, Operations Manual and Facility Design documentation from the version December 2020 to the current version titled 'Update December 2021' still awaiting formal issuance.

On initial review, there have been significant changes made to the original document, to bring it in line with the current position.

Section 8.1 of the Charter requires that the documentation be fully updated on completion of the Establishment period.

The major changes are discussed below:

#### (1) Charter - Changes to the Fund's Objectives

The original Fund Charter defined the over-arching objective being *'to facilitate the switch by UNHCR from diesel generation or dirty grid connection to renewables'*. The two primary objectives were *'to maximise the reduction in CO2 emissions from energy consumption in UNHCR compounds by incentivising the switch to renewables for its portfolio of projects'*, and *'to generate financial savings in fuel and fuel transport costs associated to diesel generation at UNHCR compounds and where practicable, other generators for which UNHCR is responsible'*. There was also a secondary objective *'to increase access to renewable energy for other agencies, host and refugee communities where possible to do so without significant additional cost to UNHCR'*.

The objectives have been adjusted to align with that of the Greening and Sustainability team in which the Facility sits. Removing the absolute requirement for financial savings, although a major aim of the Project, means the project team is not prevented from moving forward with solarisation if savings are not present.

The secondary objective *'to increase access to renewable energy for other agencies, host and refugee communities where possible to do so without significant additional cost to UNHCR'* could be considered as a longer term objective.

**It is recommended that the strategic objectives be reviewed and set against a timeframe, short, medium and long term. These may also be prioritised to allow for both de-carbonisation and financial savings.**

## (2) Charter - S13 Use of the Facility Funds

This section now includes the authority to use GFF funds for *'Initial capital payment for renewable energy infrastructure that will be paid back in regular intervals by the receiving operations'*. This section added to accommodate the use of GFF funds for EPC / PPS type transactions.

This section also refers to the ACoDG in the context of the *'Payment of a subsidy, in order for the energy payments to be lower or equal to the ACoDG for that compound'*.

The use of ACoDG as a measure of a compound's opportunity cost of energy has been superseded by the use of the LCOE (Levelized cost of Energy), which is calculated as follows:

- Cost of fuel and / or grid and or other energy generation sources
- Transport and storage costs for fuel
- Operations and Maintenance costs for generators
- Depreciation of the generator and replacement its useful life

This allows the fund to incorporate additional sources of energy that may be used by the offices.

The subsidy approach has been updated in line with the updated approach and the GFF has approval from the Steering Committee to subsidise on an annual basis the difference between the Business as Usual LCOE and the tariff/ new LCOE of the renewable energy system.

## (3) Charter - Fund Modelling

The GFF Charter, S15.2.4. (b) requires that the Core Team develop and maintain financial models of the facility and of the projects within the facility portfolio, and S15.2.4. (q) requires that financial statements and cash flows be maintained. S26 goes on to require a Sources and Application of Facility statement.

The GFF modelling requirements can be found in the Excel file named 'GFF funding and implementation model 14112022.xls'. This model was developed to understand the funding needs for the facility and an additional model should be developed to track actual fund investment and performance.

**A model should be developed to record actual performance. This model can then be compared against forecast and incorporate the following best practise principles:**

- **The Type 1 (Lease) retention cash flows (from the 40% Termination provision) should be reduced as each project matures.**
- **Possible Best Practice could be adopted such as:**
  - **Distinct reporting sheets which meet the requirements of the GFF Charter**
  - **Input sources identified**
  - **As this tool forms a core element of the reporting requirements, it may be worth getting a review completed**

## **(4) Operations Manual – Financial Portfolio Tool**

This toolset (S22.1) is designed to forecast the sum of prospective individual Project timescales and costs into a total cash flow profile. It is to be used to determine fund capacity and any further Donor requirements.

**The current drafting has the workplan prepared annually and updated after each procurement round. As this is a forecasting tool, it may be worth updating after a. a material change in the Project pipeline portfolio, b. a change in the Donor funding available.**

## **(5) Operations Manual - S23.2 Coordination with Country and Regional Budgets**

This clause considers the interaction between the GFF and Country / Regional Budgets.

This clause has been updated by removing the wording which permits the use of GFF funding for Capacity Payment up front grants for Projects with smaller sizes or low LCOE's and replacing it with an ownership model.

This ownership model (styled around an EPC or PPS model) uses GFF funding for the capital purchase of the asset, with the repayment of the drawdown through payments from the Office / Region's budget, up to its respective LCOE.

The new wording also adds in the distinction between large sites which 1. are within the BAU LCOE or 2. have a Capacity Payment more than the LCOE. In the latter case, the provision of a subsidy can be taken from the GFF.

At the GFF Steering Committee Meeting of the 05 December 2022, it was agreed that the definition of LCOE (see S2), could be used to calculate any monthly subsidy requirements.

## **(6) Operations Manual – Short List**

The UNHCR facilities which the GFF covers includes the UNHCR's administrative, support and management service buildings, in certain locations staff accommodation, and partner organisations' premises.

10 compounds have been identified as suitable for the lease model (i.e., being over approximately 300kWp). The remaining circa 300 compounds are potentially being delivered via an ownership model.

9 of the 10 compounds have been included in the current Project program using the Lease model.

The long list (S24.1.3) ranks the compounds by appropriate technical solution as output by the Analytical Tool Model.

The Output from the Green Box analysis provides the PT with the levels of Co2eq generated by compound. Where a site generates more than 40 - 50 tonnes of Co2, it is eligible for further consideration. (This subject to the energy audit undertaken).

The short-listing section (25.1.4) has been deleted, and a suitable process and criteria should be put in place to allow for the ranking and selection of projects.

**The current process for site selection has not been fully updated in the Manual. This should be completed at the next version update.**

**No methodology has been provided to identify the process for contract structure selection. It is understood that this occurs during the financial modelling stage as the model delivers LCOE results for both modalities. This should be included as part of the project business case.**

**Ref 24.1.4, the Country and Regional offices should continue to have sight and agree to the relevant business case, providing clarity around technical solution, timings, costs and delivery plan.**

## **(7) Procurement of external advisors**

S25.2.1 (GFF Operations Manual 2020 version) highlights the need for specialist procurement consultants to support the country, region, or HQ procurement teams. This section has been deleted as procurement activity has been brought in – house. Although, UNHCR rules require in-house procurement staff to run the procurement process, and unfortunately these colleagues are often overwhelmed leading to delays. Dedicated resources are committed but, in order to reduce UNHCR risk and drive better value for money, external support can be of assistance to support on market engagement and planning.

**Whilst retaining this specialised knowledge within the in – house team is important, specialist consultants could be consulted where new contractual approaches are taken, or periodically to ensure that current practice meets best practice.**

## **(8) RfP**

S24.4.2 has been amended to remove the option for Tenderers to include an upfront payment requirement. The requirement to provide an affordability cap has also been removed.

Due to UNHCR's budgetary environment it was recommended by the Controller to adopt this approach for 2 reasons:

- 1) Countries often have excess budgets that they are looking to spend at the end of the year, the intention is that these funds can be redirected to the energy repayments saving the GFF from any subsidy requirements
- 2) to not absorb large amounts of capital from the GFF

**Analysis commissioned by Sida assessed the benefit of upfront capital payments vs subsidy and found that the upfront capital payment offered better value for money than a subsidy route. (S35.1 GFF Operations Manual 2020). The PT is currently integrating the use of excess country budgets as a means of paying down capital budgets.**

## **(9) Administration of the Power Purchase Agreement**

S25.4 removes the provision for a Capacity agreement for multiple compounds. The original intention was to have a single Lease Agreement for multiple compounds, either within the same country or spanning multiple countries.

This clause was removed due to the risk of cross default on termination and the need to incorporate local regulatory requirements.

S40.1, Calculation of the Minimum Capital Ratio sets the termination probability rate at 40%. On the basis that there are no particular matters which would alter the assumption, the 40% reflects the likelihood of a project terminating within a given year.

S25.7 highlights the impact of the portfolio having multiple offtake agreements, thereby reducing the cash impact of termination as it would be highly unlikely that all portfolio compounds be terminated in the same period.

**Based on the current project pipeline, there is a limited pool of Lease type contracts being proposed. It would be prudent to assess the likelihood of termination on a site-by-site basis where there is limited ability to disperse the risk across multiple projects.**

## **(10) Handling Fee Payable to the Facility**

S32 adds a clause applying a 10% fee payable to the GFF where an upfront capital payment has been used. This is applied at a rate of 2% per annum over 5 years.

In the case of a Lease agreement, the rate charged is 6.5% of the monthly Capacity charge. The Capacity charge is comprised of the full costs of the PSC for delivering their Lease obligations. The 6.5% was set to help cover the estimated cost for the GFF to deliver guarantee / subsidy. On this principle, the fee payable for an EPC style contract could be adjusted based on the quantum of funds and the risk profile of the contract type and the associated possible increased costs to cover repairs not covered by the system warranty or outside of the service period included in the original agreement.

When EPC contract type fees are compared to the Lease contract type fees, the overall respective fees charged are broadly in line with each other.



## 3.2 GFF Resourcing

### 3.2.1 Project Team (PT)

The current GFF resources were put in place to cover the initiation period, where the facility's processes, approach and governance procedures were established. They were also to cover the initial implementation period, during which the established processes were to be market tested through a pilot procurement and commissioning.

The original organisational structure had the PT supported by external consultants for technical support. The structure proved problematic in some instances where there was insufficient feedback between parties to allow for proper investigation and assessment of compounds. There were also issues around consultant continuity, with some work needing to be re – performed where consultant contracts had terminated.

The original structure also had a division between the Green Team doing the business cases, and a separate GFF team. This led to work on business cases, including missions and communications with the Country teams, that ultimately led to inefficiencies. This was addressed by combining the teams under the PT.

The new PT structure (see Appendix A4) now has in – house technical resource but is still supported by external expertise.

It is accepted that the GFF PT is under – resourced to meet the additional work – load of managing the ongoing governance and process implementation requirements, whilst managing both the Pilot projects and growing pipeline projects. It is the intention of the GFF team to scale up these resources.

The GFF Operating Manual sets out the responsibilities for the Project Team. (See Appendix A3). These cover a range of activities including administrative, budgetary, and project management.

**Given the scope of work and expertise required to project manage the pipeline of projects and the multi – jurisdictional nature of the compounds, it may be worth providing a focus of activity for the project team and allocating non – core activity to other departments.**

In an ideal scenario, the PT would focus on the project management activities associated with the GFF and those activities directly related to project delivery, whilst activities such as donor relations and funding applications, Country / Region budgeting discussions, and administrative functions would be allocated to departments within UNHCR that are dedicated to managing these functions. However, a lot of these functions require in-depth knowledge of the projects and activities of the GFF, and thus still require the involvement of the PT.

### 3.2.2 Support \ Functions – Legal and Procurement

Feedback from the interview process has highlighted some challenges in the interdepartmental communications and working practices between departments. Given the innovative nature of the GFF and the levels of complexity around some of the contractual structures, additional pressures are placed on all stages of the project lifecycle.

A process for each contractual structure should be agreed between the departments with measurable KPI's also agreed to ensure that all stakeholders know exactly what is expected and when.

### 3.3 The Quality and effectiveness of UNHCR policies, systems and processes

There have been several challenges identified in UNHCR procurement policy which have caused difficulties in the effectiveness of the GFF. For example, the restrictions on 'Best and Final offers' (BAFO's), and post tender clarifications have the potential to reduce the GFF's ability to fully leverage competitive tension or manage risk transfer.

Disclosure issues also hamper proper project management where tender pricing is not made available (to the PT) for affordability or value for money assessments.

Promotion of the Fund as a delivery mechanism has been limited as the PT focus on delivery. Funding activity has also been reduced for the same reasons.

Overall, communications both internally and externally could be improved, and a comprehensive Communications Plan would be beneficial in structuring communications between stakeholders.

#### Communication Plans

Stakeholder	Benefits
Internal UNHCR Departments	Better coordination of strategic and operational matters
Private Sector / Bidders	Enhanced clarity on tendering structure and bidding process
Donors, Foundations	Increase the likelihood of sponsor funding
Other UN Agencies	Promote the use of the GFF facility across the UN to achieve economies of scale and knowledge transfer
Country Operations	Increase interest and understanding among country operations
General Public	Demonstrate best practice and value for money initiatives

Regarding the management of Country payments to the GFF, the timing and quantum risk is mitigated by UNHCR central finance directly allocating funds from Country to the GFF.

Given the volume of project work and timescales involved in the delivery of the Continuing Operations program, dedicated procurement, finance, legal and commercial processes and documentation should be put in place to facilitate the delivery of the program.

A comprehensive suite of communication plans should be developed for each of the Stakeholder groups identified above.

### 3.4 Private sector appetite for GFF

Private sector engagement for the Pilot project was good, with 7 tenders shortlisted and 4 compliant tenders received. The second Lease project in Ethiopia received 10 shortlisted tenders with 5 compliant tenders received.

On the Pilot project, the tenderers mostly accepted the Lease agreement, but there was some question as to whether the Lease model was fully understood.

A review of the clarification questions received supports this view.

The Preferred Bidder on the Pilot project was interviewed and questioned around the attractiveness of the Pilot project and the underpinning Lease model. A number of points were raised:

- The prospect of working with the UNHCR via the GFF, at scale, offers an ongoing working relationship which is highly valued. The PSC sees working with the UNHCR as a stepping stone to not only further work with the UN, but also as an excellent credential to leverage additional work in the region. It is perceived that working with the UNHCR via the GFF offers opportunities for the PSC to develop further expertise and capability in the sector
- The principle of large scale, bundled project procurement is attractive from a cost / benefit perspective. The costs of tendering for this type of procurement can be significant and scale offers the incentive to invest suitably in the process
- The Lease model was not well understood by the bidder, causing them to find the procurement process to be challenging, more expensive and time constrained. The bidder may not have been prepared for this type of procurement and underestimated the amount of work and expertise required to deliver. This was partly due to the bidder's failure to procure legal support
- The procurement process was seen as challenging, with the tendering period (three months) being tight to produce the required documentation.

They also indicated that they felt the process (both the procurement process and commercial position) was too rigid. They felt some of their proposals were disregarded without due consideration and responses were restricted by UNHCR procurement rules.

In particular, they raised the four month delay between bid submission and appointment, which was driven by the original preferred bidder being rejected, but they claim was not communicated and was therefore left in a difficult position when then asked to reprice their tender.

On the whole, the feedback from the preferred bidder was mixed, primarily due to their lack of preparedness for the Lease model, which is substantially different to the more typical EPC contracts found in this market.

**Early market engagement, with additional clarification workshops on the approach and process would assist in mitigating the knowledge gap risk whilst promoting the scheme to the wider market.**

The procurement process would also benefit from further clarity around contract methodology and process. Regular bidder engagement and feedback is important for long term agreements where ongoing relationships are critical.

All market engagement activity and procurement process reviews will need to follow UN procurement rules. Active engagement from an early stage should be made with the procurement team in order to evaluate the compliant ways in which to achieve this.

## 3.5 GFF Partnering and Promotion

### 3.5.1 Donor promotion

UNHCR has already secured \$8m of funding from BMZ and have developed a strong technical partnership with GIZ. Additional funding for 2022 staffing was sourced from the Government of Japan and a number of events have been attended including the European Humanitarian Forum, and NGO Week, to promote the lessons learn from the Project.

UNHCR aim to develop a more strategic and targeted approach to its fundraising efforts on Climate agenda, including the GFF. UNHCR is proposing a preliminary approach on how it may work to support these efforts. Some of the areas may include, but are not be limited to:

- UNHCR identifies the most relevant donor prospects across Trusts and Foundations, Corporate Foundations, Corporates and other leading stakeholders in the Climate space
- Leverage key climate events (COP 27, Climate Week, WEF, etc) for visibility, new partner introductions and positioning of UNHCR in the climate space and displacement
- UNHCR plans and organizes a series of round tables with like-minded funding partners and other relevant actors in the energy space to: i) discuss climate and displacement interconnections, ii) present UNHCR Climate strategy and its portfolio with impact-oriented climate & displacement initiatives, with a focus on Green Financing Facility
- UNHCR brings a small group(s) of like-minded funding partners to the field

As the climate space is very extensive, UNHCR has preferred not to list all its potential partners at this stage. The following is a sample of potential partners that may also be interested in the GFF and the broader climate and displacement agenda: Rockefeller Foundation, Climate Works Foundation, Bezos Earth Fund, Children’s Investment Fund Foundation (CIFF), The Africa Climate Foundation.

### 3.5.2 Promotion of GFF and structure within the UN and International community

The current strategic view is focused on the successful delivery of the Pilot projects, and the setting up of the framework with which most future projects will be delivered (the PPS model).

This includes the technical, legal, financial, and commercial elements of the future processes and procedures.

It is the intention of the PT to offer the GFF to other agencies and see this as a growth area for the future. This could include both GFF direct support, or the provision of expertise.

The PT currently participate in interagency workshops and have a monthly working group with MSF, ICRC, MSB, and WFP on greening matters including energy.

### **3.5.3 Use of the GFF by other Agencies**

Whilst there has not been the opportunity during the Pilot process to provide GFF support to other Agencies, the PT have been speaking to the WFP in Kenya. The WFP has been identified as a potential partnering agency for the Dadaab project in Kenya (EOI's recently received). This opportunity is still at an early stage, as both the compound business plan is incomplete, and any partnering arrangement needs to be structured and agreed.

### **3.5.4 Partnering with development partners**

The GFF has worked with two of the development support agencies in GIZ, namely the Energy Solutions for Displacement Settings (ESDS) and Project Development Programme (PDP). The work with both units leveraged technical and local context capabilities of our technical partners in GIZ ESDS and PDP teams located in the countries of assessment. This has reduced the need for on-site missions by UNHCR staff and limited the involvement to project management and co-ordination, enabling a greater number of sites to be assessed.

This support, although improving the speed at which feasibility studies have been conducted has resulted in some challenges on maintaining a consistent methodology and reporting structure. Both units have their own defined approach and documentation, which they are reluctant to amend, and has led to some variations and in approach and structure of the resulting feasibility assessments.

## 4 Effectiveness of the Procurement Process

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### 4.1 The Pilot Project

This was the first project of this type for both the PT and Procurement team. There was no reference project to benchmark the process.

There was an ongoing difference in approach between the more commercially oriented approach adopted by the PT based on the delivery of Lease type contracts in the private sector, and the UNHCR standard procurement, which seeks to maximise transparency in its approach to procurement.

This difference in approach resulted in some elements of the procurement process being more challenging, particularly around the interaction with Bidders. The process was slower, and the ability to negotiate with the Bidders difficult. Decisions made at the various stages of the tender process were difficult to reverse / amend subsequently.

Some of these challenges were caused by a lack of planning / risk management at the project inception stage, where the limits of the UNHCR procurement policies may have been mitigated.

The Procurement function within the UNHCR is responsible for all procurement within the organisation. The procurement of the Pilot and Ethiopian projects placed significant strain on the procurement team due to limited resources allocated to support. This will now be addressed by the addition of an additional dedicated member of the procurement team.

The Pilot project was significantly delayed due to a number of factors:

- Revision of site selection – original sites selected not suitable
- Change from PPA to Lease
- A number of external factors including the Covid pandemic, Changes in Government sentiment towards UNHCR, and the war in Ethiopia
- Consultant continuity

A key driver for the disruption to timescales was initial site assessments were made without the benefit of Greenbox Data, and thereby needed to be reproduced once the relevant data was available. The feasibility assessments were undertaken by different firms (as they were procured by country) which resulted in differing quality and outcomes.

The initial outsourcing of legal support by the GIZ technical partners prior to a proper understanding of the local regulatory requirements and confirmed procurement approach, compounded by an inability for the legal counsel to provide UNHCR with advice, led to a required change in strategy.

A shift in approach to directly appoint legal support from UNHCR was made to ensure legal advice could be provided.

A lack of understanding around the Project's structure and delivery methodology led to the support services (legal and procurement) to require additional clarity and therefore additional time to assess the Tenders and wider risk transfer and pricing approach.

**It would be beneficial for the strategy, policies, and processes of the GFF to be agreed with all parties prior to completion of the Implementation Stage. This may facilitate the alignment of GFF requirements with wider UNHCR procurement and legal policy requirements.**

**The Planning of each project should be commenced as early in the process as possible involving all stakeholders. The upfront management and dissemination of information to the Bidders where possible within UNHCR's procurement rules can alleviate some of the challenges faced later on in the process.**

## 4.2 Project Assessment – The Business case

The Pilot project and Melkadida (Ethiopian) project have detailed technical and financial assessments supporting the decision to take the projects forward to Procurement. (Ref: 210415\_Feasibility\_Study\_Kakuma\_ecofin.doc and S)-Melkadida Technical Feasibility Analysis\_3\_SM\_AA.doc).

They are predicated on a specific commercial solution (in this case, the lease model), and are based on pre – selected compounds.

The business cases' format has evolved as the PT has had access to more detailed data and developed its understanding of the UNHCR specific challenges involved.

Whilst it is recognised that there are entity, project and locational requirements which materially impact on business case development, it could be helpful to refer to some established standard guidance to ensure ongoing consistency of approach and auditability.

**In order to standardise the assessment of both the GFF program and subsequent Projects, the HM Treasury guidance can be a useful tool in developing option appraisals and project selection.**

HM Treasury Green Book (2022):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1063330/Green\\_Book\\_2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063330/Green_Book_2022.pdf)

HM Treasury Business case guidance for programmes:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749085/Programme\\_Business\\_Case\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749085/Programme_Business_Case_2018.pdf)

and the HM treasury Business case guidance for projects:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749086/Project\\_Business\\_Case\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)

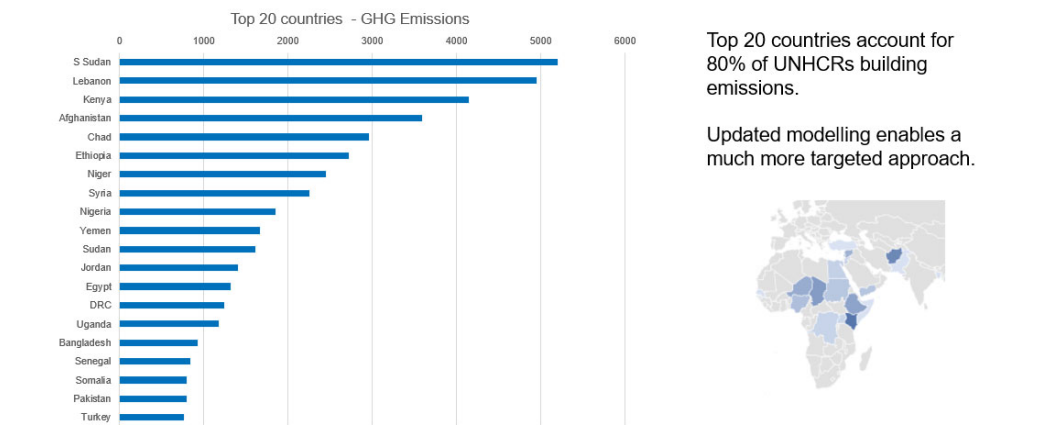
## 4.3 Site Selection

A rigorous compound assessment process has been put in place using an emissions - based approach.

The following is a list of the countries with the highest emissions:

**Figure 5 - Updated approach to country selection**

### Updated approach to country selection



Source: 2022-12-05 Green Fund Steering Committee meeting – update.pptx

There is a focus on these countries for initial review of compound viability.

The Green Box initiative puts in place the capability to get real time consumption values from all target sites, allowing for an accurate assessment of each compound’s consumption. This is an essential tool to estimate the size the energy solution. Detailed on site audits will still occur for larger compounds where the investment risk of incorrect sizing is greater.

A long list of sites have been identified as per the table below.



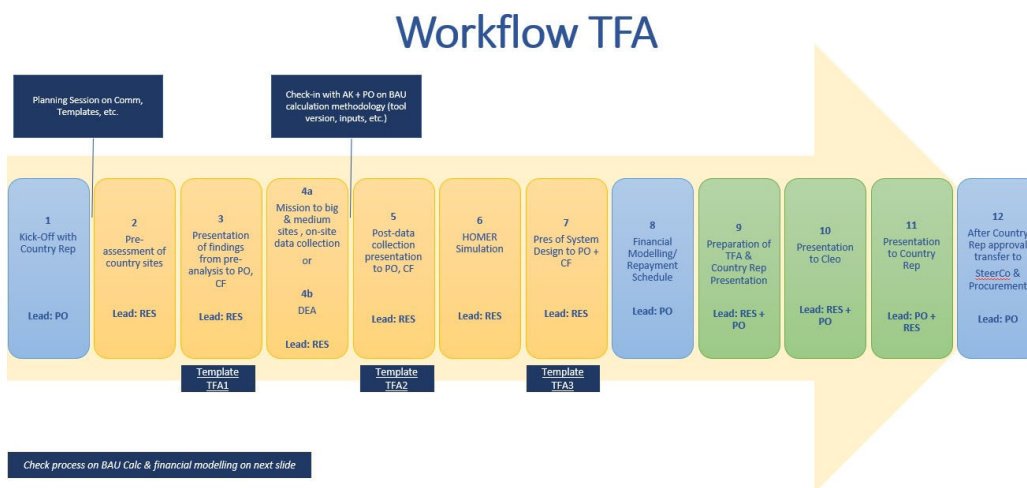
Figure 1 - Number of Compounds

	2022	2023	2024	2025	TBC	Total
Lease	4	5				9
PPS / EPC		44	34	23	180	291
<b>Total</b>	<b>4</b>	<b>49</b>	<b>34</b>	<b>23</b>	<b>180</b>	<b>300</b>

Source: Energy Team 2022 plan v2.xls; Annex A TOR – for PPS

The PT have developed a process for compound assessment:

Figure 6 - Workflow TFA



Source: 2022-12-05 Green Fund Steering Committee meeting – update.pptx

The initial stages of the process involves the transfer of knowledge to the Country Representative to explain the concept and proposal of the GFF and enable decision making. Key elements include the Green Box initiative, the GFF fund mechanisms, the revolving facility mechanism and calculations and the range of technical thresholds which should be considered.

This is a key stage in the decision workflow as it triggers the decision by the Country representative as to whether there is interest, need and capacity to be dedicated to the project.

Once the site data has been gathered and considered, design solutions are considered against costs, and discussed with the Country Representative.

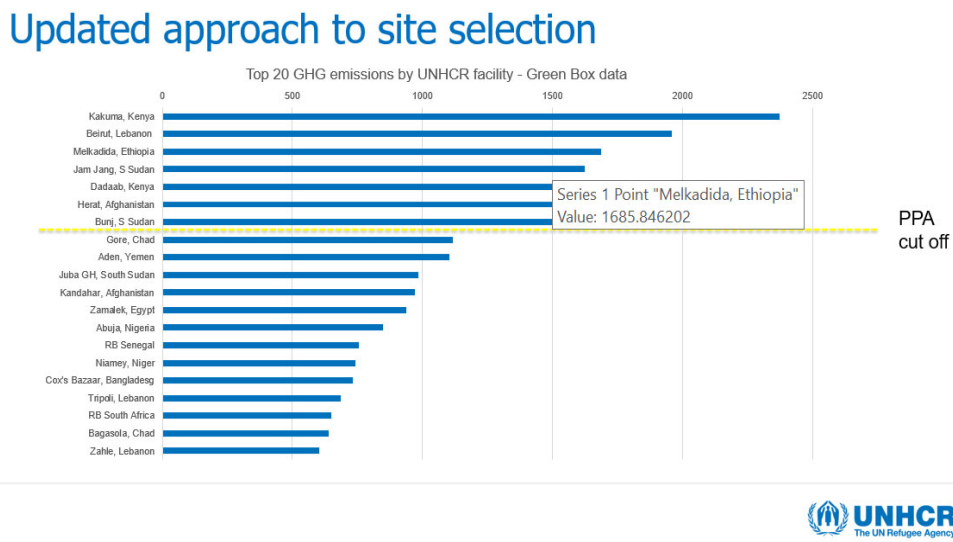
Budgetary considerations, such as payback period and subsidy / contribution requirements are considered with a view to agreeing a solution which meets GFF requirements and is acceptable to the Country in question.

Stakeholder buy - in is essential and it is recommended that the scheme continue to be promoted on an UNHCR wide basis, with a focus on Country understanding and acceptance of GFF principles.

### 4.3.1 Lebanon example

Lebanon falls within the top 20 emitting countries and has a compound which meets the new threshold for Lease contracts (Beirut).

Figure 7 - Updated approach to site selection



Source: 2022-12-05 Green Fund Steering Committee meeting – update.pptx

The Beirut compound was not selected as a Lease solution based on a technical restriction. The site was not capable of housing the level of PV required due to restricted space, thereby making it too small to be suitable for a single site Lease contract.

A number of compounds were assessed for suitability under the PPS / EPC contract models.

**Figure 8 - Lebanese Sites for Assessment**

Office	Available Surface (m2)	Max PV installed capacity (kW)	Electricity Demand Estimation (MWh)	Potential PV Yield-Yr 1 (MWh)	% of energy demand
Beirut	2,800	204	775	366	41%
Mount Lebanon (RC)	2,800	204	97.25	366	370%
Tripoli	2,100	170	232	281	121%
Qobayat	300	23.4	10.2	34.4	337%
Zahle	2,400	129	427	216	50%
Tyre (*)	TBD	TBD	TBD	TBD	TBD

Source - 2021-10-29 UNHCR - Greening and Sustainability Findings Field Mission.pptx

These compounds were further assessed based on additional site review, leaving three short – listed sites:

- Beirut
- Tripoli SO
- Zahle FO

The other compounds were either assessed as too small or, in the case of Tyre, was excluded as this office was moving.

Following discussions with the Country Representative, it was decided to pursue only one of the compounds for affordability reasons, as the capital contribution that the Lebanon operation wanted to contribute was decreased from their initial proposed amount. The lease agreements for the premises are all also short term (circa 3 years), which caused a mismatch with the revolving element of the GFF as the capital expenditure (plus GFF fee) should be repaid within the LCOE, which is longer than the lease period in this case.

The site selected requires a capital subsidy from the Country budget to get within the 3 year lease window, and this money has now been allocated to emergency relief, leaving the project delayed until the funding / tenure issue is resolved.

With regards process, significant efforts have been undertaken by the GFF team to engage with the Lebanon operation. This took the form of a number of presentations covering both the strategy and approach of the GFF, as well as an explanation of the site selection process. From the documentation reviewed, a clear and concise summary of the process was presented. This included a request for country approval.

A pre site assessment was completed, including general office information, green box data, energy mix summary, generator technical specifications and grid technical specifications.

Each compound was assessed, comparing existing energy generation (including an assessment of resilience) with possible renewable scenarios.

Using the technical data, a cash flow assessment was provided for each compound, based on expected capex, opex, residual diesel / grid, and GFF costs, against the LCOE for each compound. This generates a payback period when the capex funds are fully repaid to the GFF.

Of note, the project was delayed due to a change in personnel at the Country Deputy Rep level. This project was found to be challenging due to difficulties in agreeing a course of action with the Country Rep.

A number of learning points can be taken from this example:

- An assumption on lease tenure should be made at the beginning of the assessment period, so that only compounds where occupancy is likely to continue should be considered
- Where a compound is located in an area where it is difficult to find a carbon reducing solution, it may be worth assessing alternative locations where the UNHCR Co2 targets can more easily be met
- An EPC contract solution was selected due to the PPS model not being available as an option at the time the solution was being proposed for the assessed sites. The economies of scale and risk transfer benefit of using the PPS solution are diluted if the model does not fit for a typical UNHCR compound
- Funding of the project was made more complicated by the Country office requesting to make a capital contribution with their surplus 2022 budget, however, the capital contribution amount decreased during the GFF’s feasibility modelling, and then was diverted altogether to another issue. The GFF had provision to allow for capital contributions to facilitate project delivery (S24.4.2 GFF Operational Manual)

## 4.4 Contract Type Selection

There are three principal contracting solutions being used to deliver the GFF. These being the Lease, PPS and EPC contracting models.

The GFF had originally envisioned the use of PPAs as the main mechanism to deliver the reduction of diesel usage and CO2 generation. This was predicated on the use of the GFF’s Guarantee modality and economies of scale through multi - compound procurement.

PPA’s proved challenging to implement in the pilot jurisdictions for a number of reasons highlighted in the table below extracted from Cliff Deker Hoffmeyers regulatory assessment of the risks of the various models in Kenya:

	Outright Purchase	Finance Lease	Operating Lease	PPA
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<b>Licensing with the Authority – Generation licence</b>	No licensing requirement	No licensing requirement	Electricity generation license required if >1MW	Electricity generation license required
<b>Tariff Approval</b>	Not applicable	Not applicable	Tariff approval required depending on project structure	Tariff approval required
<b>Energy Levy</b>	Not applicable	Not applicable	Energy levy applicable depending on project structure	Energy levy applicable
<b>Project registered with the Authority</b>	Yes	Yes	Yes	Yes
<b>Offtake Agreement submitted to the Authority</b>	Not applicable	Not applicable	Required depending on the project structure	Yes
<b>Licensed EPC by the Authority</b>	Yes	Yes	Yes	Yes
<b>Distribution Licence</b>	No	No	No	No

Based on the above analysis and associated recommendations it was decided that an operating lease would provide the benefits to UNHCR of a PPA but enable the contract structure to avoid requirements such as Tariff approval and generating licenses that may delay the project implementation.

Following further analysis during the Establishment Period, it was determined that the Lease model may not be suitable in some circumstances. This was focused on areas such as:

- Cross country compound procurement where the regulatory and policy differences were deemed to be too complex to align
- Grouped – country procurement where there was seen to be a risk of cross default on termination and single agreements for multiple sites seen as unwieldy.
- Complexity driving a lengthier procurement period than a more traditional EPC style contract, requiring additional resource at the GFF level, in addition to the Country and support services

- A lack of understanding from the PSC of the lease contract details
- The need to expedite the roll - out of the GFF program, with a significant number of compounds involved (300+)
- The need to be able to scale up and down at short notice
- Apparent humanitarian premium still present in lease tariffs received on tenders to date, making projects structured in this manner difficult for operations to afford

To manage the above issues, the PPS contract structure was developed to deliver most of the compound facilities.

Where the PPS model is not suitable (say where the site is technically complex and the catalogue solutions do not work, or the Country is not covered by the PPS framework), an EPC contract model can be used to procure the assets, along with a separate O&M contract.

#### 4.4.1 Lease

The Lease contract structure is based on a full repairing operating lease where the Lessor takes on the responsibility to, design, build, manage, finance, operate, and decommission the asset. The Lessor owns the asset, and is paid for the availability of energy, rather than for the commissioning of the assets as per an EPC contract and ensures that the focus remains on system performance throughout the lease term.

A Lease model also differs to an O&M contract in that whilst the Lessor must maintain the asset in a similar way to the O&M contract, the costs for the performance of the O&M services, as well as any costs associated with repairs are borne by the Lessor, rather than by UNHCR as would be the case in an EPC / PPS contract.

Refer to Figure 9 for a summary of the key risk transfer categories.

**Figure 2 - Owned vs Leased assets**

Criteria	Owned	Leased
Costs	Payment up front	Payment spread over lease term
	Internal finance costs	Includes PSC costs
Performance	Supply of energy risk sits with UNHCR	Supply of energy sits with the Lessor
O&M	Procured separately and the risk of failures outside of the warranty period sits with UNHCR	Included in the Lease payment. Performance driven.
Termination	Risk sits with UNHCR	Risk sits with UNHCR

Decommissioning	Risk and costs sit with UNHCR	Risk sits with the Lessor (not applicable if the agreement is to be extended/ asset transferred to UNHCR)
Term	5 years or repayment within the limits of ACoDG cap	10 years; and potentially longer

#### 4.4.2 PPS (Pre – Designed Power Solution)

The PPS contract structure was developed to manage the need to deliver the small and medium sized compounds whose emission factor is greater than 350g CO<sub>2</sub>eq / Kwh. The number of compounds currently being looked at is circa 300 (Sourced from Annex A TOR, Supply of pre - designed solutions for UNHCR offices).

This approach involves the procurement of a maximum of 5 LTA's (Long Term Agreements), to supply a defined set of solar solutions:

- Hybrid Renewable Energy Systems (HRES)
- Grid – Tied Photovoltaic (GPV)
- Battery Energy Storage System (BESS)

The framework pricing provided by the LTA's will then be used, via a secondary bidding process, to deliver compound specific requirements.

This secondary contract will comprise of the installation of the selected solution, along with an After Sales Service (ASS). The ASS is for a term of 5 years and is predominantly a reporting and maintenance contract.

The ASS requires the inclusion of two years manufacturers' warrantee, with an extended warrantee required for a further 3 years (10 years for PV).

#### 4.4.3 EPC (Engineering, Procurement and Construction agreement)

The EPC model is very similar to the PPS secondary bidding procurement, where a PSC is selected to (sometimes) design, and build an asset, the ownership of which is then transferred to the purchaser.

An additional O&M (Operations & Maintenance) contract is then procured for maintenance services. This contract is supplemented by the manufacturer's warranty (and possible extended warranty) and by an element of emergency repair services.

This contract model is the simpler of the selected contract types, but also holds the most risk for the UNHCR.

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## 4.5 Tendering Process

### 4.5.1 EOI

A Request for Expression of Interest (EOI) was used as part of the procurement process for the Pilot project. This stage is used to select suitable Bidders to take forward for shortlisting and tendering. A maximum of eight companies were permitted to proceed from the EOI stage.

The Pilot EOI required interested Bidders to provide technical and financial information, including consortium structure, relevant experience, financial statements, and UNHCR Vendor registration.

The scoring was completed in two parts, the technical, weighted at 84%, and the Capability score, weighted at 16%. Finally, there was a 'red flag' on financial capacity.

The consultant has not reviewed the calibration of the scoring mechanism, but would suggest that this be reviewed for future procurements to ensure that any scoring reflects the importance of the information received to project delivery.

This can be broken down into pass / fail and scored criteria. In the case of the Pilot project, the capacity to provide financing was scored on a 'red flag' basis to determine comfort with the financial strength of the bidder, with the ability to disqualify if the committee were not happy with the financial capacity of the bidder.

Whilst audited financial statements were requested, and unqualified accounts were scored up to 3 points (out of 100), no **measurable** pass / fail or scoring mechanism was in place to assess the capability of the Bidder to raise finance and thereby deliver the project.

**Information such as turnover (as a proportion of contract value), financial ratios, insurance levels, and credit ratings can be used to assess financial risk if available.**

**It is recommended that future Lease type procurements, or any non – ownership model, have a pass / fail criteria included at the EOI stage to determine whether the bidder is likely to have funding in place to deliver the project. This can be evidence in the form of Bank letters of support, balance sheet commitments, consortia member funding commitments, or any other tangible commitment to deliver funding. This should then be crystalised prior to the completion of the RFP process and a condition of selection as PB.**

The PPS stage 1 contract is in the process of being procured and has completed the RFP stage. fourteen bids were received, and five selected.

The Consultant has not seen the evaluation of the Stage 1 procurement, but as this is an EPC type procurement, financial standing is more relevant to solvency than capacity to raise finance. As such, a review of the latest financial statements and associated information should suffice. The recommendations relating to the Pilot above can be used for this type of procurement.



In order to streamline the EOI process, it has been suggested by the UNHCR legal team that Suppliers who have pre - qualified through the UNHCR process should have their status as pre - qualified maintained for a period greater than a year. This would allow for a shorter procurement process with only material changes being evaluated but is dependent on this being allowed within UNHCR's procurement rules.

## 4.5.2 Request for Participation (RFP)

The RFP follows a typical structure with:

- (1) Terms of Reference
- (2) Site specific information and requirements
- (3) A template lease agreement
- (4) Environmental Management System guidelines
- (5) Technical bid returnable (with summary)

The documents set out a summary of the project, a timeline for the procurement process, the tender requirements (both technical and financial), the evaluation methodology, and instructions to bidders.

A review of the bidder questions and interviews highlight a lack of understanding on a number of matters, but focusing on the lease structure and commercials of the project.

This may be caused by a couple of factors:

- (1) A lack of legal / commercial support from the bidders. This may be due to their lack of prior experience in delivering lease type contracts, as is it typical to have legal support as part of the bidding team when tendering for this type of project.
- (2) A lack of clarity in the tender documentation around contract structure and risk transfer.

**The RFP documents, and in particular the risk transfer and lease template agreement should be expanded upon, with worked examples of both financial and technical requirements for all aspects of the contract which differ from a typical EPC style contract where possible.**

## 4.5.3 Preferred Bidder selection

The preferred bidder selection process for a *lease model* follows a clearly defined process.

It adopts a mixed evaluation approach, which includes a technical score and a financial score. The technical score is weighted at 60% and the financial score is weighted at 40%. There is an

additional financial capacity check, but this only occurs where a respondent has changed the composition of its consortia.

The Evaluation committee designate three technical scorers who independently score the submissions and the scores are added together to form a final score. Any issues are discussed within the Evaluation Committee.

The financial evaluation is completed by the Procurement team. They are also responsible for the collation of both the technical and financial scores to determine the preferred bidder; that being the submission with the highest score.

The scoring weightings for the Pilot RFP were as follows:

**Figure 10 - Technical Evaluation Criteria**

Criteria	Weighting	Comment
Detailed work plan	10%	Proposed delivery project plan
Conformity to functional specifications	20%	Ability to meet specification
Environmental management system	5%	Compliance with EMS guidelines
Operations and Maintenance plan	5%	Conformity with O&M requirements
Capacity to contract	10%	Conformity with terms of lease
Financing plan and funding arrangement	10%	Viability of funding proposal

**The evaluation criteria should be reviewed to ensure that the scoring matrix is correctly weighted, and the pass / fail criteria have been fully assessed. These have been updated for the Melkadida project following a review of the Pilot process.**

There remains an issue with the Pilot Preferred Bidder’s funding of the project, as part of their funding solution is dependent on crowd funding. The funding has yet to be put in place and is made more challenging by the restriction on naming the UNHCR as counterparty to the Lease transaction.

S4.5.1 above sets out recommendations for financial standing and financing capability assessments. This is of particular importance for long term, non – ownership type contracts.

UNHCRs Procurement Administrative Instruction highlights that the maximum scoring allocated to the financial elements of the proposal is 40% for RFPs. This can lead to instances where a strong technical bid with very high pricing can be selected as the preferred bidder limiting the GFFs ability to ensure best value for money for UNHCR.

**This risk can be mitigated by being more prescriptive around the technical inputs (technologies, processes, etc) required, thereby narrowing the range of technical scoring, placing more emphasis on the pricing element of the evaluation. This does come at the risk of diminished technical innovation from the bidders.**

## 5 Conclusion

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### 5.1 Next Steps for the GFF

The GFF has been instrumental in delivering UNHCR's strategy for decarbonisation. It has driven the implementation of the Green Box initiative, a fundamental element in the project scoping and selection process, as well as provided the source of funding for project delivery.

The Pilot project and following Ethiopian project have highlighted the complexity of setting up and implementing a long - term commercial arrangement with the private sector. These difficulties were compounded by the identification of technical and regulatory challenges on site, commercial issues around volume flexibility, and the required length of contract for each compound.

The UNHCR team have delivered substantial progress, with limited resources (in light of the complexity involved), and limited external expertise. The PT has gained critical expertise in the assessment and delivery of both the Lease and PPS contract structures, have established productive working relationships with both the legal and procurement teams to develop processes and methodologies to meet the evolving African market, prescribed UN Policies and local Country regulatory and geographical considerations.

The procurement model selected for the majority of the compounds (being the PPS model) will, if procured using best practice, deliver good value to UNHCR. The GFF will be a key instrument in its delivery.

The GFF should seek to better understand which aspects of Projects are attractive to the targeted PSCs, such as project size and risk allocation, and which are not, so that Project definition and procurement can then be tailored to maximise value for money.

The long-term contract model (such as the Lease model) for procuring packaged assets as originally envisaged by the GFF should continue to be used where seen to deliver the best value for money for UNHCR. Recognising the challenges mentioned above, a stepped approach to contract development could be used to better allocate risk and thereby value.

For example, the PPS service contract could transfer more risk to the PSC in areas such as repairs and maintenance, or the PSC could provide volume risk management via cost plus agreements within the PPS contractual framework. The PPS service contract could cover a longer period, with provisions made for termination and volumetric changes.

The GFF structure offers UNHCR the flexibility to choose from a selection of procurement solutions. As has been seen during the Establishment Period, the GFF has been used creatively and productively to not only deliver the Pilot project and ongoing Lease transaction in Ethiopia, but is also facilitating a number of projects using the EPC model, and is now the anchor for the upcoming PPS procurement.



The GFF has proven its capability of delivering complex procurement solutions in highly challenging environments. Combining the guarantee modality with the revolving fund approach offers a powerful toolset for expansion of the current scheme scope.

It will be important to develop the prominence of the GFF in the marketplace to encourage the market leaders in the relevant sectors to engage with the GFF initiatives going forward.

## A Appendices

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## A.1 Data Request

### Initial Data Request

#### GFF

- Latest 5 year plan
- Source and application of fund statement
- Annual performance review
- Annual source and application of funds statement
- Fund model - forecast facility cash flow
- Agreement between fund and contracting entity / host country / UNHCR

#### Projects

- List of Projects – by procurement approach
- Changes to contract between tenders
- Tender documents (evaluation criteria, instruction to bidders, PPA, informa identified between versions
- Analytical Tool model
- Tender submissions received (short list) ; including bidder que
- Key areas discussed in contract negotiations
- Tender evaluation reports

#### Misc

- Contract committee reports
- Steering group presentations
- Examples of failed EPC transact

#### Additional Data Provided:

- Melkadida workpla
- Updated finan
- PPS Secon
- Busin
- G

## A.2 Interviewees

Title/Location	Discipline	Organisation
Project Co-ordinator	Project management	UNHCR
Project Officer	Project management	UNHCR
Senior Legal Officer   Legal Affairs Service   Geneva, Switzerland	Legal	UNHCR
Legal	Legal	UNHCR
Senior procurement officer	Procurement	UNHCR
Head of Unit (HQ Procurement)	Procurement	UNHCR
Deputy Director, Finance and Admin Department & Head of Global Mobilit Management		UNHCR
First Secretary/Regional Energy Advisor, Embassy of Sweden, Nairobi, Kenya	Funding Representative	SIDA
Director , International Business Dev	Tenderer	AGT

## A.3 Project Team Responsibilities

### Project Team Responsibilities

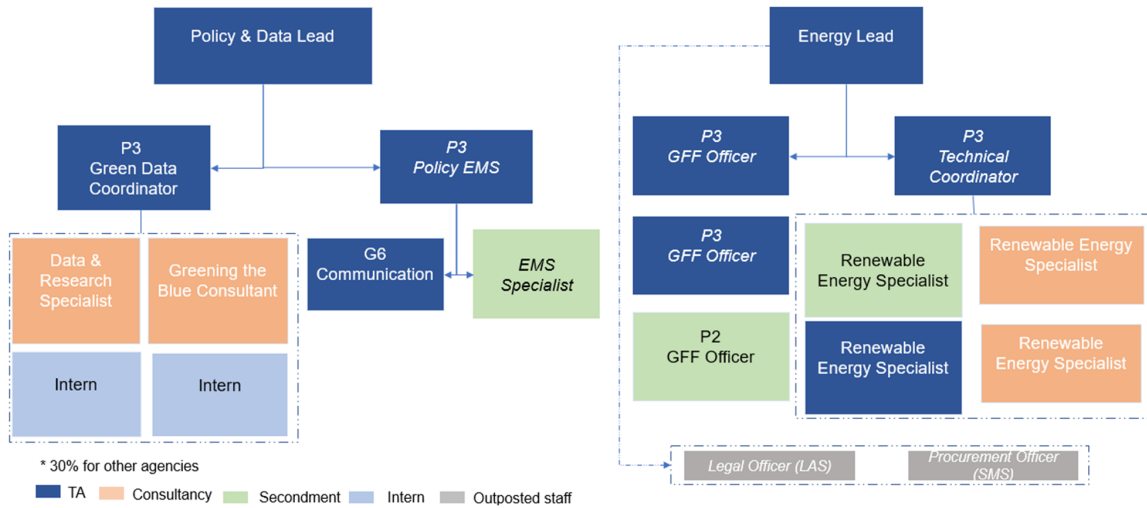
Please comment (where relevant) on the level of completeness against GFF timescales, ability to deliver given current team resource, and any shortfall in technical or specialist support needed. Can you assess each category for 1. The Establishment period (to the completion of the Pilot), 2. The Continuous Operations Period. (assuming the target GFF funding levels)

Categories	Response
a) Develop the Charter, Operations Manual and Facility Design documents and have them approved by the GFSC;	Done - changes presented by the co-ordinator
b) Develop and then maintain financial models of the Facility and of projects within the Facility portfolio;	GFF officer responsible (AK oversees all and the portfolio) - with a dedicated resource responsible we should be ok for the future
c) Prepare and maintain a project workplan as set out in the Operations Manual;	GFF officer responsible - at the moment have sufficient officers but may need additional officer in the new year to support
d) Prepare, update and maintain Annual Budgets for the Facility in accordance with UNHCR budgeting processes;	GFF co-ordinator in collaboration with Officers and Finance - as the GFF still sits within the annual programme budget, although we have earmarked funds we are not guaranteed the budget allocation requested annually. Additionally due to UNHCRs headcount restriction, positions requested are often not approved by the budget committee Limitations to team size and budget allocation can limit the facility's ability to deliver in the future
e) Develop and maintain a portfolio of potential sites in close consultation with Country and Regional operations;	GFF co-ordinator with the Data project coordinator and RES responsible for processing of Green Box data. Limitations for future expansion outside of UNHCR sites could be the lack of access to quality meter data
f) Enter into the Site Participation acknowledgement with the host Country and Regional Operations for each renewable energy switching project to be undertaken;	GFF officer responsible sends and socialises the document prior to Steerco approval.
g) Coordinate with the Green Box Coordinator to organise and arrange energy audits for the portfolio of potential sites;	NA with new team structure; energy audits are co-ordinated and managed by the GFF officer and RES responsible
h) In coordination with Procurement and regional/country colleagues, organise and arrange and/or support successive rounds of the procurement process as set out in the Operations Manual at section 24;	GFF officer responsible drives the process but a dedicated resource within HQ procurement would help to ensure timelines are kept. Structural bottlenecks within the procurement department processes could however still limit the benefit of the additional resource.
i) Provide input and co-ordination with the budgeting of Country and Regional operations that are to host projects within the project portfolio to ensure consistency between the budget of the Facility and those of Country and Regional operations in respect of energy provision at camps and compounds;	Not really very applicable as the repayments/ payments will be made from HQ with the budget extraction from country budgets happening at the beginning of the year - managed by DFAM finance department who are very under resourced so could be a possible point of risk to the facility at a later stage
j) Seek and procure additional funding as required to meet the renewable energy needs of UNHCR and the project workplan;	GFF co-ordinator in collaboration with Innovative Finance; Innovative Finance team in Private Sector Partnerships is tasked with sourcing additional donors and co-ordinator supports with project related information and drafting of proposals. This is a time consuming element and if the project is expanded and many more donors required it may create a resource constraint within the project team
k) Support Country and Regional Operations in administering PPAs and similar arrangements with appointed PSCs; arrange and provide training as required;	Recently we have had to hire a consultant to support with this piece. As the project moves to implementation there is a significant amount of co-ordination and support needed to liaise with the office and the company. How we manage this for multiple sites could become a problem in the future if there is not strong support at the office level
l) Receive, review and submit to the GFSC for approval applications from Regional and Country Operations for termination payments in accordance with section 25.7 of the Operations Manual;	NA as contracts are signed at HQ level
m) Administer the disbursement of Up-front Grants in accordance with section 25.3 of the Operations Manual;	NA
n) Administer Inception and administrative payments;	GFF co-ordinator as the budget owner is responsible for ensuring payments are processed
o) Coordinate with donor focal points in DER to administer payments for UNHCR overheads;	Annual budgeting from the earmarked funding addresses this; any additional funding is done through a budget request by the Co-ordinator and Finance colleagues
p) Prepare quarterly reports of progress against the project workplan;	project coordinator with support from project officer responsible - in form of quarterly core team meeting updates rather than formal reports. Quarterly reporting to donors also fulfils this need
q) Prepare annual and as-needed reports of progress against Annual Budgets, including financial statements and cash flow projections for the Facility;	In collaboration with Finance - do not have budget control as per UNHCR fin rules. The lack of budget management capability is a challenge for the facility
r) Ensure adherence to the Facility Charter, the Facility Operations Manual, the Facility Design and the wider regulations of the UNHCR;	Adherence to the principles and regs of UNHCR
s) Submit Plans, Budgets and Reports to the Green Financing Facility Steering Committee for approval;	SC a higher level investment committee - not interested in the details but high level updates are presented to the SC bi-annually during the Steering Committee meetings
t) Propose revisions and modifications to the Charter, Operations Manual, Facility Design and Financial Models for the approval of the Green Financing Facility Steering Committee.	Given the length of the documents this is a challenge to do on a regular basis given the current resourcing. Simpler documents would enable easier updating. Models are updated as improvements are identified.
Other responsibilities (Please list with comments)	
A significant amount of work not mentioned here is the co-ordination and communication undertaken in the development of business cases. This takes majority of the GFF officers' day to day during the assessment phase of the project. Separating this out however doesn't work as each project has differing requirements and complexities.	



## A.4 Team Organigram

### Organigram June 2022 – inc incoming staff



\* 30% for other agencies

■ TA ■ Consultancy ■ Secondment ■ Intern ■ Outposted staff



