



Land Degradation Neutrality (LDN) Fund Technical Assistance Facility (TAF) Project Selection Committee (PSC) - Terms of Reference

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Introduction

This document defines the mandate and the operations of the Project Selection Committee (PSC) for the Land Degradation Neutrality (LDN) Fund Technical Assistance Facility (TAF) managed by IDH. It builds on IDH's existing Investment Committee structure.

Mandate

LDN TAF projects will be selected in line with the Donor Committee approved Operational Manual and Annual Plans by the Project Selection Committee. The PSC mandate includes:

- a. The PSC assesses all proposals selected by the TAF team for potential support by the LDN TAF;
- b. Make the final decision on LDN TAF project selection, and where needed revise and sharpen, or decline, project funding decisions by the LDN TAF;
- c. Ensure alignment with the LDN TAF objectives and criteria;
- d. Ensure alignment with the LDN Fund;
- e. Trigger critical reflection and debate on TAF support strategies;
- f. Ensure quality and value for money standards for deployment of LDN TAF resources; and
- g. Ensure alignment with the LDN TAF Annual Plan.

Responsibilities

- a. The PSC assesses all proposals selected by the TAF team for potential support by the LDN TAF;
- b. For projects with a requested LDN TAF contribution of less than 50,000 USD, the assessment is based on a synthesis of the project drafted by the IDH TAF manager;
- c. For projects with a requested LDN TAF value of 50,000 USD and above, the assessment is based on a Project Selection Note (PSNote) drafted by the IDH TAF manager which synthesizes and analyzes the underlying proposal from the project developer, including the proposed budget, and the IDH TAF manager's organizational assessment of the contracting partner(s).

Composition

- a. As the LDN TAF is set up within IDH, projects selected to receive LDN TA support fall under the fiduciary responsibility of the IDH Executive Board.
- b. The Project Selection Committee will be composed of three members.
- c. The IDH Executive Board will appoint a maximum of two senior IDH staff to the LDN TAF PSC who are separate of those whose role it is to originate and design LDN TAF projects. At least one non-IDH expert will be contracted as the third member of the PSC.
- d. The TAF Management Company develops a detailed ToR for the PSC and its individual members which will be presented to the Donor Committee for approval. If deemed appropriate, the Donor Committee may also request for an independent observer to be invited to project selection committee meetings. The TAF Management Company and the Donor Committee will then agree on the profile of this independent observer.
- e. This process will be further detailed in the TAF Operations Manual when it is developed during the TAF start-up process.

Operations

- a. The TAF Manager will convene meetings of the PSC in principle on a monthly basis or as required to review projects to be signed within 1.5 months.
- b. IDH will ensure the non-IDH member of the PSC can join the meeting remotely.
- c. The LDN TAF manager will present the outline of the project and answer any questions that might come up during the meeting.
- d. Other IDH staff may be invited to join meetings of the PSC to provide advice on relevant topics.
- e. To ensure that any TA investment is contributing to LDN Fund investment, each TA proposal submitted to the PSC is accompanied by a letter of support from the relevant LDN Fund Manager. This requirement will ensure full alignment between the TAF manager's activities and that of the LDN Fund manager.
- f. The PSC will take decisions based on a majority vote.
- g. TA project selection will be governed by project eligibility and selection guidelines developed as part of the LDN TAF policy, agreed upon by the Donor Committee. The project selection process builds on the LDN Fund criteria and due diligence process.
- h. The PSC will make the following recommendations relative to project selection:
 - i. Approval: without specific conditions set by the PSC, the signing process can proceed;

- II. Conditional approval: the conditions set by the PSC are to be integrated in the contract and the signing process can proceed (changes are confirmed by one of the PSC members before signing);
 - III. Withhold: If the project needs to be revised or there is a request for additional information, it is temporarily withheld and it can be discussed in the next PSC (after receipt of a revised project proposal and confirmation of the integrated revisions);
 - IV. Rejection: If the PSC decides that the project does not meet the LDN TAF requirements.
- i. The PSC may propose amendments to its terms of reference for consideration by the TAF Donor Committee.
