

11th June 2025



IsDB Climate Change Action Plan (2026 to 2030)

Terms of Reference

BCC2025-025

Climate Change and Environment Division
Resilience and Climate Action Department

TERMS OF REFERENCE (TOR) FOR IsDB CLIMATE CHANGE ACTION PLAN (2026 TO 2030)

A. INTRODUCTION

1. The Islamic Development Bank (IsDB) is a Multilateral Development Institution established in 1973 by its Articles of Agreement, comprising 57 Member Countries. The IsDB was established to function as a catalyst for human development, providing Islamic modes of project finance, and advisory and technical support to facilitate economic and social progress in its member countries. The Bank is guided by Islamic principles, with the objective of achieving human dignity for all. The IsDB Group consists of five member entities: (i) the Islamic Development Bank (IsDB), (ii) the Islamic Development Bank Institute (IsDBi), (iii) the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), (iv) the Islamic Corporation for the Development of the Private Sector (ICD), and (v) the International Islamic Trade Finance Corporation (ITFC).
2. As part of the Bank's endeavour to address emerging priorities, such as climate change and sustainable development, the IsDB revised its 10-Year Strategy to respond to MCs' requirements for socioeconomic development and pursue green economic growth. The Bank has realigned its approach, in relation to which the following Strategic Objectives (SO) for a three-year period (2023-2025) are being implemented: (i) Boosting Recovery, (ii) Tackling Poverty & Building Resilience, and (iii) Driving Green Economic Growth. In addition to these strategic objectives, the following two focused areas (Strategic Pillars) are being implemented to frame the Bank's operations: (i) Green, Sustainable & Resilient Infrastructure; and (ii) Inclusive Human Capital Development. At the IsDB, a Green, Resilient, Inclusive and Sustainable (GRIS) development approach is employed to safeguard the interests of vulnerable populations to establish and sustain inclusive development in MCs. The GRIS approach is a systematic methodology that focuses on the synergistic interdependencies of economic growth, sustainability, resilience, and

inclusiveness. The Bank continues to promote green, resilient, and inclusive economic growth that is compatible with the environmental and climate goals of MCs and inclusive human development, which is environmentally sustainable and resilient by fortifying the utilisation of natural and human resources and minimising the risks to people, the planet, and strengthening the key drivers of an expanding economy.

3. IsDB Paris Alignment Commitment: At COP24 in Katowice, Poland, all multilateral development banks (MDBs), including the IsDB, collectively announced their intention to align their activities with the Paris Agreement goals, which were signed by over 197 countries (referred to as the "Parties"), including all 57 member countries in 2015. The MDBs examined their member countries and clients' operations and strategic direction, subsequently developing the 'Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment'. The MDBs' approach is predicated on six building blocks (BBs) identified as core areas for alignment: (i) alignment with mitigation goals, (ii) adaptation and climate-resilient operations, (iii) accelerated contribution to transition through climate finance, (iv) strategy, engagement, and policy support, (v) reporting, and (vi) alignment of internal activities. The MDBs' climate functions have collaboratively developed methods and tools to operationalise this effort under each building block through dedicated working groups. In 2021, the Bank proposed a Paris Alignment plan to align all sovereign operations by the end of 2023. This plan was presented in various Bank forums and approved by H.E The President in 2022. The commitment to achieve Paris Alignment by the end of 2023 was officially announced by H.E The President during the Bank Annual Meeting in Sharm El Sheik, Arab Republic of Egypt in 2022. Starting in January 2024, all sovereign bank operations are aligned with the objectives of the Paris Agreement.
4. IsDB Just Transition Framework. The IsDB Just Transition Framework is an initiative by the Bank to support its member countries in achieving low-carbon and climate-resilient development in a just manner. The JTF aims to provide a comprehensive and holistic

approach to address the social, economic, and environmental dimensions of the transition to a green economy while ensuring that no individual is excluded from the process.

5. IsDB Group Riyadh at 50 Declaration: The IsDB Board of Governors commemorated the 50th anniversary of the Islamic Development Bank in 2024 through adoption of the Riyadh Declaration. This declaration acknowledges IsDB's historical contributions, reaffirms its fundamental principles, and elucidates its future strategic direction. The realisation of the objectives delineated in the Declaration necessitates a sustained commitment to the four guiding principles established in the Strategic Realignment: demonstrating responsiveness to member countries' requirements, empowering IsDB personnel while ensuring accountability, enhancing the organisation's results-oriented culture, and leveraging the synergistic potential among the six entities constituting the IsDB Group.
6. In 2020, the Bank unveiled its Climate Change Action Plan (2020 – 2025). The 5-Year Climate Change Action Plan details how the IsDB mandate on climate change is being implemented with its clients and various stakeholders, in accordance with the Paris Agreement, Member Countries' development needs, and the MDB Paris Alignment Framework. It also establishes modalities for achieving the IsDB's climate finance target of 35% by 2025. The implementation period of the Bank's Climate Action Plan (2020 – 2025) is concluded by the end of this year, which also aligns with the end year of the Bank's realigned strategy (2023–2025). To this effect, the Bank has commenced the development of its new climate change action plan for 2026 to 2030.

B. IsDB CLIMATE ACTION PLAN (2020 - 2025)

7. In 2020, the Bank put forward an ambitious Climate Change Action Plan to be implemented from 2020 to 2025. The Climate Action Plan delineates the IsDB's strategy to align its operations and business activities to support MCs in transitioning to more climate-resilient and sustainable economies. This Climate Action Plan acknowledges that synergy between the Climate Change Policy (CCP) pillars is a crucial determinant of its

overall efficacy. During the Climate Action Plan implementation period, under Pillar 1: Mainstreaming climate considerations within IsDB operations, the Bank aims to intensify its climate change mainstreaming efforts by systematically incorporating climate change into its operations and focusing on the most pressing needs of its MCs (particularly building resilience, robust infrastructure, and economic growth) through its sector analysis and diagnostics, country financing and advisory programming, climate risk management across the Bank's operations, and climate change integration into sector strategies. Similarly, for Pillar 2: Promoting Member Country climate change resilience, the Bank intends to increase its assistance to MCs in building their resilience and reducing their vulnerability to climate change risks through (i) sectoral approaches and interventions (climate risks and opportunities); (ii) policy-level approaches and interventions (nationally determined contributions, national appropriate mitigation actions, national adaptation programmes of action); and (iii) financial support tailored to adaptation and resilience, such as technical assistance and Reverse Linkage programmes. For Pillar 3: Supporting Member Countries' transition to green economy, IsDB aims to increase efforts that facilitate MCs' undertaking of green economic transition through intensifying country-level investment and technical assistance for green economy transition and policy support. This will encompass investments and technical assistance in (i) renewable energy; (ii) energy efficiency measures in all sectors (e.g. water, manufacturing, production); (iii) low-carbon transport and mass transit; (iv) climate-smart agriculture with a carbon reduction impact/co-benefit; (v) sustainable trade; (vi) clean/green private sector investment; and (vii) support for innovative technologies and/or research and development in complementary technologies, such as battery storage, carbon capture and storage, and/or sequestration. For Pillar 4: Mobilisation and leverage for climate investment, in addition to core financing from the Bank's ordinary capital resources, the Bank aims to leverage additional resources for climate change through (i) the design of innovative products and services; (ii) off-balance sheet resource mobilisation, such as domestic in-country

resources, private sector institutions, philanthropic foundations; and (iii) the creation and management of specialised financing and/or trust fund vehicles.

8. In accordance with the IsDB Climate Change Policy and commitments to support MCs in their low-carbon, climate-resilient sustainable development, the Climate Action Plan demonstrates how IsDB has committed to a climate finance target of 35% of the overall annual lending by 2025. This target aims to position the Bank on a long-term trajectory to proactively align its own financing with increasingly ambitious climate change objectives, recognising that its MCs are highly vulnerable to climate change impacts. The Bank's Climate Action Plan delineates the alignment and linkages of the Bank's climate-change efforts and financial flows with the objectives of the Paris Agreement.
9. The Islamic Development Bank (IsDB) is committed to supporting its member countries in addressing the challenges posed by climate change, concurrently with substantial development needs. This Terms of Reference (ToR) outlines the framework for developing the IsDB Climate Change Action Plan (2026–2030). The new action plan aims to build upon the achievements of the IsDB Climate Change Action Plan (2020-2025), incorporate lessons learned, and align with the commitments of member countries, and requirements for concessional climate finance and other international commitments.

C. ASSIGNMENT OBJECTIVES

10. The Islamic Development Bank is seeking to engage the services of a reputable Consultant for the development of an IsDB Climate Change Action Plan (2026-2030). The proposed IsDB Climate Change Action Plan (2026-2030) aims to build on the achievements of the IsDB Climate Change Action Plan (2020-2025) and address the current and emerging challenges of climate change and development within its Member Countries (MCs). The action plan will align with global climate objectives, including those established by the Paris Agreement and the Sustainable Development Goals (SDGs), and will draw upon the climate strategies of IsDB clients, including Long-term Strategies, Sector Transition and

Climate Resilient Plans, and the commitments of Multilateral Development Banks and International Financial Institutions on climate and development. This consultancy endeavours to formulate the aforementioned action plan through a comprehensive stakeholder engagement process. The consultancy activities encompass an evaluation of the achievements of the Bank's Climate Change Action Plan (2020-2025), an analysis of current trends and lessons learned, the delineation of pillars for the new action plan, the establishment of new climate finance targets, the outlining of implementation strategies, and the development of metrics for assessing the efficacy of the action plan. The consultant will be responsible for preparing the IsDB Group's Climate Change Action Plan for 2026-2030, building upon the achievements and insights gained from the 2020-2025 action plan.

D. SCOPE OF CONSULTANCY SERVICES

11. The consultant/consultancy firm will undertake the following tasks:

A. Take Stock of IsDB Climate Change Action Plan (2020-2025) Achievements

- 1) Conduct a comprehensive assessment and documentation of the principal accomplishments and outcomes resulting from the implementation of the IsDB Climate Change Action Plan (2020-2025).
- 2) Perform a thorough examination and analysis of the critical factors contributing to success and the obstacles encountered throughout the execution of the plan.
- 3) Assess the overall effectiveness and impact of the strategic approaches and interventions implemented during the specified timeframe of the Action Plan.

B. Analysis of Current Climate and Development Trends in IsDB Member Countries, International Financial Institutions and Lessons from IsDB Climate Change Action Plan (2020-2025)

- 1) Conduct a comprehensive analysis of current global and regional climate and development trends, policies, and initiatives in IsDB member countries and globally.
- 2) Identify lessons learned from the implementation of the 2020-2025 action plan, including best practices and areas for improvement.
- 3) Review climate action plans and strategies of other Multilateral Development Banks (MDBs) and International Financial Institutions for benchmarking purposes.

C. Defining the Pillars of the IsDB Climate Change Action Plan (2026-2030)

- 1) Based on the analysis, define the strategic pillars for the IsDB Climate Change Action Plan (2026-2030).
- 2) Ensure that the pillars are aligned with the Sustainable Development Goals (SDGs), the Paris Agreement (and IsDB Paris Alignment commitment), and IsDB's Realigned Strategy (2023 to 2025), Riyadh at Fifty Declaration, and the newly developed 10-Year Strategy (2026 to 2035).
- 3) Emphasise key areas such as climate mitigation, adaptation, resilience, capacity building, just transition, concessional resource mobilisation, IsDB Paris Alignment commitment, IsDB Group synergy on climate, green finance, and sustainable blue economy finance

D. Establishing a New Climate Finance Target for 2030

- 1) Formulate a pragmatic and aspirational climate finance target for 2030, considering the commitments made by IsDB member countries in their Nationally Determined Contributions (NDCs), the projected funding and investment landscape over the Climate Action Plan period, and the

attainment of the extant climate finance target under the climate action plan (2020 to 2025).

- 2) Conduct an analysis of the financial requisites and potential funding sources, encompassing the Bank's Ordinary Capital Resources, external resources from specialised climate funds and initiatives, and blended finance.
- 3) Propose mechanisms for mobilising and leveraging additional climate finance resources.

E. Means of Implementation of the IsDB Climate Change Action Plan (2026 to 2030)

- 1) Outline the operational framework for implementing the action plan, including the roles and responsibilities of key stakeholders within the IsDB and its member countries.
- 2) Develop strategies and resources for effectively mainstreaming climate considerations into IsDB operations, programs, and projects to deliver the objectives of the IsDB Climate Change Action Plan (2026 to 2030).
- 3) Propose capacity-building initiatives to enhance the knowledge and skills of IsDB staff and member country stakeholders.
- 4) Identify opportunities related to partnerships and collaboration with other MDBs, international organisations, and private sector entities to aid the actualisation of the IsDB Climate Change Action Plan (2026 to 2030).

F. Evaluation and Metrics of the IsDB Climate Change Action Plan (2026-2030)

Success

- 1) Develop a comprehensive monitoring and evaluation framework to assess the progress and impact of the IsDB Climate Change Action Plan (2026–2030).
- 2) Define key performance indicators (KPIs) and metrics to measure the success of the plan's implementation.

- 3) Establish a reporting mechanism to ensure transparency and accountability in the execution of the IsDB Climate Change Action Plan (2026–2030).

G. Deliverables

12. The consultant will provide the following deliverables:

- 1) Inception Report: Outlining the methodology, work plan, and timeline for the consultancy.
- 2) IsDB Climate Change Action Plan (2020 to 2025) Stocktaking Report: Detailed assessment of the 2020-2025 action plan achievements, including challenges and lessons learned.
- 3) IsDB Member Countries' Climate and Development Trends & Analysis Report: Comprehensive analysis of current climate and development trends in IsDB member countries and their implications for the IsDB Climate Change Action Plan (2026 to 2030) and relevant Joint MDB commitments and institutional strategies.
- 4) IsDB Climate Action Plan (2026-2030): Based on stakeholders' consultations, development of the new Climate Change Action Plan (2026–2030), including strategic pillars, key initiatives and actions under each strategic pillar, analysis of climate finance target for 2030, and implementation framework, and broader means of implementation of the Action Plan.
- 5) IsDB Climate Action Plan (2026-2030) Monitoring and Evaluation Framework: This entails the development of detailed metrics and tools for tracking the progress and impact of the action plan.

H. CONSULTANT PROFILE

13. Consultant/Organisation Profile: The consultant/firm should be a highly qualified individual/firm with an internationally experienced team, with exposure to the Paris Alignment, Climate Finance and Multilateral Development Bank operations and business

processes, and development of reports, guidelines, and policies on climate change and relevant sectors. Proven skills and experience in the following areas are essential:

- 1) Policies, strategies, and operational documents of Multilateral and Bilateral Development Banks, especially those related to climate change;
- 2) Specific climate mitigation and adaptation-related expertise in diverse sectors.
- 3) Methodology and practice of Climate Change Mitigation and Adaptation project design, climate finance, and mainstreaming principles
- 4) MDB development project(s)/intervention(s) implementation project cycle and processes;
- 5) MDB Paris Alignment methodology and high-level methodological principles;
- 6) Experience with specialised climate funds and United Nations' Climate Agencies such as the United Nations Framework Convention on Climate Change (UNFCCC) policies and activities;
- 7) Experience working with a cross-section of stakeholders, including senior management of MDB and International Financial Institutions;
- 8) Green financing, such as green bonds, private sector resource mobilisation, and climate finance
- 9) Excellent verbal and written English skills.
- 10) Computer skills in word processing, data analysis, SAP, and presentations.

14. **Experience and Education:** The team leader must have at least 15 years of relevant experience in policy development, international development, and climate change, including the experience of leading the development of reports and policies on climate change and experience working with MDB's or similar institutions. Minimum of an MA or equivalent in international development studies, climate change, public policy, environmental studies, economics, or relevant finance background.

I. IMPLEMENTATION ARRANGEMENTS AND DELIVERABLES

a) Reporting:

15. The Consultant will report to the appointed Task Leader (TL) from the Islamic Development Bank assigned by the Manager, Climate Change and Environment Division, IsDB.
16. Bi-weekly calls will be organised by the consultant, involving the TL and other concerned parties to the task within the Bank. The objective of the calls is to report progress and discuss pending issues and the next steps.
17. Additional meetings could be called by the TL if deemed necessary.
18. The following deliverables shall be submitted to the Task Team of the IsDB:

Deliverable	Task	Indicative timing
Inception Report	1	Within 2 weeks from inception
IsDB Climate Change Action Plan (2020 to 2025) Stocktaking Report	2	Within 4 weeks from inception
IsDB Member Countries' Climate and Development Trends & Analysis Report:	3	Within 6 weeks from inception
Presentation on Stocktaking Report & Trends & Analysis Report	2 & 3	Within 8 weeks from inception
Draft IsDB Climate Action Plan (2026-2030)	4	Within 8 weeks from inception
IsDB Climate Action Plan (2026-2030) Monitoring and Evaluation Framework	5	Within 12 weeks from inception

IsDB Climate Action Plan (2026-2030) Presentation	6	Within 16 weeks from inception
Final IsDB Climate Action Plan (2026-2030)	6	Within 20 weeks from inception

19. In addition, all deliverables shall be prepared in English and the final deliverables shall be submitted in an electronic copy.
20. The consultant shall allow for professional editing and design of the final version of each document and submission to the Bank via email before end of the consultancy.
21. The due dates for submission of deliverables may be modified by the IsDB in a reasonable manner.

b) Timeline:

22. It is envisaged that the assignment will run for 6 months after the signature of the contract. The anticipated start date shall be from 1st August 2025.

c) Location

23. This is a home-based consultancy (i.e. the primary location of the assignment is the home country of the consultant) with the possibility of a one-off visit to IsDB's HQ in Jeddah, Kingdom of Saudi Arabia for consultation with relevant stakeholders.

J. BUDGET AND REMUNERATION

24. The contract budget involves three parts: consultancy fees for the assignment are fixed with a Lump Sum Amount of **USD 80,000** for the consultancy service (slightly negotiable).
25. The travel and accommodation expenses of the consultants for their mission to the IsDB headquarters and missions abroad (if any) will be booked or refunded based on the actual

costs incurred in accordance with the IsDB Travel Policy. No additional per-diem is envisaged. The consultant is responsible for covering the costs of her/his stay during any mission. (Please be informed that as per IsDB policies, IsDB will only reimburse the economy class travel tickets, for trips made by the consultant for the assignments agreed upon in the contract. If the consultant wants to travel on an upper class, he/she must cover the price difference).

26. Reports Editing, Design, and Reproduction: A fixed lump sum of USD 4,000 is allocated for the editing, design, and reproduction of all reports. The quality of the report design is tantamount to the quality of the delivery, and the consultant is expected to use the services of qualified editing and design firms to produce high-quality outputs in line with international standards.
27. The IsDB will provide office support, access to the Internet, printing facilities, and video conferences in the IsDB Headquarters and its regional offices as required.
28. IsDB will provide a letter of introduction to obtain the necessary visa for entry to the Kingdom of Saudi Arabia and will facilitate visa processing and travel arrangements for the consultant.
29. The terms and conditions of the payments are suggested in the proposals. However, the final terms will be agreed upon during the contract negotiations. The following should be taken into consideration by the consultants while submitting the proposals:
 - 1) The IsDB will provide office support, access to the Internet, printing facilities, and video conferences in the IsDB Headquarters and its regional offices as required.
 - 2) IsDB will provide a letter of introduction to obtain the necessary visa for entry to the Kingdom of Saudi Arabia and will facilitate visa processing and travel arrangements for the consultant.

K. INSTRUCTIONS TO CONSULTANTS AND SELECTION CRITERIA

30. Consultants are invited to submit technical (and financial) proposals no later than 6:00 p.m., Jeddah time, **29th June 2025**, including team's detailed curriculum vitae. All EOIs should be sent to designated email address.
31. EOI Submission - BCC2025-025 Development of the IsDB Green and Sustainable Strategy _2026 - 2030_ 0735056d.isdb.org@emea.teams.ms
32. Clarification email should be sent to the designated email address for the clarification: CSP - BCC2025-025 Development of the IsDB Green and Sustainable Strategy _2026 - 2030_ babfa575.isdb.org@emea.teams.ms
33. The proposal shall remain valid for two (2) months after the above deadline.
34. IsDB reserves the right to the following:
 - 1) Reject any and all proposals, and to waive minor irregularities in any proposal.
 - 2) Request the clarification of information submitted.
 - 3) Request additional information from any proposer.
 - 4) Grant the contract to the next most qualified consultant, if the selected consultant does not start the job within fifteen (15) days after the granting of the proposal.
35. IsDB shall not be responsible for any costs incurred by the consultant in preparing, submitting, or presenting its response to the RFP/EOI.
36. The evaluation will be based on a Fixed Budget Selection (FBS). The technical criteria include the firm's qualifications and experience, methodology and work program proposed, and qualifications of key personnel. Evaluation of key personnel will be based on educational background, their experience with similar tasks, and their experience with IFIs/MDBs. Technical evaluation sheets are attached in Annex 5. The references will also be considered during the technical evaluation.

37. You may address any technical clarifications needed or general information inquiries to be sent to CSP - BCC2025-025 Development of the IsDB Green and Sustainable Strategy _2026 - 2030_ babfa575.isdb.org@emea.teams.ms