

PARAGUAY

MOBILIZING BANKING SYSTEM TO FINANCE FOREST-BASED BUSINESSES

Sectors: Consulting Services

INCREASE FINANCING FROM COMMERCIAL BANKS TO SUSTAINABLE FOREST BUSINESSES

TC No./Trust Fund: PR-T1077. TC - General Cooperation Fund for Spain

Expressions of interest

Deadline: 31 July 2008

The Inter-American Development Bank (IDB) has received financing from the General Cooperation Fund for Spain in the amount of €96,700 and intends to apply the proceeds for payment of consulting services to be procured under the technical cooperation (TC) operation PR-T1077 - Mobilizing the Banking System to Finance Forest-Based Businesses.

Through the contracting of one consulting firm, the objective of this TC is to increase financing from commercial banks to sustainable forest businesses, particularly to natural forests management and plantations projects. Specifically, the study aims at identifying best practices, and designing and proofing instruments that can be used to create appropriate conditions for sustainable forest projects lending as related to: (i) governance framework to facilitate debt financing, (ii) quantity and quality (including risk management) of forest projects developed by landowners and other investors, and (iii) second and first tier banking (and other financial intermediaries) instruments proper for forest investments requirements. Investment project or component design tools for IDB financing will be prepared and applied to implement the instruments developed in Paraguay as an example that the government of that country (GOPR) may choose to adopt in the future with eventual Bank support. This type of project may also be adapted for future IDB financing in other interested LAC countries. Publications, workshops and an Internet site will be used to disseminate results among IDB clients and staff. The assignment will be carried out by a consulting firm to be selected through competitive bidding. The company will need to provide the services of a Senior Debt Financing Specialist, a Senior Forest Economist with extensive experience in forest sector related financial and environmental quality issues, a research assistant (junior MBA project finance specialist or forest economist) and a website designer. The main outputs of the study include a conceptual framework discussing the issues related to forest-based project debt financing and best practices in countries where such funding is successful, including: the role of government in providing tools and the legal - regulatory framework to facilitate this type of financing; project design and analysis issues to improve requests' quality and quantity as prepared by investors; the strategies, tools and operational protocols for the banking system (first and second tiers) to finance forest projects and manage risk. Based on these lessons; the consulting firm will generate specific strategies, tools, regulations, guidelines, and operational instruments for governments; investors; and the financial intermediaries. In addition, the TC will provide guidelines for IDB to design projects or components to mobilize the banking systems of interested borrowing countries to finance forest investments; and apply these guidelines in the preparation of a loan for Paraguay that the GOPR may choose to adopt. Finally, the results of the TC will be disseminated through workshops, publications and an Internet site.

The documentation generated will have to be produced in Spanish, with executive summaries in Portuguese and English. Contracted services are expected to start during the second quarter of 2008 and last for up to eight months, mostly conducted in Paraguay or the preferred location of the hired firm.

The IDB now invites eligible consultants to express their interest in providing the services. Interested consulting firms must submit information establishing that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Consultants may associate to enhance their qualifications.

Consulting services will be selected and contracted in accordance with the <I>Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank</I> (current edition). Nationals of all IDB member countries are eligible to bid on this consulting contract, including Finnish expertise that will also be taken into account. The financing of the technical cooperation is 75 per cent tied to the use of Spanish consulting services. Since only one consulting contract is sought, funds will be used for the hiring of a Spanish firm, an association of Spanish firms, or an association led by a Spanish firm(s) with firm(s) from borrowing member countries of the IDB, or pay for other eligible expenses.

Interested consultants may obtain further information from the e-mail address below during office hours 0900 to 1700 hours.

Expressions of interest (in electronic format) must be uploaded to the IDB's e-sourcing site at <https://enet.iadb.org/BidderWeb/signOn.aspx> by 1700 hours on 31 July 2008.

Inter-American Development Bank
Environment, Rural Development, and Natural Disaster Division – Infrastructure and Environment Sector
PR-T1077 - Mobilizing the Banking System to Finance Forest-Based Businesses.
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