

TC DOCUMENT

Support to structure an energy efficiency financing strategy for the services sector with Bancoldex

I. BASIC INFORMATION FOR TC

▪ Country/Region:	Colombia
▪ TC Name:	Support to structure an energy efficiency financing strategy for the services sector with Bancoldex
▪ TC Number:	CO-T1328
▪ Associated Loan/Guarantee Name:	CTF Energy Efficiency Financing Program for the Services Sector
▪ Associated Loan/Guarantee Number:	CO-L1124
▪ Team Leader/Members:	Jose Juan Gomes (IFD/CMF), team leader; Maria Netto (IFD/CMF), alternate team leader; Alvaro Concha (IFD/CMF); Jose Ramon Gomez (INE/ENE); Claudio Alatorre (INE/CCS); Maria Isabel Haro (IFD/CMF); Javier Bedoya (LEG/SGO); Erin Compton (IFD/CMF); and Stephanie Suber (IFD/CMF).
▪ Date of TC Abstract authorization:	January 2, 2013
▪ Donors providing funding:	Operational Support
▪ Beneficiary:	Bancoldex.
▪ Executing Agency and contact name:	IDB – IFD/CMF
▪ IDB Funding Requested:	US\$250,000 from Clean Technology Fund – Preparatory Investment Grants
▪ Local counterpart funding, if any:	US\$ 50,000 in kind resources from Bancoldex.
▪ Disbursement period:	14 months (12 months of execution)
▪ Required start date:	March 1, 2013
▪ Types of consultants	Individual consultants or firms.
▪ Prepared by Unit:	IFD/CMF
▪ Unit of Disbursement Responsibility:	CMF/CCO
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ GCI-9 Sector Priority:	The proposed TC is closely related to two institutional priorities of the IDB under the GCI-9. They are: (i) institutions for growth / social welfare; and (ii) Protecting the Environment and Responding to Climate Change.

II. DESCRIPTION OF THE ASSOCIATED LOAN/GUARANTEE

- 2.1 This Technical Cooperation (TC) will support the preparation of the following operation: CO-L1124 - CTF Energy Efficiency Financing Program for the Services Sector. Its objective is to support Colombia's efforts to enhance the competitiveness of the services sector, while reducing GHG emissions, through the piloting of an innovative financing model for Energy Efficiency (EE) projects. The model's objectives would be: (i) increasing EE investments in hotels and clinics/hospitals; and (ii) build up the capacities of Bancóldex, Local Financial Institutions (LFIs) and other relevant market actors on the structuring, financing, monitoring and evaluation of competitiveness-enhancing, EE projects CO-L1124 will be funded with US\$10 million loan from the IDB Clean Technology Fund (CTF) Trust Fund resources. These resources will be complemented with US\$10 million in counterpart contributions from an IDB loan under execution with this financial institution¹.

III. OBJECTIVES AND JUSTIFICATION OF THE TC

- 3.1 Based on initial market assessment studies regarding opportunities and barriers to finance energy efficiency in the hotel and clinic/hospital sub-sectors², it was identified that many of the barriers to gain access to credit from a potential financing line for EE investments are either related to lack of knowledge by clients and/or by perceived risks by local financial institutions and clients. In order to address these barriers, a financing line needs to be accompanied with a set of activities that will ensure that any real or perceived risk is addressed and that the financed projects actually result in tangible energy savings and GHG emission reductions.
- 3.2 The main objective of this technical cooperation is to support the design of the operation CO-L1124 by addressing informational and technical barriers and other real or perceived risks that have prevented the supply of and demand for financing for EE investment projects. In particular it will support the design of: (i) specific modalities and characteristics of the financing line for energy efficiency projects in hotel and hospitals; (ii) specific institutional and legal requirements to ensure the support and participation of key players (e.g. hotel and hospital associations, technology and technical services companies, local financial institutions, insurance companies, the ultimate beneficiaries of this effort, etc.) in the implementation of the financing line; and (iii) methodological approaches and protocols to monitor results /benefits of the financing line (i.e. reduction of energy use and GHG emission reductions).
- 3.3 The technical cooperation is aligned with the "IDB Country Strategy for Colombia 2010-14". In particular, it seeks to support the promotion of lines of credit and developing financial products (insurance, savings, microcredit, micro-franchises) and nonfinancial products (technical assistance for small- and medium-sized enterprises) through second-tier banks (Bancoldex) (See ¶3.11 of the strategy.) The technical cooperation will also result in further dialogue and knowledge support on energy efficiency issues (see ¶3.42 of the strategy).
- 3.4 This technical cooperation is also consistent with the GCI-9's lending target for climate change, renewable energy and environmental sustainability and with the IDB's priorities set in its Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy, approved in March 2011 (see ¶1.3, 2.9 and 3.14 of document GN-2609-1).

¹ Operation CO-L1082 (2193/OC-CO).

² Supported through CO-T1153 and RG-T1866.

- 3.5 The TC will integrate results from other studies and technical cooperations undertaken with Bancoldex, including three technical assistance projects to support Bancoldex in developing and implementing green lines, including CO-T1198, CO-T1153 and RG-T1866.

IV. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 4.1 The TC proposes to support the preparation of the operation CO-L1124 through 3 main components:
- 4.2 **Component 1:** Development of the specific financing scheme and the design of a financing line for energy efficiency investment projects in hotel and clinics/hospitals. This component will include the definition of different elements needed to correctly address specific financial and non-financial requirements, reflect specific local financing conditions confronted by Bancoldex and its first-tier clients, and address technical barriers and lack of knowledge confronted by beneficiary firms in order to gain access to credit for this type of investments. Among the issues that would be address through this component, the most important ones are the following:
- Options to structure the local demand for investment credit for EE purposes seeking to integrate in the financing line the costs of all the technical support required (from technical service and technology providers) by potential beneficiary firms to structure bankable projects that fulfill the financing line financial and technical eligibility criteria;
 - Options of different financing conditions and financing requirements to be made available to potential beneficiaries (e.g. interest rates, grace periods, payback periods, guarantees, insurance products, etc.), taking into account the costs of implementation of the line and the different sources of reimbursable and non-reimbursable funds available (CTF and IDB/Bancoldex funding);
 - Operational modalities of the financing line and the overall financing scheme - including guidelines for financial intermediates and project developers on how to apply / benefit from the financing scheme, including its financing line, and report results.
- 4.3 One individual consultant will be hired to undertake the necessary analysis and prepare the various technical materials contemplated in ¶4.2. Given the high level of technical detail and broad spectrum of issues to be covered by the work of the consultant, an additional consultant will be hired to peer review and provide a third party assessment of criteria and requirements proposed and undertake quality control of the technical materials prepared. The consultants would be required to travel as needed to present results of studies as well as to undertake any survey that may be required.
- 4.4 **Component 2:** Development of specific institutional and legal requirements to ensure support and participation of key partners in the implementation of the financing scheme, including the financing line. From the results of initial market studies, it is clear that a successful financing scheme for energy efficiency will need to integrate / promote the participation of a number of partnerships with key players (technology and service providers, associations of potential clients, methodology / technical verifiers, relevant government entities and regulators) to ensure that final beneficiaries and financial intermediaries are open to change their behavior towards this type of investments and develop innovative projects that are bankable and well implemented. Specific results of these activities include the identification of:

- Specific technical capacity needed within Bancoldex to promote the financing scheme, including the assessment of project eligibility and the creation of an information system for the monitoring, reporting and validation of project results;
 - Lists of roles, conditions and agreements / contractual requirements that would need to be fulfilled by potential players engaged in project development and monitoring, e.g. beneficiary firms, technology and service providers, insurers for project performance, and project certifiers and verifiers;
 - Lists of the roles, conditions and agreements required for proper promotion of the financing line, including those specifically related to existing associations of potential clients (e.g. hotels and clinics/hospitals) and technical services providers (Association of Experts in Energy Efficiency).
- 4.5 Two consultancies (individual and firm) will be hired to support the activities stipulated in component 2. One individual consultant will be required to support Bancoldex with specific technical capacity. A consultancy firm will also be hired to support the development of contractual agreements and requirements. The execution of this component will also entail the costs of consultants and events needed to assess with relevant actors (such as technical service providers and potential clients) the requirements and conditions of the financing line.
- 4.6 **Component 3:** Development of methodological approaches and protocols to monitor results/benefits of the financing scheme (i.e. reduction of energy use and GHG emission reductions). The integration of benefits arising from energy savings in the financing line will be a key incentive for clients to invest in this type of projects, provided that those savings actually materialize. In order to ensure that these benefits are tracked and fully accounted for, there exists the need to consider specific recommendations and tools, including:
- Specific criteria and key players who can play the role of "third party" verifier of projects' technical eligibility and certifier of achieved results (e.g. energy efficiency and GHG emission reductions);
 - Methodology for assessing eligible projects from a technical point of view, including how to present result indicators and monitoring whether they are being achieved;
 - Protocols and templates for: presenting robust projects for a financial and technical point of view, validating them in both dimensions, monitoring results after credit is granted, and validating results of the program as a whole.
- 4.7 One consultancy firm will be hired to develop the activities identified above. Additional individual consultants may be sought for peer review of materials developed. The execution of this component will also entail the organization of events for consultations of requirements and conditions of the financing line with relevant actors (such as technical service providers and potential clients) and fees and travel for needed consultants.

Indicative Results Matrix

Results Matrix									
	Unit	Baseline		Year 1		Year 2		Expected Completion Date	Data Source
		Value	Year	Planned	Actual	Planned	Actual		
Component 1 - Financing line designed and operational.	#	0	2013	1		1		10/01/2013	IDB Systems
Component 2 - Legal requirements designed and operational	#	0	2013	1		1		10/01/2013	IDB Systems
Component 2 - Clients and technical providers that engage in the program.	#	0	2013	15		20		02/01/2014	IDB Systems & Survey
Component 3 – Protocol and verification methodology designed and operational.	#	0	2013	1		10		10/01/2013	IDB Systems

- 4.8 The total amount of this operation is US\$300,000, with US\$250,000 from CTF resources and US\$50,000 in kind from Bancoldex. These resources will be used to hire the services of experts to implement components 1, 2 and 3 above as well as to pay for logistics of consultative events and related consultants' travel needs. Any contracting will be undertaken following Bank's policies and procedures. The contracting of individual consultants will be done following the Policies for the Selection and Contracting of Consultants financed by the Bank (document GN-2350-9).

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Local Counterpart Funding	Total Funding
Component 1	Demand structuring conditions	35,000	-	35,000
	Financing line conditions	35,000	10,000	45,000
	Operational modalities	20,000	10,000	30,000
Component 2	Institutional capacity of Bancoldex	30,000	20,000	50,000
	Conditions and requirements for players supporting project preparation and monitoring	30,000	-	30,000
	Conditions and requirements for players supporting the promotion of the financing scheme	30,000	-	30,000
Component 3	Criteria and conditions for third party validators and verifiers	20,000	-	20,000
	Methodology to assess project by project results	30,000	-	30,000
	Protocols and templates	20,000	10,000	30,000
Total:		250,000	50,000	300,000

* Bancoldex will provide in kind counterpart support.

- 4.9 The counterpart resources for this project would be in kind resources from Bancoldex³. The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of IFD/CMF.

³ Counterpart resources will consist on staff time, facilities for the development of planned promotional workshops and events, and office space for consultants supporting the design of the different products envisioned under this TC.

- 4.10 To ensure a proper execution of the proposed program, the project team will organize launching, mid-term and final review meetings/audio-conferences with Bancoldex and consultants for each of the phases contemplated in the design and implementation of the activities planned.

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 It is appropriate for the IDB to directly execute this investment grant since it should focus on a number of highly technical inputs which would feed into specific project preparation requirements from both the IDB and the Clean Technology Fund (CTF). The Beneficiary and the Bank agree that the execution by the IDB would enhance the quality control of the studies and methodologies to be developed and would improve the efficiency and agility in the execution of the technical cooperation and the design and implementation of operation CO-L1124.
- 5.2 As explained in component 2 of the TC, part of the project activities include enhancing the technical capacity of Bancoldex to design and execute the financing line for energy efficiency projects to be promoted through the operation CO-L1124. The Beneficiary and the IDB agree that the latter should execute the project also to assess any additional specific technical capacity needs required by Bancoldex to promote the energy financing line contemplated in loan operation CO-L1124.
- 5.3 IDB execution would be in accordance with GN-2629-1 and its appendix 10. A request from the Beneficiary for IDB to execute this TC is annexed.

VI. MAJOR ISSUES

- 6.1 Given that the work proposed in this TC is highly technical, there is a risk of not obtaining good quality results if the work carried out by consultants is not properly monitored. For this reason, peer reviewers will be asked to review the products developed. In addition, part of the project resources would be allocated to: (i) enhance the capacity of Bancoldex to develop the financing line under CO-L1124 (component 2); and (ii) consultations with technical providers and potential clients before the final design / consultancy products are finalized to ensure that they reflect concerns from key stakeholders and are of high quality (components 2 and 3).

VII. EXCEPTIONS TO BANK POLICY

- 7.1 No exceptions to Bank policy are envisioned.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 Based on the Environmental and Social Safeguard Filter, the proposed technical assistance has been classified as category C. No potential negative environmental and/or social impacts of the TC were identified and therefore no mitigation strategy is required to address any impact. See [Safeguard Policy Filter Report \(SPF\)](#) and [Safeguard Screening Form \(SSF\)](#).

Required Annexes:

- Letter of Request
- Terms of Reference for activities/components to be procured
- Procurement Plan



Bogotá, D.C., 18 de diciembre de 2012.

Señor
RAFAEL DE LA CRUZ
Representante en Colombia
Banco Interamericano de Desarrollo
Carrera 7 No 71 - 21 Torre B, piso 19
Ciudad

Asunto: Concepto de Aval favorable del proyecto "Promoción de Proyectos de eficiencia energética en los Sectores de Hoteles y Hospitales".

Estimado señor De la Cruz:

Hemos recibido la iniciativa de la referencia que será financiada con recursos de cooperación no reembolsable y apoyará acciones que contribuyan a estructurar un programa de eficiencia energética que permita a los hoteles y clínicas incrementar sus estándares de productividad y competitividad en el marco de un desarrollo económico sostenible.

Resaltamos la importancia de esta cooperación y su contribución al Plan Nacional de Desarrollo "Prosperidad para Todos", así como su alineación con la Estrategia Nacional de Cooperación Internacional 2012 – 2014, en relación con los temas de Energías Renovables, en el bloque estratégico de "Gestión Ambiental".

Teniendo en cuenta lo anterior nos permitimos informar que la Agencia Presidencial de Cooperación Internacional de Colombia APC-Colombia emite su aval para el desarrollo de la fase de preparación del proyecto. Acompañamos la comunicación con el aval técnico emitido por la Subdirección de Crédito Público del Departamento Nacional de Planeación –DNP– donde nos informa que la cooperación cumple con los requisitos de elegibilidad establecidos por el Trust Fund.

Agradecemos mantenernos informados de los avances de esta iniciativa.

Cordial saludo,

SANDRA BESSUDO LION

Directora General

Agencia Presidencial de Cooperación Internacional de Colombia APC – COLOMBIA

C.C Beatriz Arbeláez Martínez, Vicepresidente Financiera Bancoldex

Vo.Bo. Carolina Tenorio, Directora Dirección de Gestión de Demanda

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Departamento Nacional de Planeación
República de Colombia

**Prosperidad
para todos**

Bogotá D.C., viernes, 07 de diciembre de 2012



Al responder cite este Nro.
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Doctora
SANDRA BESSUDO
Directora
Agencia Presidencial de Cooperación Internacional de Colombia
Carrera 11 No. 93-53, piso 7
Bogotá

Asunto: Concepto Técnico del Proyecto "Promoción de Proyectos de Eficiencia Energética en los Sectores de Hoteles y Hospitales"

Respetada Sandra:

En respuesta a la solicitud de concepto técnico favorable para realizar el proyecto "Promoción de Proyectos de Eficiencia Energética en los Sectores de Hoteles y Hospitales", que será financiado con recursos de cooperación técnica no reembolsable del BID, nos permitimos manifestar lo siguiente:

En marzo de 2010 el Trust Fund Committee del Clean Technology Fund – CTF aprobó el plan indicativo de inversiones para Colombia. Se aprobaron US\$150 millones para dos líneas de inversión; transporte sostenible y eficiencia energética. Dentro de la línea de eficiencia energética se encuentra el proyecto de "Promoción de Proyectos de Eficiencia Energética en los Sectores de Hoteles y Hospitales", que se planea desarrollar con el apoyo financiero del Banco Interamericano de Desarrollo – BID y ejecutado por Bancóldex.

El proyecto para el cual Bancóldex solicita recursos de cooperación no reembolsable se encuentra estructurado para cumplir efectivamente con los requisitos de elegibilidad establecidos por el Trust Fund Committee del Clean Technology Fund, dentro de los cuales se incluyen:

- Potencial para reducir en el largo plazo la producción de Gases de Efecto Invernadero.
- Potencial demostrativo para lograr el efectivo uso y divulgación de tecnologías de baja carbono-intensidad. Lo anterior implica potencial de replicabilidad a nivel regional.
- Generar impacto positivo sobre el desarrollo.
- Alta potencialidad de implementación en el corto plazo.
- Se encuentra incorporado dentro del Plan Nacional de Desarrollo 2012 – 2014, en las estrategias "Cambio Climático, reducción de vulnerabilidad y adaptación y estrategia de desarrollo bajo en carbono" y "Provisión del servicio de energía eléctrica".



Departamento Nacional de Planeación
República de Colombia

**Prosperidad
para todos**

Teniendo en cuenta lo anterior, este Departamento emite concepto técnico favorable para acceder a recursos de cooperación técnica no reembolsable del BID, para la realización del proyecto "Promoción de Proyectos de Eficiencia Energética en los Sectores de Hoteles y Hospitales"

Cordialmente,

NATALIA BARGANS BALLESTEROS
Subdirectora de Crédito

Copia: Doctor Rafael de la Cruz, Representante del BID para Colombia

Preparó: Yurany Rodríguez
Revisó: Natalia Bargans Ballesteros

B-VFI 34422

Bogotá, octubre 10 de 2012

Doctora
Sandra Bessudo
Directora General
Agencia Presidencial para la Cooperación Internacional (APC)
Calle 11 No. 93 – 53 Piso 7
Bogotá

Asunto: Cooperación no reembolsable del Clean Technology Fund (CTF) para la promoción de proyectos de eficiencia energética en los sectores de hoteles y hospitales.

Estimada doctora Bessudo:

Bancóldex y el Banco Interamericano de Desarrollo, vienen adelantando acciones para estructurar un programa de eficiencia energética que le permita a los sectores de hoteles y clínicas y hospitales incrementar sus estándares de productividad y competitividad a través de la adopción de medidas para el uso racional de la energía dentro de los programas que tanto el BID como el Gobierno de Colombia quieren promover en relación con la importancia del uso racional de los recursos naturales en el marco de un desarrollo económico sostenible.

Con el fin de implementar de forma efectiva esta iniciativa, el programa requiere recursos no reembolsables por un monto de un millón de dólares, los cuales fueron aprobados en el plan de inversiones de Colombia y provienen del Clean Technology Fund. De acuerdo con las conversaciones efectuadas con el BID estos recursos estarían divididos de la siguiente manera: 250 mil dólares para la preparación del proyecto y 750 mil dólares para la etapa de ejecución.

En este sentido, Bancóldex solicita muy amablemente que se realicen los trámites necesarios por la agencia a su cargo con el fin de obtener la no objeción para obtener en primer lugar, el desembolso del monto correspondiente a la etapa de preparación del proyecto.

Una vez recibidos y ejecutados los recursos destinados a la etapa de preparación del proyecto, amablemente solicitamos surtir el proceso requerido para obtener de APC la no objeción al posterior desembolso de los fondos correspondientes a la etapa de ejecución del proyecto.

Agradecemos su colaboración y quedamos atentos a cualquier inquietud.

Cordialmente,

Beatriz Arbelaez Martinez
Vicepresidente Financiero

TERMS OF REFERENCE – COMPONENT 1 – ELIGIBILITY CRITERIA AND MODALITIES OF THE FINANCING LINE

TECHNICAL CONSULTANCY FOR AN EXPERT ON CLIMATE CHANGE MITIGATION FOR THE INTER-AMERICAN DEVELOPMENT BANK (IDB)

I. BACKGROUND

IDB is supporting Colombia's efforts to enhance the competitiveness of its productive sector, while reducing GHG emissions through the development of a financing line with Bancoldex, a national development bank, for energy efficiency projects in hotels and hospitals. In particular the effort aims at: (i) increasing investments in EE in hotels and clinics and hospitals; and (ii) building up the capacities of Bancoldex and other market actors on the structuring, financing, monitoring and evaluation of competitiveness-enhancing, environmentally-friendly projects.

For designing this financing line the following activities are planned: (i) design of specific eligibility criteria and modalities of the financing line for energy efficiency in hotel and hospitals; (ii) design of specific institutional and legal requirements to ensure support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of the financing line; and (iii) development of methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use; GHG emission reductions).

II. OBJECTIVE

A consultant with particular expertise on energy efficiency and financial institutions is required to support the IFD/CMF team in designing specific eligibility criteria and modalities of the financing line for energy efficiency in hotel and hospitals. In addition to technical skills, it will be critical that the officer has good understanding of the local financial institutions in Colombia and needs of characteristics of local energy service providers and potential clients (hotels and hospitals) in Colombia.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Structuring and design of a strategy and financing mechanism to promote energy efficiency investments in hotels and hospitals in Colombia, including:
 - Identification of potential clients, financing channels and service providers that would be part of the financing structure;
 - Identification of main risks for investment and proposal of specific risk mitigation measures to address them through a financing mechanism;
 - Identification of costs and technical backstopping to be amortized / integrated in the financing mechanism;
 - Analysis and estimation of adequacy of different financial instruments to promote EE investments and recommendation of specific conditions for a financing line (e.g. interest

- rates, grace periods, payback periods, guarantees, insurance products, etc.) taking into account the costs of implementation of the line and the different sources of funds available (CTF and IDB/Bancoldex funding)
- Description of specific eligibility requirements and detailed development of operational modalities of the financing line - including detailed guidelines and technical materials for financial intermediates, energy service providers and project developers on how to apply / use the line.
2. Support in the development and implementation of an outreach plan to promote the financing line, including capacitation of staff of Bancoldex, local financial institutions, energy service providers and potential clients.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultancy firm's part shall begin. During this period the selected company/consultant will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultancy firm/consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Offices of the selected consultancy firm and/or consultant.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultancy firm/consultant will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected Consultancy Firm that will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The person must have:
 - University and Post graduate degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
 - At least five years relevant working experience with energy efficiency and/or financial institutions, of which one year should have been in an international environment.
 - Excellent knowledge and relevant work experience in project development and management.
 - Excellent knowledge and work experience with climate finance.
 - Excellent knowledge and work experience in Colombia.
 - Excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful.

- Ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations.
- Good written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports. .
- Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
- Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The lump sum payment for this work will adhere to the following installments:

- 25% upon contract signing
- 35% upon delivery and approval by the IDB Team of an interim report.
- 40% upon delivery and approval by the IDB Team of the final report.

V. COORDINATION

Overall responsibility for the supervision of the consultant's work and the approval of payments would be taken by Maria Netto, Lead Financial Markets and Climate Change Specialist, IFD/CMF, in coordination with Jose Juan Gomes Lorenzo, Lead Financial Markets Specialist, IFD/CMF.

TERMS OF REFERENCE – COMPONENT 2 – INSTITUTIONAL CAPACITY FOR BANCOLEX**TECHNICAL CONSULTANCY FOR AN EXPERT ON CLIMATE CHANGE MITIGATION FOR THE INTER-AMERICAN DEVELOPMENT BANK (IDB)****I. BACKGROUND**

IDB is supporting Colombia's efforts to enhance the competitiveness of its productive sector, while reducing GHG emissions through the development of a financing line with Bancoldex, a national development bank, for energy efficiency projects in hotels and hospitals. In particular the effort aims at: (i) increasing investments in EE in hotels and clinics and hospitals; and (ii) building up the capacities of Bancoldex and other market actors on the structuring, financing, monitoring and evaluation of competitiveness-enhancing, environmentally-friendly projects.

For designing this financing line the following activities are planned: (i) design of specific eligibility criteria and modalities of the financing line for energy efficiency in hotel and hospitals; (ii) design of specific institutional and legal requirements to ensure support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of the financing line; and (iii) development of methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use; GHG emission reductions).

II. OBJECTIVE

A consultant with particular expertise on energy efficiency financing in Colombia is required to support the IFD/CMF team in supporting institutional capacity of Bancoldex to ensure support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of a financing line to energy efficiency projects in hotels and hospitals. In addition to technical skills, it will be critical that the officer has good understanding of the local financial institutions in Colombia and needs of characteristics of local energy service providers and potential clients (hotels and hospitals) in Colombia.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Supporting the development of partnerships and agreements with different actors relevant for the successful operationalization of a financing line, including with associations of potential clients, local financial institutions, energy service providers, technology providers and technical quality control reviewers.
2. Providing technical backstopping and quality control to work being undertaken by other consultants in the development and initial implementation of the financing line.
3. Developing work flows and implementation plans for the financing line operation, including development of templates and forms to apply / use / review the credit requests; make available standard contracts, eligibility requirements and relevant operational documents to

key stakeholders and clients, follow up on operational modalities with local financial institutions, and support development and maintenance of a registry / data base for tracking projects requests, credits and reports of activities.

4. Supporting the promotion of the financing lines, including through organization of training and consultation meetings with key stakeholders, identification of potential pilot projects; development of promotion materials and maintenance of a dedicated web page.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultancy firm's part shall begin. During this period the selected company/consultant will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Bancoldex offices - Colombia.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultant will be requested to prepare quarterly reports of its activities. An evaluation of the work of the consultancy firm will be undertaken after four (4) months of operations of the Platform. Depending on the results of the evaluation and feedback provided by users on the content of the platform the responsibilities of the consultancy firm and contract conditions may be revised.
5. **Conflict of interest:** The selected consultant that will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The person must have:
 - University and Post graduate degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
 - At least five years relevant working experience with energy efficiency in Colombia.
 - Excellent knowledge and relevant work experience in project development and management.
 - Excellent knowledge of financial institutions and policies and practices on energy in Colombia.
 - Excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful.
 - Ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations.
 - Good written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports. .

- Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
- Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The consultant will be paid on a bi-weekly basis. Payment will be based on amount of months worked.

V. COORDINATION

Overall responsibility for the supervision of the consultant's work and the approval of payments would be taken by Maria Netto, Lead Financial Markets and Climate Change Specialist, IFD/CMF, in coordination with Jose Juan Gomes Lorenzo, Lead Financial Markets Specialist, IFD/CMF.

TERMS OF REFERENCE – COMPONENT 2 – LEGAL ADVICE

TECHNICAL CONSULTANCY FOR AN EXPERT ON CLIMATE CHANGE MITIGATION FOR THE INTER-AMERICAN DEVELOPMENT BANK (IDB)

I. BACKGROUND

IDB is supporting Colombia's efforts to enhance the competitiveness of its productive sector, while reducing GHG emissions through the development of a financing line with Bancoldex, a national development bank, for energy efficiency projects in hotels and hospitals. In particular the effort aims at: (i) increasing investments in EE in hotels and clinics and hospitals; and (ii) building up the capacities of Bancoldex and other market actors on the structuring, financing, monitoring and evaluation of competitiveness-enhancing, environmentally-friendly projects.

For designing this financing line the following activities are planned: (i) design of specific eligibility criteria and modalities of the financing line for energy efficiency in hotel and hospitals; (ii) design of specific institutional and legal requirements to ensure support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of the financing line; and (iii) development of methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use; GHG emission reductions).

II. OBJECTIVE

A consultant firm with particular expertise in investments, financial institutions and contractual agreements with insurances in Colombia is required to support the IFD/CMF team in supporting the development of standard contracts and requirements for participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of a financing line to energy efficiency projects in hotels and hospitals. In addition to technical skills, it will be critical that the firm has good understanding of the local financial institutions and insurance in Colombia and needs of characteristics of local energy service providers and potential clients (hotels and hospitals) in Colombia.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Review overall technical requirements and modalities for the financing line and make recommendations to Bancoldex with regards to standard agreements, eligibility requirements and legal issues to consider in the implementation of the financing line.
2. Review and prepare a standard contract between energy service providers and potential credit clients to be promoted as part of the financing line of Bancoldex.
3. Review and prepare a standard contract between insurers and energy service providers to be promoted as part of the financing line.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultancy firm's part shall begin. During this period the selected company will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Offices of the selected consultancy firm.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultancy firm will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected consultant that will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The consultancy firm must have:
 - University and Post graduate degrees in law a related discipline.
 - At least five years relevant working experience with investment contracts (in particular for energy services, insurance and technology equipment maintenance) in Colombia.
 - Excellent knowledge and relevant work experience in project development and management.
 - Excellent knowledge of energy efficiency projects and practices on energy in Colombia.
 - Excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful.
 - Ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations.
 - Good written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports. .
 - Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
 - Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The lump sum payment for this work will adhere to the following installments:

- 25% upon contract signing
- 35% upon delivery and approval by the IDB Team of an interim report.

- 40% upon delivery and approval by the IDB Team of the final report.

V. COORDINATION

Overall responsibility for the supervision of the consultant's work and the approval of payments would be taken by Maria Netto, Lead Financial Markets and Climate Change Specialist, IFD/CMF, in coordination with Jose Juan Gomes Lorenzo, Lead Financial Markets Specialist, IFD/CMF.

TERMS OF REFERENCE – COMPONENT 3 – METHODOLOGICAL FRAMEWORK

TECHNICAL CONSULTANCY FOR AN EXPERT ON CLIMATE CHANGE MITIGATION FOR THE INTER-AMERICAN DEVELOPMENT BANK (IDB)

I. BACKGROUND

IDB is supporting Colombia's efforts to enhance the competitiveness of its productive sector, while reducing GHG emissions through the development of a financing line with Bancoldex, a national development bank, for energy efficiency projects in hotels and hospitals. In particular the effort aims at: (i) increasing investments in EE in hotels and clinics and hospitals; and (ii) building up the capacities of Bancoldex and other market actors on the structuring, financing, monitoring and evaluation of competitiveness-enhancing, environmentally-friendly projects.

For designing this financing line the following activities are planned: (i) design of specific eligibility criteria and modalities of the financing line for energy efficiency in hotel and hospitals; (ii) design of specific institutional and legal requirements to ensure support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of the financing line; and (iii) development of methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use; GHG emission reductions).

II. OBJECTIVE

A consultant firm with particular expertise in monitoring and certification of energy efficiency, greenhouse gas emissions in Colombia is required to support the IFD/CMF team in supporting the development of methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use; GHG emission reductions) for energy efficiency projects in hotels and hospitals. In addition to technical skills, it will be critical that the firm has good understanding of the local financial institutions in Colombia and needs of characteristics of local energy service providers and potential clients (hotels and hospitals) in Colombia.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Development of specific criteria, role and work flow to be implemented by a "third party" verifier of projects' eligibility and certifier of achieved results (e.g. energy efficiency, GHG emission reductions);
2. Development of methodology for assessing eligible projects, including how to assess project baseline and present result indicators and monitoring systems of the proposed projects;
3. Development of protocols and templates for: presenting projects, validating projects, monitoring results after credit is granted, and for validating results of monitoring.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultancy firm's part shall begin. During this period the selected company will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Offices of the selected consultancy firm.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultancy firm will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected consultancy firm that will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The consultancy firm must have:
 - University and Post graduate degrees in energy efficiency, climate change and environment, economics, engineering or a related discipline.
 - At least five years relevant working experience with certification of GHG emissions inventories, energy efficiency savings, and/or GHG emission reductions assessments in Colombia.
 - Excellent knowledge and relevant work experience in project development and management.
 - Excellent knowledge of energy efficiency projects and practices on energy in Colombia.
 - Excellent knowledge of national and international climate change policy and standards.
 - Excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful.
 - Ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations.
 - Good written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports. .
 - Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
 - Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The lump sum payment for this work will adhere to the following installments:

- 25% upon contract signing
- 35% upon delivery and approval by the IDB Team of an interim report.
- 40% upon delivery and approval by the IDB Team of the final report.

V. COORDINATION

Overall responsibility for the supervision of the consultant's work and the approval of payments would be taken by Maria Netto, Lead Financial Markets and Climate Change Specialist, IFD/CMF, in coordination with Jose Juan Gomes Lorenzo, Lead Financial Markets Specialist, IFD/CMF.

PROCUREMENT PLAN

Country: Colombia
Executing agency: IDB/CMF/ Country Office Colombia
Project: “Support to structure an energy efficiency financing strategy for the services sector with Bancoldex”
No. Of Project and contract: CO-T1328

Brief description of the objectives and components of the Technical Cooperation: The main objective of this technical cooperation is to support the design of the operation CO-L1124 by addressing informational and technical barriers and other real or perceived risks that have prevented the supply of and demand for financing for EE investment projects. In particular it will support the design of:

Component 1: Specific eligibility criteria, modalities and characteristics of the financing line for energy efficiency projects in hotel and hospitals;

Component 2: Specific institutional and legal requirements to ensure the support and participation of key partners (e.g. hotel and hospital associations, energy companies, insurance companies, etc.) in the implementation of the financing line; and

Component 3: Methodological approaches and protocols to monitor results / benefits of the financing line (i.e. reduction of energy use and GHG emission reductions).

One individual consultant or firm will be hired to implement component 1, one individual consultant and a firm will be hired to implement component 2; and one consultancy firm will be hired to implement component 3.

Starting date for signing of contract: Feb 2013
Date of last disbursement: Apr 2014

Address of the division responsible for the execution of acquisition plan:
Inter-American development bank
Capital Markets and Financial Institutions Division (IFD/CMF)
1300 New York Ave, NW, Washington DC 20577, USA

Period covered by this Procurement Plan: July 2012 to January 2015

Description of the Contract and Estimated Cost of Acquisition	Estimated Cost (US\$)	Acquisition Methodology ¹	Source of Funding and Percentage		Prequalification	Estimated Date		Status (Pending, in process, disbursed, canceled)	Comments
			BID	Local / other (in kind from Bancoldex)	(Yes/No)	Publication/Announcement of Procurement	Termination of Contract		
Component I: Financing line design									
Consultancy firm or individual consultant (1)	80,000	IICC	80,000	0	No	Q1 2013	Q1 2014	Pending	
Individual consultant (peer review) (1)	5,000	QBS or IICC	5,000	0	No	Q1 2013	Q1 2014	Pending	
Travel	5,000		5,000	0	No			Pending	
Component II: Institutional and legal requirements									
Individual consultant (institutional capacity) (1)	60,000	NICQ	60,000	0	No	Q1 2013	Q1 2014	Pending	
Consultancy firm or individual consultant (legal requirements) (1)	20,000	NICQ	20,000	0	No	Q1 2013	Q1 2014	Pending	
Logistic Consultation meetings with key stakeholder’s (including travels)	20,000	PC	10,000	10,000	No	Q2 2013	Q1 2014	Pending	

¹ **Goods and Works:** ICB: International competitive bidding; LIB: limited international bidding; NCB: national competitive bidding; PC: price comparison; DC: direct contracting; FA: force account; PSA: Procurement through Specialized Agencies; PA: Procurement Agents; IA: Inspection Agents; PLFI: Procurement in Loans to Financial Intermediaries; BOO/BOT/BOOT: Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; PBP: Performance-Based Procurement; PLGB: Procurement under Loans Guaranteed by the Bank; PCP: Community participation procurement. **Consulting Firms:** QCBS: Quality- and Cost-Based Selection QBS: Quality-Based Selection FBS: Selection under a Fixed Budget; LCS: Least-Cost Selection; CQS: Selection based on the Consultants' Qualifications; SSS: Single-Source Selection. **Individual Consultants:** NICQ: National Individual Consultant selection based on Qualifications; IICC: International Individual Consultant selection based on Qualifications; CCIN: National Individual Consultant selection based on Comparison of Qualifications.

Component III: Methodological framework									
Consultancy firm or individual consultant (methodological approach) (1)	60,000	SSS / QBS	60,000	0	No	Q1 2013	Q1 2014	Pending	
Logistic Consultation meetings with key stakeholder's (including travels)	10,000	PC	10,000	10,000	No	Q2 2013	Q1 2014	Pending	
<u>TOTAL</u>²	270,000		250,000	20,000	---	---	---	---	