

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 1. Identification of MSMEs green and resilient COVID-19 recovery opportunities.

CONSULTANCY 1.

TERMS OF REFERENCES

Diagnostic to review market trends to identify green and resilient investment opportunities for MSMEs.

1. Background and Justification

- 1.1.** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2.** MSMEs in Honduras are essential to the country's productive structure and labor market. There were 14,317 MSMEs registered in 2017, employing an estimated 70% of the country's workers. Of this total number of MSMEs, 96% are classified as microenterprises (1-10 employees), 3% as small businesses (11-50 employees) and 1% as medium-sized businesses.¹ However, Honduran MSMEs have a history of restricted access to financing even prior to the COVID-19 pandemic, with a finance gap estimated at 37% according to a 2018 study by the SME Finance Forum². This limited access to financing is confirmed by data from the National Banking and Insurance Commission (CNBS) showing that only 19% of the financial system loans to the business sector went to MSMEs in 2019.³
- 1.3.** As a result of the COVID 19 pandemic, MSMEs were confronted with multiple challenges regarding access to financing and this was exacerbated by the global economic contraction which has led to a reduction and a higher uncertainty of global demand. A strong decrease in external demand coming from Honduras's main trade partners, namely the United States and the European Union impacted the supply chains of primary products exported by Honduras as well as the country's industrial sector.⁴ As MSMEs' revenue decreased and temporary closures increased, the perceptions of the MSME's credit risk worsened, leading to a further decrease in credit supply and to the

¹ M. Dini y G. Stumpo (coords.), "Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento. Síntesis", Documentos de Proyectos (LC/TS.2019/20), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL), 2019.

² IFC (International Finance Corporation). (2018). MSME FINANCE GAP: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. IFC, Washington, DC

³ Comisión Nacional de Bancos y Seguros. (2020). Presentación de Datos de Cartera MIPYME del Sistema Financiero. Tegucigalpa, 30 marzo de 2020.

⁴ IADB (2021). "Program to Finance the Industrial Development of Honduras (HO-L1217) – Project Profile"

intensification of the financial system's preference for maintaining liquidity rather than lending to MSME clients confronting economic difficulties.⁵

- 1.4. The Government of Honduras focused its efforts on protecting the country's productive fabric, including the following measures: (i) the freezing of credit history from February 28 2020 to October 2020, (ii) the establishment of a US\$ 100 million guarantee fund managed by BANHPROVI (trustee) for loans to MSMEs with resources from a Central American Bank for Economic Integration (CABEI) loan approved on April 25th 2020 (the fund guarantees 65% to 90% of loans to MSMEs), and (iii) the allocation of US\$ 225 million for a credit line by BANHPROVI to provide loans to MSMEs, with support from a CABEI credit line approved on May 8th 2020.
- 1.5. Looking forward, BANHPROVI and other fiduciary structures⁶ are expected to play an important role in the economic recovery of Honduras and this provides the opportunity to make these efforts climate smart by mobilizing and redirecting financial resources towards low carbon and climate resilient activities. Supporting the productive development of the country through greening MSMEs has the potential to make the country more competitive as global value chains adapt to a new context. Furthermore, BANHPROVI's experience managing trust funds allows for a flexible structure to further channel sub-loans and guarantees to intermediary financial institutions as well as to channel technical assistance to beneficiary businesses to implement and prioritize green investment pathways.
- 1.6. The objective of this intervention is the institutional and technical strengthening of BANHPROVI and the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery of Honduras. This will allow BANHPROVI and other fiduciary structures to increase their ability to identify, exploit and monitor the opportunities for climate finance with SMEs and, hence, support the efforts of the IADB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in Honduras.

2. Objectives

- 2.1. Support the beneficiary in the preparation of a diagnostic to review market trends to identify green and resilient investment opportunities for MSMEs in Honduras.

3. Key Activities

- 3.1. Undertake a desk review of all relevant information required to prepare the diagnostic on market tendencies.
- 3.2. Analyze all available data related to and required for the preparation of the expected products, using both quantitative and qualitative analytical approaches to support the arguments presented in the documents.

⁵ Klein. 2014. "Small and Medium Size Enterprises, Credit Supply Shocks, and Economic Recovery in Europe", WP/14/98, Fondo Monetario Internacional (FMI), 2014.

⁶ The IADB is engaging in discussions with the Government of Honduras regarding the creation of a Public Trust Fund to support post-COVID economic recovery.

- 3.3. Review market tendencies and existing financing portfolios to identify green and resilient investment opportunities for MSMEs in selected sectors. This analysis will consider a gender perspective as part of its inputs to understand the gender barriers and needs for MSMEs;
- 3.4. Analyze green and resilient technologies and their availability for MSMEs financing through the banking channels. This work will develop analytical work using tools and methodologies that better account for green and climate-resilient investments.
- 3.5. Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within [XX days])
- 4.2. First draft of the diagnostic and relevant documents/annexes (to be delivered within [XX days]).
- 4.3. Final version of the diagnostic in word and pdf, including a PowerPoint presentation of the presented documents (to be delivered within [XX days]).

5. Project Schedule and Milestones

- 5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

- 6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

- 7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:
 - Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors. Knowledge of the COVID-19 recovery priorities in Honduras.
 - Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

- 7.2. All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

- 8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and

royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

- 9.1.** The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

- 10.1.** Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 10.2.** The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft	25%
3. Final draft and ppt	60%
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 1. Identification of MSMEs green and resilient COVID-19 recovery opportunities.

CONSULTANCY 2.

TERMS OF REFERENCES

Design of new financial products for MSMEs and financial structuring of a pilot of financial products for MSMEs

1. Background and Justification

1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

1.2 According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.

1.3 There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.

1.4 The objective of this technical assistance is the institutional and technical strengthening of BANHPROVI for the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery in Honduras. This will allow them to increase their abilities to identify, exploit and monitor the opportunities for climate finance with SMEs, and hence support the efforts of the IDB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in LAC.

2. Objectives

2.1 Support BANHPROVI in the structuring of financial products for MSMEs for increased investment mobilization for a green and climate-resilient recovery.

3. Key Activities

3.1 Support BANHPROVI in the structuring of the pilot.

3.2 Develop a brief in Power Point outlining (i) the results of the pilot, (ii) key takeaways and lessons learned (iii) possible suggestions for improvements and/or any other remarks deemed useful to inform the next steps of IDB.

3.3 Present, in collaboration the beneficiary bank, the firm/consultant and the IDB team, the pilot results.

3.4 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days]).

4.2 First draft of the document(s) including the developed methodology to be delivered within [XX days].

4.3 Final version of the documents(s) in word and pdf, including a PowerPoint presentation that includes all the outcomes from the pilots (to be delivered within [XX days]).

5. Project Schedule and Milestones

5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm

must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors.
Knowledge of the COVID-19 recovery priorities in Honduras.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 The IDB will be the sole owner of all the products derived from this consultancy, including the rights of reproduction, distribution, diffusion and publication of materials in all languages. Any academic research project that uses products from this assessment must have the authorization of the IDB technical coordinators.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	20%
2. First draft	40%
3. Final draft and ppt	40%
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 1. Identification of MSMEs green and resilient COVID-19 recovery opportunities.

CONSULTANCY 3.

TERMS OF REFERENCES

Update monitoring and evaluation instruments

1. Background and Justification

- 1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2 MSMEs in Honduras are essential to the country's productive structure and labor market. There were 14,317 MSMEs registered in 2017, employing an estimated 70% of the country's workers. Of this total number of MSMEs, 96% are classified as microenterprises (1-10 employees), 3% as small businesses (11-50 employees) and 1% as medium-sized businesses.⁷ However, Honduran MSMEs have a history of restricted access to financing even prior to the COVID-19 pandemic, with a finance gap estimated at 37% according to a 2018 study by the SME Finance Forum⁸. This limited access to financing is confirmed by data from the National Banking and Insurance Commission (CNBS) showing that only 19% of the financial system loans to the business sector went to MSMEs in 2019.⁹
- 1.3 As a result of the COVID 19 pandemic, MSMEs were confronted with multiple challenges regarding access to financing and this was exacerbated by the global economic contraction which has led to a reduction and a higher uncertainty of global demand. A strong decrease in external demand coming from Honduras's main trade partners, namely the United States and the European Union impacted the supply chains of primary products exported by Honduras as well as the country's industrial sector.¹⁰ As MSMEs' revenue decreased and temporary closures increased, the perceptions of the MSME's credit risk worsened, leading to a further decrease in credit supply and to the intensification of the financial system's preference for maintaining liquidity rather than lending to MSME clients

⁷ M. Dini y G. Stumpo (coords.), "Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento. Síntesis", Documentos de Proyectos (LC/TS.2019/20), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL), 2019.

⁸ IFC (International Finance Corporation). (2018). MSME FINANCE GAP: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. IFC, Washington, DC

⁹ Comisión Nacional de Bancos y Seguros. (2020). Presentación de Datos de Cartera MIPYME del Sistema Financiero. Tegucigalpa, 30 marzo de 2020.

¹⁰ IADB (2021). "Program to Finance the Industrial Development of Honduras (HO-L1217) – Project Profile"

confronting economic difficulties.¹¹

- 1.4 The objective of this intervention is the institutional and technical strengthening of BANHPROVI and the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery of Honduras. This will allow BANHPROVI and other fiduciary structures to increase their ability to identify, exploit and monitor the opportunities for climate finance with SMEs and, hence, support the efforts of the IADB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in Honduras.

2. Objectives

- 2.1 Development of an update monitoring and evaluation instruments to measure the effectiveness and impact of innovative sustainable financial products, including the proposed pilot, by developing new approaches to understand climate impacts.

3. Key Activities

- 3.1 Identification/Mapping of innovative sustainable financial products.
- 3.2 Collection and verification of data and sources of information used to measure the indicators, in coordination with the assigned specialist
- 3.3 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days])
- 4.2 First draft of the diagnostic and relevant documents/annexes (to be delivered within [XX days]).
- 4.3 Final version of the XXX in word and pdf, including a PowerPoint presentation of the presented documents (to be delivered within [XX days]).

5. Project Schedule and Milestones

- 5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

- 6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria

¹¹ Klein. 2014. "Small and Medium Size Enterprises, Credit Supply Shocks, and Economic Recovery in Europe", WP/14/98, Fondo Monetario Internacional (FMI), 2014.

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors.
Knowledge of the COVID-19 recovery priorities in Honduras.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Deliverable	15
2. Deliverable	25
3. Deliverable	60
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 1. Support the development of a green and resilient project pipeline CONSULTANCY 4.

TERMS OF REFERENCES

Support the development of a green and resilient project pipeline

1. Background and Justification

1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

1.2 MSMEs in Honduras are essential to the country's productive structure and labor market. There were 14,317 MSMEs registered in 2017, employing an estimated 70% of the country's workers. Of this total number of MSMEs, 96% are classified as microenterprises (1-10 employees), 3% as small businesses (11-50 employees) and 1% as medium-sized businesses.¹² However, Honduran MSMEs have a history of restricted access to financing even prior to the COVID-19 pandemic, with a finance gap estimated at 37% according to a 2018 study by the SME Finance Forum¹³. This limited access to financing is confirmed by data from the National Banking and Insurance Commission (CNBS) showing that only 19% of the financial system loans to the business sector went to MSMEs in 2019.¹⁴

1.3 As a result of the COVID 19 pandemic, MSMEs were confronted with multiple challenges regarding access to financing and this was exacerbated by the global economic contraction which has led to a reduction and a higher uncertainty of global demand. A strong decrease in external demand coming from Honduras's main trade partners, namely the United States and the European Union impacted the supply chains of primary products exported by Honduras as well as the country's industrial sector.¹⁵ As MSMEs' revenue

¹² M. Dini y G. Stumpo (coords.), "Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento. Síntesis", Documentos de Proyectos (LC/TS.2019/20), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL), 2019.

¹³ IFC (International Finance Corporation). (2018). MSME FINANCE GAP: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. IFC, Washington, DC

¹⁴ Comisión Nacional de Bancos y Seguros. (2020). Presentación de Datos de Cartera MIPYME del Sistema Financiero. Tegucigalpa, 30 marzo de 2020.

¹⁵ IADB (2021). "Program to Finance the Industrial Development of Honduras (HO-L1217) – Project Profile"

decreased and temporary closures increased, the perceptions of the MSME's credit risk worsened, leading to a further decrease in credit supply and to the intensification of the financial system's preference for maintaining liquidity rather than lending to MSME clients confronting economic difficulties.¹⁶

- 1.4 The objective of this intervention is the institutional and technical strengthening of BANHPROVI and the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery of Honduras. This will allow BANHPROVI and other fiduciary structures to increase their ability to identify, exploit and monitor the opportunities for climate finance with SMEs and, hence, support the efforts of the IADB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in Honduras.

2. Objectives

- 2.1 Support the development of a green and resilient project pipeline.

3. Key Activities

- 3.1 Undertake a desk review of the country/clients background and analyze all available data related to and required for the preparation of the expected products, using both quantitative and qualitative analytical approaches to support the arguments presented in the documents.
- 3.2 Prepare a plan for collection of additional data needed and support in collaboration with the assigned team for each proposal and in coordination with local entities for data gathering.
- 3.3 Prepare drafts project plan, including cost benefit analysis and monitoring and evaluation plan, as well as Result Matrix and Risk Matrix.
- 3.4 Review, advise on and revise drafts following comments received by IDB experts and support response to queries from quality control teams during the different phases of IDB approval.
- 3.5 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days])
- 4.2 First draft of the document and other relevant documents/annexes (to be delivered within [XX days]).
- 4.3 Final version of the XXX in word and pdf, including a PowerPoint presentation of the presented documents (to be delivered within [XX days]).

5. Project Schedule and Milestones

¹⁶ Klein. 2014. "Small and Medium Size Enterprises, Credit Supply Shocks, and Economic Recovery in Europe", WP/14/98, Fondo Monetario Internacional (FMI), 2014.

5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors. Knowledge of the COVID-19 recovery priorities in Honduras.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Deliverable	20%
2. Deliverable	35%
3. Deliverable	45%
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 2. Technical and institutional capacity building CONSULTANCY 5.

TERMS OF REFERENCES

Support the use of analytical tools to review and identify investment opportunities for green and resilient recovery in MSMEs

1. Background and Justification

1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

1.2 MSMEs in Honduras are essential to the country's productive structure and labor market. There were 14,317 MSMEs registered in 2017, employing an estimated 70% of the country's workers. Of this total number of MSMEs, 96% are classified as microenterprises (1-10 employees), 3% as small businesses (11-50 employees) and 1% as medium-sized businesses.¹⁷ However, Honduran MSMEs have a history of restricted access to financing even prior to the COVID-19 pandemic, with a finance gap estimated at 37% according to a 2018 study by the SME Finance Forum¹⁸. This limited access to financing is confirmed by data from the National Banking and Insurance Commission (CNBS) showing that only 19% of the financial system loans to the business sector went to MSMEs in 2019.¹⁹

1.3 As a result of the COVID 19 pandemic, MSMEs were confronted with multiple challenges regarding access to financing and this was exacerbated by the global economic contraction which has led to a reduction and a higher uncertainty of global demand. A

¹⁷ M. Dini y G. Stumpo (coords.), "Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento. Síntesis", Documentos de Proyectos (LC/TS.2019/20), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL), 2019.

¹⁸ IFC (International Finance Corporation). (2018). MSME FINANCE GAP: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. IFC, Washington, DC

¹⁹ Comisión Nacional de Bancos y Seguros. (2020). Presentación de Datos de Cartera MIPYME del Sistema Financiero. Tegucigalpa, 30 marzo de 2020.

strong decrease in external demand coming from Honduras's main trade partners, namely the United States and the European Union impacted the supply chains of primary products exported by Honduras as well as the country's industrial sector.²⁰ As MSMEs' revenue decreased and temporary closures increased, the perceptions of the MSME's credit risk worsened, leading to a further decrease in credit supply and to the intensification of the financial system's preference for maintaining liquidity rather than lending to MSME clients confronting economic difficulties.²¹

- 1.4 The objective of this intervention is the institutional and technical strengthening of BANHPROVI and the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery of Honduras. This will allow BANHPROVI and other fiduciary structures to increase their ability to identify, exploit and monitor the opportunities for climate finance with SMEs and, hence, support the efforts of the IADB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in Honduras.

2. Objectives

- 2.1 Support in the use of analytical tools to review and identify investment opportunities for green and resilient recovery in MSMEs

3. Key Activities

- 3.1 Develop and build on best practices to capacity enhancement of key stakeholders
- 3.2 Identify capacity gaps of key stakeholders/project participants and take appropriate measures to mitigate/minimize them
- 3.3 Develop an overall technical capacity through on the job training/learning by doing for key stakeholders
- 3.4 Develop training guideline on disaster management, post-earthquake
- 3.5 Conduct refresher trainings
- 3.6 Identify technical capacity gaps within the project team and develop mechanisms to address them.

4. Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days])
- 4.2 First draft of the diagnostic and relevant documents/annexes (to be delivered within [XX days]).
- 4.3 Final version of the XXX in word and pdf, including a PowerPoint presentation of the presented documents (to be delivered within [XX days]).

5. Project Schedule and Milestones

²⁰IADB (2021). "Program to Finance the Industrial Development of Honduras (HO-L1217) – Project Profile"

²¹ Klein. 2014. "Small and Medium Size Enterprises, Credit Supply Shocks, and Economic Recovery in Europe", WP/14/98, Fondo Monetario Internacional (FMI), 2014.

5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors.
Knowledge of the COVID-19 recovery priorities in Honduras.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Deliverable	10%
2. Deliverable	40%
3. Deliverable	50%
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 2. Technical and institutional capacity building CONSULTANCY 6.

TERMS OF REFERENCES

Design of a corporate strategy strengthening plan and business plan including the strengthening of the capacity of financial intermediaries accessing second-tier financial products and recommendations to improve institutional capacity on gender equality

1. Background and Justification

1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

1.2 According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.

1.3 There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. –

Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.

- 1.4 The objective of this technical assistance is the institutional and technical strengthening of NDBs and other public institutions for the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery in the selected countries. This will allow them to increase their abilities to identify, exploit and monitor the opportunities for climate finance with SMEs, and hence support the efforts of the IDB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in LAC.

2. **Objectives**

- 2.1 Support the beneficiary in building technical and institutional capacities of BANHPROVI and undertaking modelling work of their MSMEs client portfolio. These capacity building and knowledge sharing activities will provide equitable access for men and women.

3. **Key Activities**

- 3.1 Support in the use of analytical tools to review and identify investment opportunities for green and resilient in MSMEs, to assess their alignment with low carbon and climate resilient development pathways, and to properly manage climate related financial risks.
- 3.2 Assist in the analysis of gender considerations using already approved gender sensitive training for public banks developed by the IADB Group.
- 3.3 Participate in / organize relevant coordination virtual meeting.

4. **Expected Outcome and Deliverables**

- 4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days]).
- 4.2 First draft of the document(s) including the developed methodology to be delivered within [XX days].

- 4.3 Final version of the documents(s) in word and pdf, including a Powerpoint presentation that includes all the outcomes from the pilots (to be delivered within [XX days]).

5. Project Schedule and Milestones

- 5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

- 6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria

- 7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

7.1.1 Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors.

7.1.2 Knowledge/experience of work on gender.

7.1.3 Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

- 7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

- 8.1 The IDB will be the sole owner of all the products derived from this consultancy, including the rights of reproduction, distribution, diffusion, and publication of materials in all languages. Any academic research project that uses products from this assessment must have the authorization of the IDB technical coordinators.

9. Supervision and Reporting

- 9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

- 10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

- 10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	20%
2. First draft	40%
3. Final draft and ppt	40%
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 2. Technical and institutional capacity building CONSULTANCY 7.

TERMS OF REFERENCES

Assessment of BANHPROVI's MSME Recovery Guarantee Fund and proposals to strengthen it

1. Background and Justification

- 1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2 MSMEs in Honduras are essential to the country's productive structure and labor market. There were 14,317 MSMEs registered in 2017, employing an estimated 70% of the country's workers. Of this total number of MSMEs, 96% are classified as microenterprises (1-10 employees), 3% as small businesses (11-50 employees) and 1% as medium-sized businesses.²² However, Honduran MSMEs have a history of restricted access to financing even prior to the COVID-19 pandemic, with a finance gap estimated at 37% according to a 2018 study by the SME Finance Forum²³. This limited access to financing is confirmed by data from the National Banking and Insurance Commission (CNBS) showing that only 19% of the financial system loans to the business sector went to MSMEs in 2019.²⁴
- 1.3 As a result of the COVID 19 pandemic, MSMEs were confronted with multiple challenges regarding access to financing and this was exacerbated by the global economic contraction which has led to a reduction and a higher uncertainty of global demand. A strong decrease in external demand coming from Honduras's main trade partners, namely the United States and the European Union impacted the supply chains of primary products exported by Honduras as well as the country's industrial sector.²⁵ As MSMEs' revenue decreased and temporary closures increased, the perceptions of the MSME's credit risk worsened, leading to a further decrease in credit supply and to the intensification of the financial system's preference for maintaining liquidity rather than lending to MSME clients

²² M. Dini y G. Stumpo (coords.), "Mipymes en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento. Síntesis", Documentos de Proyectos (LC/TS.2019/20), Santiago, Comisión Económica para América Latina y el Caribe (CEPAL), 2019.

²³ IFC (International Finance Corporation). (2018). MSME FINANCE GAP: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets. IFC, Washington, DC

²⁴ Comisión Nacional de Bancos y Seguros. (2020). Presentación de Datos de Cartera MIPYME del Sistema Financiero. Tegucigalpa, 30 marzo de 2020.

²⁵ IADB (2021). "Program to Finance the Industrial Development of Honduras (HO-L1217) – Project Profile"

confronting economic difficulties.²⁶

- 1.4 The objective of this intervention is the institutional and technical strengthening of BANHPROVI and the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery of Honduras. This will allow BANHPROVI and other fiduciary structures to increase their ability to identify, exploit and monitor the opportunities for climate finance with SMEs and, hence, support the efforts of the IADB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in Honduras.

2. Objectives

Support the beneficiary in the assessment of BANHPROVI's MSME Recovery Guarantee Fund and proposals to strengthen it.

3. Key Activities

- 3.1 Undertake a desk review and interviews with relevant stakeholders regarding the structure, legal framework, and current use of BANHPROVI's MSME Recovery Guarantee Fund
- 3.2 Analyze the collected data..
- 3.3 Prepare a diagnosis of the Recovery Guarantee Fund and advise on best practices and areas of development.
- 3.4 Prepare a presentation of the diagnosis for BANHPROVI authorities.
- 3.5 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities item 3 (to be delivered within [XX days])
- 4.2 First draft of the diagnostic and relevant documents/annexes (to be delivered within [XX days]).
- 4.3 Final version of the XXX in word and pdf, including a PowerPoint presentation of the presented documents (to be delivered within [XX days]).

5. Project Schedule and Milestones

- 5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed after 6-18 months after signature.

6. Reporting Requirements

- 6.1 All documents shall be presented in word and pdf format.

²⁶ Klein. 2014. "Small and Medium Size Enterprises, Credit Supply Shocks, and Economic Recovery in Europe", WP/14/98, Fondo Monetario Internacional (FMI), 2014.

7. Acceptance Criteria

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors. Knowledge of the COVID-19 recovery priorities in Honduras.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	20
2. First draft	40
3. Final draft and ppt	40
TOTAL	100%

HONDURAS

IFD/CMF

HO-T1395- Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) in Honduras

COMPONENT 2. Technical and institutional capacity building

CONSULTANCY 8.

TERMS OF REFERENCES

Knowledge sharing, including country and regional-level exchanges to share lessons learnt

1. Background and Justification

1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

1.2 According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.

1.3 There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has

worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.

1.4 The objective of this technical assistance is the institutional and technical strengthening of NDBs and other public institutions for the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery in the selected countries. This will allow them to increase their abilities to identify, exploit and monitor the opportunities for climate finance with SMEs, and hence support the efforts of the IDB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in LAC.

1.5 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

2. Objectives

2.1 Support the beneficiary in the promotion of knowledge sharing of best practices developed under Component 1 and 2, including country and regional-level exchanges to share lessons learnt from designing and/or implementing green and resilient recovery initiatives with NDBs and MSMEs. These capacity building and knowledge sharing activities will provide equitable access for men and women.

3. Key Activities

3.1 Prepare training materials for the implementation of green and resilient recovery initiatives with NDBs and MSMEs products and services.

3.2 Lead the logistics coordination of training sessions (seminars & workshops) to promote best practices and lessons learned (regionally).

3.3 Map market expert advisory working groups in events and roundtables to ensure the provision of relevant data through the tagging system.

3.4 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

4.1 Work Plan based on the key activities (item 3)

4.2 Develop and deliver a draft of the Result Report and a dissemination plan (to be delivered within [XX days] from the signing of the contract).

4.3 Prepare a report that should reflect the results of the dissemination program (to be delivered within [XX days] from the conclusion of the training activities).

5. Project Schedule and Milestones

5.1 The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed

after 6-18 months after signature.

6. Reporting Requirements

6.1 All documents shall be presented in word and pdf format.

7. Acceptance Criteria Acceptance Criteria

7.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

7.1.1 Academic degree and professional work experience: knowledge management, communications, or related areas, with proven experience in the financial sector organizing conferences, working groups and other knowledge sharing events. Experience editing and publishing newsletters, reports and other materials. Experience managing online outreach.

7.1.2 Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2 All deliverables will receive feedback and approval from the CT team.

8. Other Requirements

8.1 The IDB will be the sole owner of all the products derived from this consultancy, including the rights of reproduction, distribution, diffusion and publication of materials in all languages. Any academic research project that uses products from this assessment must have the authorization of the IDB technical coordinators.

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial, TC team leader, and Christian Schneider Talavera, Sector Sr Specialist Markets (IFD/CMF) in Honduras.

10. Schedule of Payments

10.1 Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2 The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	30%
2. First draft	30%
3. Final draft and ppt	40%
TOTAL	100%