

DOCUMENTO DEL BANCO INTERAMERICANO DE DESARROLLO

**EL SALVADOR**

**PRÉSTAMO GLOBAL DE CRÉDITO PARA EL FINANCIAMIENTO DE EFICIENCIA  
ENERGÉTICA EN EMPRESAS MICRO, PEQUEÑAS Y MEDIANAS (MIPYME)**

**(ES-L1132)**

**PERFIL DE PROYECTO**

Este documento fue preparado por el equipo compuesto por: Omar Villacorta, IFD/CMF, Jefe de Equipo; Maria E. Netto, IFD/CMF, Jefa de Equipo Alterna; Alejandro Tamola, Alexander Vasa, Isabelle Braly, y Alison Arauz, IFD/CMF; Natacha Marzolf, INE/ENE; Maria Cristina Landazuri, LEG/SGO Joshua Mateo Salomon Levy, CSD/CCS; Mireya Mejía, FMP/CES; Marco Alemán, FMP/CES; Ernesto Patricio Crausaz Sarzosa, FMP/CES.

De conformidad con la Política de Acceso a Información, el presente documento está sujeto a divulgación pública.

## PERFIL DE PROYECTO

### EL SALVADOR

#### I. DATOS BÁSICOS

<b>Nombre del Proyecto:</b>	Préstamo Global de Crédito para el Financiamiento de Eficiencia Energética en Empresas Micro, Pequeñas y Medianas (MIPYME)		
<b>Número de Proyecto:</b>	ES-L1132		
<b>Equipo de Proyecto:</b>	Omar Villacorta, IFD/CMF, Jefe de Equipo; Maria E. Netto, IFD/CMF, Jefa de Equipo Alterna; Alejandro Tamola, Alexander Vasa, Isabelle Braly, Alison Arauz, y Omar Villacorta, IFD/CMF; Natacha Marzolf, INE/ENE; Maria Cristina Landazuri, LEG/SGO Joshua Mateo Salomon Levy, CSD/CCS; Mireya Mejía, FMP/CES; Marco Alemán, FMP/CES; Ernesto Patricio Crausaz Sarzosa, FMP/CES.		
<b>Prestatario:</b>	Banco de Desarrollo de El Salvador (BANDESAL)		
<b>Garante:</b>	República de El Salvador		
<b>Organismo Ejecutor:</b>	BANDESAL		
<b>Plan Financiero:</b>	BID (Fondo Verde para el	US\$	20 millones <sup>2</sup>
	Clima - GCF) <sup>1</sup> :		
	Local:	US\$	20 millones
	Total:	US\$	40 millones
<b>Salvaguardias:</b>	Políticas activadas:	B.13	
	Clasificación:	No requerido (B.13)	

#### II. JUSTIFICACIÓN GENERAL Y OBJETIVOS

- 2.1 **La economía salvadoreña** es pequeña, abierta y dolarizada, con una estructura productiva orientada a servicios y consumo y con una fuerte dependencia comercial de la economía estadounidense. Luego de una contracción en el Producto Interno Bruto (PIB) de 3,1% en 2009, la economía registró una recuperación gradual para crecer a una tasa promedio anual de 1,95% desde entonces<sup>3</sup>. El PIB de El Salvador tiene una fuerte correlación con

<sup>1</sup> El [Fondo Verde para el Clima](#) (GCF), es un mecanismo financiero de la Convención Marco de Naciones Unidas sobre el Cambio Climático (UNFCCC, por sus siglas en inglés) que provee recursos financieros reembolsables [altamente concesionales](#) y recursos no-reembolsables para promover la mitigación y adaptación al cambio climático. El BID es un organismo ejecutor del Fondo. Esta propuesta de préstamo, así como la cooperación técnica anexa ES-T1258 fueron presentadas al GCF para consideración el 30 de junio 2016. Como explicado en el ¶ 5.1, actualmente el Banco está finalizando la negociación del Acuerdo Marco (AMA, por sus siglas en inglés) con el GCF que formalizaría la relación entre el Banco y el GCF, y la firma del AMA entre el GCF y el Banco es una condición la aprobación final de este proyecto.

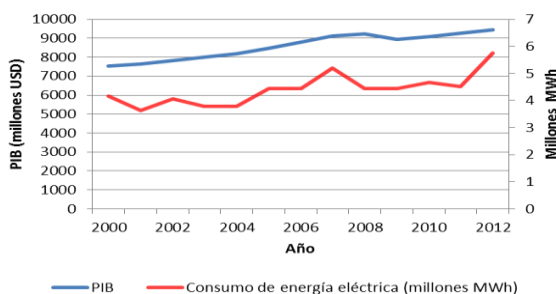
<sup>2</sup> El programa de préstamo será complementado por una Cooperación Técnica (CT) a ser financiada con recursos no reembolsables del Fondo Verde para el Clima (GCF) por un monto de US\$1.7 millones. Véase la propuesta de la CT en anexo. (ES-T1258).

<sup>3</sup> Luego de una reducción en el PIB de -3,1% para 2009, El Salvador creció 1,4% en 2010, 2,2% en 2011, 1,9% en 2012, 1,8% en 2013, 1,43% en 2014, y 2,4% en 2015, superando ya el ritmo de crecimiento prevaleciente antes de la crisis (i.e. antes de 2008) y proyectándose que la misma crezca hasta 2021 a tasas anuales promedio superiores al 2%. Ver enlace: [International Monetary Fund. 2016. World Economic Outlook: Too Slow for Too Long. Washington, April.](#) y [estadísticas del Banco Mundial, 2015.](#)

su consumo eléctrico y por ende el crecimiento en el consumo de energía eléctrica ha seguido de cerca el crecimiento del PIB<sup>4</sup> (Gráfica 1).

- 2.2 **El uso eficiente de energía** es un factor importante en la estrategia del gobierno nacional, vista la gran dependencia que tiene el país de productos de petróleo para la generación de energía y el transporte (más de 30% de la matriz energética) y la escasez de recursos alternativos para generación de energía<sup>5</sup>. Esta alta dependencia de combustibles fósiles resulta en un alto nivel de Emisiones de Gases a Efecto Invernadero (GEI) para El Salvador (con un factor de emisiones de GEI 45% más alto que el promedio de Latinoamérica y el Caribe)<sup>6</sup>. El consumo de energía representa una parte importante de los costos de las empresas en El Salvador, en particular para las pequeñas empresas donde este llega a representar hasta un 30% de los costos operativos totales<sup>7</sup>. En consecuencia, la estrategia del gobierno por reducir el consumo de energía a nivel empresarial persigue simultáneamente 2 objetivos: (i) contribuir a reducir la dependencia del país en derivados del petróleo y reducir las emisiones de GEI; y (ii) reducir los costos energéticos de las empresas, permitiéndoles así apuntalar sus niveles de productividad y competitividad<sup>8</sup>.

**Gráfica 1. PIB vs Consumo de energía (millones MWh)**



- 2.3 **En general, las micro, pequeñas y medianas empresas (MIPYME) salvadoreñas exhiben dificultad de acceder a tecnologías más modernas y migrar hacia modelos de negocios más productivos, en buena medida, por causa de sus bajos niveles de inversión como consecuencia de su limitado acceso al crédito de mediano y largo plazo<sup>9,10</sup>. Frecuentemente, la mayor parte**

<sup>4</sup> [Política Energética Nacional. Consejo Nacional de Energía - CNE.](#)

<sup>5</sup> [Política Energética Nacional. Consejo Nacional de Energía - CNE.](#)

<sup>6</sup> La última [Comunicación Nacional del Gobierno de El Salvador a la Convención de Cambio Climático](#) ha estimado que las emisiones de energía corresponden a 39.1% de las emisiones nacionales de gases efecto invernadero (GEI), o sea unas 5,6 millones de toneladas de CO<sub>2</sub>eq. El factor de emisión de GEI para electricidad en El Salvador es 45% más alto que el promedio de la región latinoamericana, dada la alta dependencia de la matriz salvadoreña de fuentes fósiles de energía ([0.189 kgCO<sub>2</sub>/kWh para Latinoamérica](#) contra [0.275 kgCO<sub>2</sub>/kWh para El Salvador](#)).

<sup>7</sup> [Política Energética Nacional. Consejo Nacional de Energía - CNE.](#)

<sup>8</sup> Véase en particular la argumentación de Michael E. Porter y Claas van der Linde (1995), *Towards a New Conception of the Environment-Competitiveness Relationship*, *Journal of Economic Perspectives*, vol. 9, núm. 4, para demostrar como la reducción de consumo de energía puede tener un impacto positivo en la competitividad de las empresas.

<sup>9</sup> [Haciendo Negocios en un Mundo más Transparente del Banco Mundial-Corporación Financiera Internacional \(BM-IFC\)](#), Perfil Económico para El Salvador, 2016.

de ellas debe recurrir a créditos de proveedores y/o bancarios de muy corto plazo para realizar sus inversiones<sup>11</sup>, limitando así sus posibilidades de expansión productiva.

- 2.4 **El limitado acceso de las MIPYME al crédito de mediano y largo plazo constituye una seria barrera a las inversiones en tecnologías de eficiencia energética** ya que dichas tecnologías tienen costos más altos que las tecnologías tradicionales menos eficientes desde el punto de vista energético. Por ende, la promoción de inversiones en tecnologías de eficiencia energética a nivel empresarial requiere la disponibilidad de financiamiento a plazos más largos<sup>12</sup> de manera que la realización de estas inversiones no afecte el flujo de caja de las empresas. A esta barrera, se suman otras barreras que desestiman las inversiones en eficiencia energética, tal como se desprende de un estudio de mercado comisionado por el BID para BANDESAL sobre las oportunidades para promover inversiones en eficiencia energética por MIPYMEs<sup>13,14</sup>. En efecto, el estudio encontró que además de una limitada oferta de crédito de inversión, las inversiones en eficiencia energética enfrentan otras barreras como falta de información sobre los riesgos y retornos reales de dichas inversiones y desconfianza de potenciales inversionistas en la capacidad de proveedores locales de estructurar proyectos que generen los ahorros energéticos necesarios como para repagar las inversiones. Por otro lado, las Instituciones Financieras Intermediarias (IFIs), al igual que las MIPYMEs, desconocen los verdaderos retornos y riesgos asociados con este tipo de proyectos, y no reconocen los flujos de efectivo asociados con los mismos como base de su análisis crediticio, prefiriendo aplicar un enfoque de financiamiento tradicional "basado en activos" a los efectos de otorgar financiamiento alguno.

- 2.5 **Justificación.** Para enfrentar las barreras a la inversión de las MIPYMEs en proyectos de eficiencia energética identificadas previamente se buscará:

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<sup>10</sup> La relación crédito-PIB en El Salvador ha sido más baja en los últimos años que la de países de Centroamérica y la República Dominicana (9 puntos por debajo) y que la de países con ingreso per cápita ajustado por paridad de poder adquisitivo (PPA) similar al de El Salvador (Armenia, Bhután, Filipinas, Guatemala, Jamaica, Marruecos, Paraguay, Swazilandia y Ucrania– 3 puntos por debajo). Cálculo propio en base de datos del [Banco Mundial](#).

<sup>11</sup> Es importante destacar que en El Salvador aún las MIPYMEs que ya son sujetos de crédito en el sistema financiero local, particularmente de corto plazo, encuentran difícil acceder a crédito de mediano y largo plazo en términos y condiciones adecuadas para sus proyectos de inversión debido a su escasa disponibilidad (66% del crédito otorgado de las IFI a pequeñas y medianas empresas es de menos de dos años). Un factor crítico que ha limitado la disponibilidad de crédito de mediano y largo plazo en el sistema financiero salvadoreño es que las IFI enfrentan una base de captaciones a plazos tan cortos que limita sus posibilidades de extender crédito a mediano y largo plazo. Adicionalmente, la disponibilidad de crédito se ha canalizado en forma creciente hacia el crédito al consumo, en detrimento del crédito para inversión productiva. Véase: Base de datos de la Superintendencia del Sistema Financiero de El Salvador (SSF), 2016.

<sup>12</sup> Los tiempos de recuperación financiera promedio para las tecnologías con mayor potencial de ahorrar energía en las MIPYMEs son: de 4,7 años para motores eléctricos, 5,5 años para equipos de calderas y de aire acondicionado, y 5,3 años para cámaras de refrigeración.

<sup>13</sup> [Estudio de Mercado: Oportunidades de Negocios en el Financiamiento de Proyectos Energéticos para Empresas en El Salvador, Basel Agency for Sustainable Energy, Marzo 2015.](#)

<sup>14</sup> Según el referido estudio, el potencial para la adopción de medidas de eficiencia energética entre las MIPYMEs Salvadoreñas se circunscribe a las siguientes tecnologías: motores eléctricos, calderas, aire acondicionado y cámaras de refrigeración.

(i) contribuir a ampliar la oferta de financiamiento de largo plazo con recursos reembolsables del Fondo Verde para el Clima (GCF) para promover el crédito de mediano y largo plazo para proyectos de inversión en tecnologías de eficiencia energética; y (ii) reducir las percepciones de riesgos de las MIPYMES e IFI y aumentar su confianza en los retornos asociados con las inversiones de eficiencia energética mediante recursos de una cooperación técnica con recursos no reembolsables del GCF (ver cooperación técnica anexa). Se espera desarrollar con dichos recursos instrumentos no-financieros y de transferencia de riesgos que apoyen la estructuración de proyectos de inversión en eficiencia energética técnicamente sólidos y bancables. Este apoyo se brindaría tomando en cuenta la experiencia exitosa acumulada por el BID con otros bancos de desarrollo de la región (Bancoldex en Colombia y FIRA en México)<sup>15</sup>.

- 2.6 **Objetivo.** El objetivo de este programa de préstamo es de apoyar los esfuerzos de El Salvador a reducir el consumo de energía de sus MIPYMEs y por ende sus emisiones de GEI a través del incremento de las inversiones en eficiencia energética de las MIPYME mediante una mayor disponibilidad de financiamiento a plazos adecuados<sup>16</sup>. El préstamo será complementado con una cooperación técnica con fondos no reembolsables del GCF para desarrollar instrumentos no-financieros y de transferencia de riesgos que apoyen un mejor ambiente de negocios y la estructuración de proyectos de inversión en eficiencia energética técnicamente sólidos y bancables.
- 2.7 En particular, el préstamo global de crédito brindaría a BANDESAL recursos (US\$20 millones) de mediano y largo plazo, que combinados con un cofinanciamiento de US\$20 millones de recursos propios de BANDESAL, financiaría proyectos de eficiencia energética de MIPYMES a través de una línea de crédito dedicada al Programa a las IFI, ampliando así la oferta de financiamiento en condiciones adecuadas.
- 2.8 **Elegibilidad.** Serán elegibles proyectos de inversión en tecnologías de eficiencia energética elegibles<sup>17</sup> de MIPYME con acceso a crédito<sup>18</sup> de todos los sectores de la economía, provisto que cumplan con las provisiones establecidas en el esquema de gestión socio-ambiental del programa.
- 2.9 **Resultados esperados.** El principal impacto del programa será una reducción en el uso de energía de las MIPYME en El Salvador y por ende una reducción en sus emisiones de GEI. Los resultados intermedios serán: (i) la reducción

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<sup>15</sup> La estrategia de conjugar una línea de financiamiento con plazos adecuados con instrumentos no financieros que apoyen la estructuración de la demanda de proyectos de eficiencia energética y reduzcan los riesgos asociados con este tipo de inversiones está siendo piloteada en Colombia y México a través de los préstamos [CO-L1124](#) y [ME-L1145](#) y las cooperaciones técnicas no reembolsables fondeadas con recursos del Fondo de Tecnologías Limpias (CTF, por sus siglas en inglés) que las respaldan. Esta estrategia fue avalada por el "International Climate Finance Lab" como una de las estrategias de financiamiento más prometedoras a los efectos de promover y apalancar inversiones privadas en eficiencia energética. Ver enlace: [Energy Savings Insurance. The Global Innovation Lab for Climate Finance](#).

<sup>16</sup> Se entiende por plazos adecuados, plazos de financiamiento de más de 2 años.

<sup>17</sup> Motores eléctricos, calderas, aire acondicionado y cámaras de refrigeración.

<sup>18</sup> Las MIPYME elegibles incluirán personas naturales y jurídicas consideradas como MIPYMES de acuerdo con la definición del Banco Central de El Salvador (i.e. empresas con menos de 99 empleados y con activos que no excedan los US\$228.571,41) de todos los sectores económicos y que sean sujetas de crédito.

porcentual en el uso de energía de las MIPYME beneficiarias con relación a MIPYME comparables, no beneficiarias; (ii) el aumento de las inversiones en eficiencia energética en MIPYMES beneficiadas, con recursos del programa en relación a MIPYMES que no acceden a este financiamiento; y (iii) un incremento en el plazo promedio de los créditos otorgados con recursos del programa durante el periodo de ejecución. El producto será un aumento en el número de MIPYME que obtienen financiamiento de mediano y largo plazo con recursos del programa para financiar estas inversiones (discriminando por género y montos otorgados).

### **III. ASPECTOS TÉCNICOS Y CONOCIMIENTO DEL SECTOR**

#### **A. Preparación y ejecución del programa.**

- 3.1 La operación se estructurará a través de un préstamo global de crédito (US\$20 millones) con el que el Banco de Desarrollo de El Salvador (BANDESAL)<sup>19</sup>, prestatario y la Agencia Ejecutora (AE) del préstamo, que combinado con cofinanciamiento con recursos propios de BANDESAL (US\$20 millones) proveerá fondeo de mediano y largo plazo a IFI elegibles para que estas a su vez financien proyectos de eficiencia energética de tecnologías elegibles de MIPYMES.
- 3.2 El Banco ha acumulado experiencia de ejecución con BANDESAL a través de la operación de préstamo Financiamiento al Desarrollo Productivo del El Salvador (3271/OC-ES). Los recursos de esta operación están siendo desembolsados más rápidamente de lo esperado y el desempeño de BANDESAL como AE ha sido satisfactorio. Adicionalmente, cabe resaltar que el Banco ha venido ejecutando cooperaciones técnicas con BANDESAL dirigidas a: (i) analizar el potencial de demanda de crédito para proyectos de eficiencia energética por parte de MIPYMES y apoyar la capacidad institucional de BANDESAL para promover estos proyectos; (ii) aumentar su capacidad de gestión de riesgos socio ambientales; (iii) aumentar su capacidad de monitoreo y evaluación de impactos y resultados; y (iv) mejorar su capacidad de gestión institucional. La experiencia adquirida a través de estas iniciativas de cooperación técnica será importante para el desarrollo del programa propuesto.
- 3.3 El préstamo se financiará en dólares estadounidenses, con cargo a recursos del GCF (US\$20 millones). De acuerdo con los requerimientos del GCF, estos recursos serán complementados por otros US\$20 millones de BANDESAL en forma de contrapartida local. Adicionalmente, el préstamo será complementado con una cooperación técnica (ES-T1258), la cual contribuirá a levantar las barreras no financieras y mitigar riesgos que enfrentan los proyectos de inversión en eficiencia energética de las MIPYMES.

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<sup>19</sup> BANDESAL fue creado como una institución de carácter público, autónoma, de duración indefinida con personalidad jurídica y patrimonio propio, mediante el Decreto 847 de 2011 de la Asamblea Legislativa de El Salvador. BANDESAL ha dado continuidad a las actividades que venía desempeñando el Banco Multisectorial de Inversiones (BMI), entidad que fue fundada en 1994. Para más información véase enlace: [BANDESAL: Origen, Mandato Institucional, Objetivos y Desempeño Financiero Reciente](#).



- 3.4 El diseño operacional del programa requerirá que los equipos de BANDESAL y el Banco acuerden durante su preparación las características de la financiación del programa a las IFI elegibles, así como las condiciones en que estas repasen los recursos a proyectos de eficiencia energética elegibles de MIPYME deberán también ser detalladas en un Reglamento de Crédito del Programa (RC).

**B. Alineamiento con actividades y estrategias nacionales y del BID**

- 3.5 La operación es consistente con la Actualización de la Estrategia Institucional 2010-2020 (GN-2788-5) y se encuentra alineada con el desafío de desarrollo “Productividad e Innovación”, a través de mejorar el acceso al financiamiento para proyectos que incrementen la productividad de las MIPYME, y con el tema transversal de Cambio Climático y Sostenibilidad Ambiental al contribuir a la reducción de las emisiones de gases efecto invernadero a través del financiamiento de proyectos de eficiencia energética. El programa contribuirá al Marco de Resultados Corporativo 2016-2019, ya que aumentará el número de micro/pequeñas/medianas empresas financiadas y reducirá las emisiones de gases efecto invernadero. Asimismo, la operación está alineada con las prioridades de dialogo de la Estrategia de País con El Salvador 2015-2019 (GN-2828), al promover actividades en el sector de energía que aumenten la competitividad y promuevan el desarrollo productivo. Finalmente, el programa propuesto es consistente con la Estrategia del BID para Promover la Adaptación y la Mitigación al Cambio Climático y la Energía Sostenible y Renovable (GN-2609-1) y el Documento de Marco Sectorial de Respaldo para PYME y Acceso y Supervisión a Servicios Financieros (GN-2768-3), bajo el pilar de mejorar la eficiencia y el alcance de la intermediación del crédito bancario al sector productivo.
- 3.6 El proyecto propuesto está alineado con: (i) el [Plan Quinquenal de Desarrollo 2014 – 2019 de El Salvador](#), que tiene como prioridad el Desarrollo de las capacidades productivas y competitivas de las MIPYMES y su articulación a las dinámicas de la economía territorial, nacional e internacional y enfatiza el “uso eficiente y ahorro de energías”; (ii) la [Política Energética Nacional para el periodo 2010-2024 de El Salvador](#), que busca promover el uso racional de los recursos energéticos en los sectores público y privado a través de una mejora del marco normativo y regulatorio existente, incentivos a las inversiones privadas en eficiencia energética y el lanzamiento de campañas agresivas de información sobre la necesidad de un uso más racional de recursos energéticos limitados; y (iii) el [Plan Alianza para la Prosperidad del Triángulo Norte \(2016-2020\)](#), en particular su línea estratégica de dinamizar el sector productivo.
- 3.7 Como se explicó en el ¶3.2, la operación toma en cuenta las lecciones aprendidas del programa global de crédito ES-L1089, el cual está siendo ejecutado por BANDESAL. El diseño de la operación, así como su ejecución, se hará también en colaboración cercana, para evitar duplicación de esfuerzos y acciones, con el Consejo Nacional de Energía (CNE). Además, el diseño del programa: (i) complementará, a través de una mayor disponibilidad de financiación de mediano y largo plazo, los esfuerzos que persiguen otras operaciones del Banco, como las operaciones: ES-L1057, ES-L1058 y ES-L1075, por fortalecer la competitividad de las MIPYME y sus capacidades

de exportación; y (ii) complementará los esfuerzos de operaciones del FOMIN dirigidas a fortalecer la capacidad de las MIPYME de acceder al crédito, en particular en colaboración con FUSADES.

#### **IV. RIESGOS AMBIENTALES, ASPECTOS FIDUCIARIOS Y OTROS**

- 4.1 Esta operación es una operación de intermediación financiera regida por la directriz B.13 de la OP-703 que no requiere clasificación. Consecuentemente, el Equipo de Proyecto evaluará los mecanismos de gestión ambiental de Bandesal, como intermediario financiero, con el fin de asegurar que los potenciales impactos ambientales y sociales sean identificados y manejados adecuadamente.
- 4.2 Cabe notar que BANDESAL ya tiene personal capacitado en el tema de manejo de riesgos ambientales y sociales y tiene un sistema de manejo de riesgos ambientales y sociales para sus actividades de primer y segundo piso. El sistema para operaciones de segundo piso fue desarrollado con el apoyo del BID (ATN/FI-13401-RG), en el marco de la operación de préstamo 3271/OC-ES.
- 4.3 Como parte de la preparación de la operación de préstamo, se llevará a cabo una identificación de riesgos fiduciarios.
- 4.4 Pudiera haber un riesgo que no se materializara la demanda de crédito por parte de las empresas beneficiarias de la línea de financiamiento y que el programa pudiera no mantener continuidad una vez que el préstamo fuera amortizado. Estos riesgos son, sin embargo, considerados bajos visto que se ha identificado un alto potencial de demanda de crédito en el estudio de mercado, y que las actividades de cooperación técnica en apoyo al préstamo deberán desarrollar instrumentos no financieros y de transferencia de riesgos que apoyen un mejor ambiente de negocios de largo plazo.

#### **V. OTROS TEMAS**

- 5.1 Como se indicó en los ¶2.5 y 3.3, este programa de préstamo será fondeado con recursos de GCF. Los recursos del GCF para el programa fueron aprobados por el GCF el pasado 30 de junio de 2017. Después de la aprobación de la Propuesta de Préstamo por el Directorio Ejecutivo del Banco, el Banco firmará con el GCF un Acuerdo de Fondeo de Actividad (FAA, por sus siglas en inglés). El Banco ha firmado el Acuerdo Marco (AMA, por sus siglas en inglés) con el GCF en septiembre de 2017.

#### **VI. RECURSOS Y CRONOGRAMA DE PREPARACIÓN**

- 6.1 Se prevé la distribución de la Propuesta para el Desarrollo de la Operación (POD) al Comité de Revisión de Calidad y Riesgo (QRR) para el 22 de septiembre de 2017, la aprobación del Borrador de Propuesta de Préstamo por el Comité de Políticas Operativas (OPC) el 23 de octubre de 2017, y la consideración de la Propuesta de Préstamo por el Directorio Ejecutivo el



06 de diciembre de 2017. Para el diseño de la operación se requerirán recursos del presupuesto transaccional por US\$69.180 para cubrir las actividades descritas en anexo.

CONFIDENCIAL

<sup>1</sup> La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).



## Safeguard Policy Filter Report

### Operation Information

Operation		
ES-L1132 Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs)		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
EL SALVADOR	{Not Set}	
Organizational Unit	IDB Sector/Subsector	
Cap Mrkts & Fin Institutions	FINANCING FOR ENVIRONMENTAL SUSTAINABILITY	
Team Leader	ESG Lead Specialist	
MARIA E. NETTO DE A. C. SCHNEIDER	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$0	0.000 %
Assessment Date	Author	
22 Jun 2016	alisona Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	30 Jun 2016	
QRR (Estimated)	29 Aug 2016	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		



# Safeguard Policy Filter Report

## Safeguard Policy Items Identified

### [B.1 Bank Policies \(Access to Information Policy– OP-102\)](#)

The Bank will make the relevant project documents available to the public.

### [B.15. Co-financing Operations](#)

The operation or any of its components is being co-financed.

### [B.2 Country Laws and Regulations](#)

The operation expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

### [B.3 Screening and Classification](#)

The operation (including associated facilities) is screened and classified according to its potential environmental impacts.

### [B.6 Consultations](#)

Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation by women and men, (b) socio-culturally appropriate participation of indigenous peoples and (c) mechanisms for equitable participation by vulnerable groups.

### [B.7 Supervision and Compliance](#)

The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

## Potential Safeguard Policy Items

[No potential issues identified]

## Recommended Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

## Additional Comments

[No additional comments]



## Safeguard Policy Filter Report



## Safeguard Screening Form

### Operation Information

Operation		
<b>ES-L1132</b> Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs)		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
EL SALVADOR	{Not Set}	
Organizational Unit	IDB Sector/Subsector	
Cap Mrkts & Fin Institutions	FINANCING FOR ENVIRONMENTAL SUSTAINABILITY	
Team Leader	ESG Lead Specialist	
MARIA E. NETTO DE A. C. SCHNEIDER	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$0	0.000 %
Assessment Date	Author	
22 Jun 2016	alisona Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	30 Jun 2016	
QRR (Estimated)	29 Aug 2016	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		

### Operation Classification Summary



## Safeguard Screening Form

Overriden Rating	Overriden Justification
Comments	

Conditions / Recommendations

Summary of Impacts / Risks and Potential Solutions

Disaster Risk Summary

Disaster Risk Level

Disaster / Recommendations

Disaster Summary

Details

Actions





## Safeguard Screening Form

## ESTRATEGIA AMBIENTAL Y SOCIAL

### I. DATOS BÁSICOS

Título del proyecto	Préstamo global de crédito para el financiamiento de Eficiencia Energética en empresas pequeñas y medianas	
Número del proyecto	ES-L1132	
Equipo de Proyecto	María Netto, IFD/CMF, Jefa de Equipo; José Juan Gomes, IFD/CMF, Jefe de Equipo alterno; Gloria Lugo, IFD/CMF; Alejandro Tamola, IFD/CMF; Alexandre Vasa, IFD/CMF; Isabelle Braly, IFD/CMF; Alison Arauz Herrera, IFD/CMF; Villacorta Omar Alvarez, IFD/CMF; Natacha Marzolf, INE/ENE; Pilar Jiménez, LEG/SGO; Joshua Mateo Salomon Levy, CSD/CCS; Mireya Mejía, FMP/CES; Ernesto Patricio Crausaz Sarzosa, FMP/CES	
Prestatario	Banco de Desarrollo de El Salvador (Bandesal)	
Organismo ejecutor	Bandesal	
Plan de financiamiento	BID (Fondo Verde Climático):	US\$ 20,000,000
	Total	US\$ 20,000,000
Salvaguardias	Sin categoría, activa la directiva B13 (bajo riesgo, FI-3)	

### II. DESCRIPCIÓN DEL PROYECTO

- 2.1 El objetivo de este programa es fortalecer la productividad y competitividad del sector de Pequeñas y Medianas Empresas (PyME) salvadoreño, mediante la financiación de proyectos de inversión en tecnologías que permitan una mejor eficiencia energética.
- 2.2 Para lograr éste objetivo, el programa proveerá financiamiento a través de Bandesal a Intermediarios Financieros elegibles (IFIs) para que estos, a su vez, puedan ofrecer financiamientos en términos adecuados a PyME elegibles interesadas en invertir en proyectos que promueven el uso sostenible de recursos naturales a través del cambio de equipos por nuevos con tecnologías permitiendo un mejoramiento de la eficiencia energética.
- 2.3 Cuatro tipo de equipos y tecnologías relacionadas fueron seleccionados para financiamiento bajo este programa:
- Aire acondicionado
  - Calderas
  - Cámaras de refrigeración
  - Motores
- 2.4 El objetivo del proyecto es de proponer soluciones a las barreras tanto financieras como no financieras a las inversiones en eficiencia energética en El Salvador con la replicación del modelo ESI (Energy Savings Insurance por sus siglas en inglés) que ya fue desarrollado en Colombia y México por el BID. El modelo consiste – además de un componente de financiamiento a PyME – en el desarrollo y la

implementación de un paquete integrado de instrumentos estandarizados (contrato de desempeño, metodología de validación y seguro de ahorro de energía entre otros). Con este modelo se quiere consolidar los mercados de eficiencia energética proponiendo soluciones a las barreras técnicas y financieras y mejorando la confianza entre los actores de dicho mercado: usuarios finales, proveedores de tecnología, instituciones financieras y aseguradoras.

### **III. CUMPLIMIENTO DE LA POLÍTICA DE MEDIO AMBIENTE Y SALVAGUARDIAS DEL BANCO**

- 3.1 A la luz de la directiva B.13 de la Política de Medio Ambiente y Cumplimiento de Salvaguardias del BID (GN-2208-20 y OP-703), esta operación se cataloga como de intermediación financiera.
- 3.2 Consecuentemente, el Equipo de Proyecto evaluará durante la Misión de Análisis los mecanismos de gestión ambiental de Bandesal, como intermediario financiero, con el fin de asegurar que los potenciales impactos ambientales y sociales sean identificados y manejados adecuadamente.

### **IV. IMPACTOS Y RIESGOS AMBIENTALES Y SOCIALES**

- 4.1 Se prevé que los proyectos que promueven el uso sostenible de recursos naturales a través de la adopción de nuevas tecnologías resulten en ahorros en los consumos de agua y energía, por ejemplo, y por lo tanto generen impactos positivos ambientales y sociales.
- 4.2 Sin embargo, este tipo de proyectos pueden causar impactos adversos al medio ambiente, por ejemplo, si no se asegura que el remplazo de tecnologías modernas por obsoletas no se maneja adecuadamente. Por la naturaleza misma del proyecto y sus beneficiarios objetivos, principalmente pequeñas y medianas empresas actualmente en operación, no se anticipan mayores impactos ambientales o sociales incrementales (véase tabla de riesgos por tipo de tecnología en Anexo I).
- 4.3 Cabe notar que Bandesal ya tiene personal capacitado en el tema de manejo de riesgos ambientales y sociales y tiene un sistema de manejo de riesgos ambientales y sociales para sus actividades de primer y de segundo piso. El sistema para operaciones de segundo piso fue desarrollado con el apoyo del BID (RG-T2166) en el marco de la operación de préstamo ES-L1089.
- 4.4 El portafolio de Bandesal tiene fuerte concentración en sectores de servicios con una exposición más limitada a actividades agropecuarias, construcción y actividades industriales. Presenta un perfil de bajo riesgo: el 82.8% de las operaciones son de bajo riesgo, el 15.8% de medio riesgo y solo el 1.5% son de alto riesgo. Estas actividades económicas que presentan potencial de alto impacto ambiental incluyen: la fabricación de productos metálicos, extracción de arcilla, rocas y/o arena, tala de bosques, curtiembre y la silvicultura. El monto promedio de las operaciones de alto riesgo es de US\$65,000.
- 4.5 Sobre esta base, esta operación se clasificaría como de bajo riesgo (FI- 3), esta clasificación se confirmara durante la etapa de debida diligencia.

## **V. ESTRATEGIA AMBIENTAL Y SOCIAL PARA LA DEBIDA DILIGENCIA**

- 5.1 Consistente con el enfoque para operaciones de intermediación financiera, el Banco realizará el análisis del programa propuesto en dos niveles; uno a nivel corporación, específicamente la capacidad de Bandesal para manejar y aplicar las salvaguardias ambientales y sociales del Banco, identificando la capacidad y experiencia de áreas en la entidad que permitan aplicar las salvaguardias a proyectos e inversiones a ser financiadas con recursos del BID. El otro nivel es en el análisis de los proyectos o inversiones específicas. En este caso y en coordinación con Bandesal, se definirán herramientas de gestión que permitan verificar el desempeño ambiental y por ende la elegibilidad de los sub-prestatarios e identificar los impactos y riesgos de cada tipo de proyecto de promoción de uso racional de recursos naturales para los que se solicite financiamiento.
- 5.2 En todo caso, durante el análisis ambiental y social del programa se analizarán los siguientes temas:
- a) Normatividad aplicable al proyecto.
  - b) Capacidad institucional de Bandesal en el manejo de riesgos ambientales y sociales
  - c) Procedimientos de gestión a ser aplicados por Bandesal para evaluar la elegibilidad y mitigar los potenciales riesgos ambientales de proyectos que promueven el uso racional de recursos naturales, incluyendo el debido tratamiento de la disposición de equipos que salgan de circulación.

Los resultados del análisis de la operación serán resumidos en el Informe de Gestión Ambiental y Social que definirá los requerimientos ambientales y sociales del programa

**Anexo I – Identificación de riesgos por tecnología**

Tipo de proyecto	Descripción	Mejora tecnológica	Residuos asociados	Manejo del residuo	Costos asociados	Impacto antes del manejo del residuo
Aire acondicionado	Sustitución de equipos de aire acondicionado antiguos con nuevos equipos de mejor nivel de eficiencia energética que contienen refrigerantes más eficientes y menos contaminantes (y que no involucran sustancias con un potencial elevado de agotamiento del ozono)	<ul style="list-style-type: none"> <li>- Sistemas de compresión con materiales de alta calidad</li> <li>- Compresores con variadores de frecuencia</li> <li>- Mejoras en los sistemas de evaporación para una mejor gestión de la carga térmica</li> <li>- Válvulas de expansión electrónica</li> <li>- Sistemas de detección de fugas de gases refrigerantes</li> <li>- Gases refrigerantes más eficientes y con menos potencial contaminante</li> <li>- Sistemas de deshumidificación</li> </ul>	1. Residuos peligrosos es: Sustancias que Agotan la capa de Ozono (SAO) (HCFC, CFC), y 2. Chatarra	Disposición final y apropiada de las SAO y comercialización de la chatarra <sup>1</sup>	Costo del tratamiento del residuo por una tercera parte aprobada	Liberación en la atmósfera de Sustancias que Agotan la capa de Ozono (SAO)
Calderas	Sustitución de calderas antiguas con nuevas que consumen menos combustible y/o energía.	<ul style="list-style-type: none"> <li>- Sistemas de recuperación de calor</li> <li>- Sistemas de recuperación de condensado</li> <li>- Dispositivos de seguridad y control completamente automatizados</li> <li>- Control continuo de oxígeno y</li> </ul>	Chatarra	Desmantelamiento y eliminación basados en un protocolo específico	Costos de desmantelamiento y transporte	Contaminación del suelo y capacidad reducida para residuos sólidos en rellenos sanitarios

<sup>1</sup> i.e. chatarra de hierro.

Anexo I – Identificación de riesgos por tecnología						
Tipo de proyecto	Descripción	Mejora tecnológica	Residuos asociados	Manejo del residuo	Costos asociados	Impacto antes del manejo del residuo
		gases de escape - Quemadores de combustible eficientes - Uso de materiales de construcción y de aislamiento térmico de alto nivel de resistencia y calidad				
Cámaras de refrigeración	Sustitución de instalaciones antiguas con nuevos equipos de mejor nivel de eficiencia energética que contienen refrigerantes más eficientes y menos contaminantes (y que no involucran sustancias con un potencial elevado de agotamiento del ozono)	- Uso de ventiladores/evaporadores de alta eficiencia - Sistemas de compresión con materiales de alta calidad - Sistemas de control para presión, temperatura y humedad - Uso de materiales de alta calidad para puertas de la cámaras y aislamiento térmico de la instalación - Pre-enfriamiento y antecámaras para mejor manejo del aire y de la temperatura	1. Residuos peligrosos es: Sustancias que Agotan la capa de Ozono (SAO) (HCFC, CFC), y 2. Chatarra	Disposición final y apropiada de las SAO y comercialización de la chatarra <sup>1</sup>	Costo del tratamiento del residuo por una tercera parte aprobada	Liberación en la atmosfera de Sustancias que Agotan la capa de Ozono (SAO)
Motores	Sustitución de motores antiguos con nuevos que consumen menos combustible y/o energía.	- Chapas magnéticas de bajas perdidas - Uso de materiales de construcción de mejor calidad - Mejor laminación y reducción de	Chatarra	Desmantelamiento y eliminación basados en un protocolo específico	Costos de desmantelamiento y transporte	Contaminación del suelo y capacidad reducida para residuos sólidos en rellenos sanitarios

Anexo I – Identificación de riesgos por tecnología						
Tipo de proyecto	Descripción	Mejora tecnológica	Residuos asociados	Manejo del residuo	Costos asociados	Impacto antes del manejo del residuo
		brechas  - Mejoramiento en el tamaño y los materiales de alambre  - Uso de componentes de refrigeración y ventiladores de lata eficiencia				



## ÍNDICE DE TRABAJO SECTORIAL

No.	TEMA	DESCRIPCIÓN	FECHA	REFERENCIAS E HIPERVÍNCULOS
1	International Monetary Fund. 2016. World Economic Outlook: Too Slow for Too Long. Washington, April.	Estudios económicos y financieros	Abril 2016	<a href="http://www.imf.org/external/pubs/ft/weo/2016/01/pdf/text.pdf">http://www.imf.org/external/pubs/ft/weo/2016/01/pdf/text.pdf</a>
2	GDP growth (annual %)	Tasa de crecimiento anual del PIB a precios de mercado sobre la base de una moneda local constante	Junio 2016	<a href="http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries/SV?display=default">http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries/SV?display=default</a>
3	Política Energética Nacional de El Salvador	Contenidos y fundamentos de la Política Energética Nacional de El Salvador	2010	<a href="http://estadisticas.cne.gob.sv/images/boletines/estudios/Politica_Energetica.pdf">http://estadisticas.cne.gob.sv/images/boletines/estudios/Politica_Energetica.pdf</a>
4	Comunicación Nacional sobre Cambio Climático	Las emisiones de efecto invernadero del país de gases (GEI) y medidas de mitigación	Septiembre 2013	<a href="http://unfccc.int/resource/docs/natc/slvc2.pdf">http://unfccc.int/resource/docs/natc/slvc2.pdf</a>
5	El Salvador Economy Profile 2016	Measuring Regulatory Quality and Efficiency	2016	<a href="http://www.doingbusiness.org/data/exploreeconomies/el-salvador/-/media/giawb/doing%20business/documents/profiles/country/SLV.pdf">http://www.doingbusiness.org/data/exploreeconomies/el-salvador/-/media/giawb/doing%20business/documents/profiles/country/SLV.pdf</a>
6	Plan Quinquenal de Desarrollo. Gobierno de El Salvador	El “Plan Quinquenal de Desarrollo 2014-2019: El Salvador productivo, educado y seguro” es el instrumento de política pública de más alto nivel, la primera piedra en la construcción del Sistema Nacional de Planificación (SNP) y el mapa que orientará la ruta del país en estos cinco años que iniciaron el 1º de junio del 2014. En él se establecen las prioridades y se traza el camino del quinquenio en un horizonte de mediano y largo plazo.	Enero 2015	<a href="http://www.presidencia.gob.sv/wp-content/uploads/2015/01/Plan-Quinquenal-de-Desarrollo.pdf">http://www.presidencia.gob.sv/wp-content/uploads/2015/01/Plan-Quinquenal-de-Desarrollo.pdf</a>
7	Política Energética Nacional de El Salvador 2010-2024	Este documento integra los contenidos y fundamentos de la Política Energética Nacional de El Salvador, la cual se ha concebido como un componente del esfuerzo estratégico dentro de la nueva visión de desarrollo y crecimiento con justicia y equidad,	2010	<a href="http://repository.unm.edu/bitstream/handle/1928/12632/Politica%20Energetica%202010-2024.pdf?sequence=1">http://repository.unm.edu/bitstream/handle/1928/12632/Politica%20Energetica%202010-2024.pdf?sequence=1</a>

		que se está impulsando desde el Gobierno del Presidente Mauricio Funes.		
8	Country Lighting Assessment – El Salvador	Country Lighting Assessment – El Salvador	2010	<a href="http://www.cne.gob.sv/index.php?option=com_phocadownload&amp;view=category&amp;download=510:informacion-el-salvador&amp;id=55:estrategia-regional-para-la-iluminacion-eficiente-en-centroamerica&amp;Itemid=63">http://www.cne.gob.sv/index.php?option=com_phocadownload&amp;view=category&amp;download=510:informacion-el-salvador&amp;id=55:estrategia-regional-para-la-iluminacion-eficiente-en-centroamerica&amp;Itemid=63</a>
9	Green Climate Fund-Investment Framework	Investment Framework	9 May 2014	<a href="http://www.greenclimate.fund/documents/20182/24943/GCF_B.07_06_-_Investment_Framework.pdf/dfc2ffe0-abd2-43e0-ac34-74f3b69764c0">http://www.greenclimate.fund/documents/20182/24943/GCF_B.07_06_-_Investment_Framework.pdf/dfc2ffe0-abd2-43e0-ac34-74f3b69764c0</a>
10	Encuesta de Competitividad Empresarial – FUSADES	Encuesta de Competitividad Empresarial	Diciembre 2015	<a href="http://fusades.org/sites/default/files/Encuesta%20Competitividad%20Empresarial_dic_2015_0.pdf">http://fusades.org/sites/default/files/Encuesta%20Competitividad%20Empresarial_dic_2015_0.pdf</a>
11	Oportunidades de Negocios en el Financiamiento de Proyectos Energéticos para Empresas en El Salvador	Estudio de Mercado: Oportunidades de Negocios en el Financiamiento de Proyectos Energéticos para Empresas en El Salvador” para Bandesal	Marzo 2015	<a href="https://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=40356591">https://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=40356591</a>

CONFIDENCIAL

<sup>1</sup> La información contenida en este Anexo es de carácter deliberativo, y por lo tanto confidencial, de conformidad con la excepción relativa a “Información Deliberativa” contemplada en el párrafo 4.1 (g) de la “Política de Acceso al Información” del Banco (Documento GN-1831-28).

## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	El Salvador
▪ TC Name:	Towards Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs)
▪ TC Number:	ES-T1258
▪ Team Leader/Members:	Omar Villacorta, IFD/CMF, Team Leader; María Netto, IFD/CMF, Alternate Team Leader; Gloria Lugo, IFD/CMF; Alejandro Tamola, IFD/CMF; Alexandre Vasa, IFD/CMF; Isabelle Braly, IFD/CMF; Alison Arauz Herrera, IFD/CMF; Omar Villacorta, IFD/CMF; Natacha Marzolf, INE/ENE; Maria Cristina Landazuri, LEG/SGO; Joshua Mateo Salomon Levy, CSD/CCS; Mireya Mejía, FMP/CES; Marco Alemán, FMP/CES; Ernesto Patricio Crausaz Sarzosa, FMP/CES.
▪ Taxonomy:	Operational Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	ES-L1132
▪ Date of TC Abstract authorization:	July 5, 2016
▪ Beneficiary:	Development Bank of El Salvador (BANDESAL)
▪ Executing Agency:	BANDESAL
▪ Donors providing funding:	Green Climate Fund
▪ IDB Funding Requested: <sup>1</sup>	US\$1,7 Million
▪ Local counterpart funding, if any:	US\$340,000
▪ Disbursement period:	50 months (execution period: 48 month)
▪ Required start date:	December 1, 2016
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	IFD/CMF
▪ Unit of Disbursement Responsibility:	Institutions for Development Sector (IFD/IFD)
▪ TC Included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Update to the Institutional Strategy (UIS) 2010-2020 (GN-2788-5)	(i) the development challenge of productivity and innovation, and (ii) the cross-cutting theme of climate change and environmental sustainability

### II. Description of the Associated Loan/Guarantee

- 2.1 This technical cooperation will support the preparation of the following operation under development: ES-L1132 – Global Credit Loan to Finance Energy Efficiency Investments by Micro, Small and Medium-Sized Enterprises (MSMEs). The objective

<sup>1</sup> This Technical Cooperation (TC), as well as the underlying loan proposal it is expected to support (ES-L1132), will be covered by funds from the [Green Climate Fund](#). The resources of the GCF for the both the proposed TC and loan were approved by the Board of Directors of the GCF on June 30, 2016. After the approval of the proposed Program by the IDB Executive Directors, the Bank will have to sign with the GCF an activity funding agreement (FAA). It should be noted, however, that currently, the Bank is also still finalizing the negotiation of the overall framework agreement (AMA) delineating the Bank's relationship with the GCF, and that the Executive Board will have to approve it. The signature of the AMA between the GCF and the Bank is a precondition for the signing of the FAA.

of ES-L1132 is to support El Salvador's efforts to promote the rational use of energy by MSMEs, while reducing the use of fossil fuels and GHG emissions. This would be achieved by pursuing two interconnected efforts: (i) increase, through the ES-L1132, medium and long term finance for investments in energy efficiency (EE) by MSMEs loan; and (ii) build up, through this technical cooperation, the capacities of BANDESAL and other relevant market actors on the structuring, financing, managing risks, monitoring and evaluating energy efficiency projects. ES-L1132 will be funded with US\$20 million loan from the [Green Climate Fund](#) (GCF). The GCF loan will be co-financed by BANDESAL loan resources of US\$20 Million. The GCF loan blended with BANDESAL's own resources, will be made available a concessional line of financing available to first-tier local financial institutions (LFIs) so that they can, in turn, offer financing at adequate terms and conditions to MSME firms interested in adopting eligible EE measures.

### III. Objectives and Justification of the TC

- 3.1 The promotion of EE is key for the government of El Salvador given the country's scarce primary energy resources and the dependency on fossil fuel for electricity generation and transport.<sup>2,3</sup>
- 3.2 A study prepared by IDB and BANDESAL regarding opportunities and barriers to finance energy efficiency in El Salvador<sup>4</sup> identified at the same time: (i) a large potential for EE investments by Salvadorian MSMEs; and (ii) many constraints to investing in and financing EE projects. Chief among those constraints were limited access to medium and long term financing, lack of knowledge among LFIs and final beneficiaries of the returns and risks associated with those projects, as well as lack of trust by investors and their financiers in the capacity of EE services and technology providers (ESTP) to deliver promised energy services.
- 3.3 The proposed Program addresses these barriers and real or perceived risks by different market players through the development of an integrated financial strategy combining financial (loan ES-L1132) and non-financial (this TC) instruments geared to building trust in the market for this type of project and hence scale up firms' investments in EE.<sup>5</sup> The implementation of an integrated financial strategy, with its particular blend of financial and non-financial instruments, sources of financing, and market players, aims at improving SMEs access to financing at adequate terms and conditions for EE projects (supply of financing), to develop a robust pipeline of technically-robust, bankable, EE projects (demand for financing), and, in the medium term to enhance capacity of market players and create an enabling environment for the promotion of climate change mitigation investments through the adoption of EE measures by MSME firms in the country. As demonstrated by the [Global Climate](#)

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<sup>2</sup> [Política Energética Nacional. Consejo Nacional de Energía](#)

<sup>3</sup> [http://www.marn.gob.sv/especiales/pnma2012/Politica\\_Nacional\\_MedioAmbiente\\_2012.pdf](http://www.marn.gob.sv/especiales/pnma2012/Politica_Nacional_MedioAmbiente_2012.pdf)

<sup>4</sup> *Oportunidades de Negocios en el Financiamiento de Proyectos Energéticos para Empresas en El Salvador*, Basel Agency for Sustainable Energy, Marzo 2015.

<sup>5</sup> For an analysis of the proposed risk instruments to be applied for the Salvadorian Market, see the analysis in the Global Climate Finance Innovation Lab in Annex 12. The proposed project will benefit from ongoing similar experience in Mexico and Colombia and will facilitate the standardization and adaptation of risk-mitigation instruments and non-financial mechanisms in the Salvadorian local market in order to address existing constraints and barriers for EE investments by SMEs in that country. See also Mills, E. (2003). [Risk transfer via energy-savings insurance](#); Goldman, C. A. (2010). [Energy Efficiency Services Sector: Workforce Education and Training Needs](#); Jones, et al. (2014). [Quantifying the Financial Value of Insurance for Energy Savings Projects](#).

[Finance Innovation Lab](#), this proposed integrated financial strategy corresponds to a proven concept and innovative approach to scale up private sector investments in energy efficiency that IDB has already been implementing with other National Development Banks in Colombia and Mexico<sup>6</sup> – the “[Energy Savings Insurance](#)” approach.

- 3.4 Under this context, the specific objective of this TC is to support the execution of loan ES-L1132 by enhancing capacity of various market player and developing and deploying non-financial instruments and risk-sharing mechanisms required to support the structuring of technically robust, bankable, private sector investment projects in EE, thus ensuring that the supply of financing for this type of projects meets its demand. The standardized non-financial mechanisms and risk sharing instruments to be developed with the support of this technical cooperation include a performance contract for EE projects, adequate protocols for the monitoring, reporting and verification of energy savings, and energy savings insurance/surety products (ESI).
- 3.5 The proposed activities of the Program are aligned with the El Salvador National Energy Plan for the period 2010-2024.<sup>7</sup> Among other things, the plan seeks to promote the rational use of energy resources in the public and private sectors by improving the existing normative and regulatory framework, providing incentives for private investments in EE, and launching aggressive information campaigns on the need of a more rational use of limited energy resources. The activities of the technical cooperation will ensure close collaboration with the National Council on Energy (CNE) and BANDESAL particularly by documenting how lessons from the program can contribute and inform the discussion in El Salvador on EE measures and standards.
- 3.6 This technical cooperation is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (GN-2788-5) and is aligned with: (i) the development challenge of productivity and innovation by promoting and supporting the use of modern, efficient, and sustainable technologies for energy savings by SMEs; and (ii) the cross-cutting theme of climate change and environmental sustainability, by supporting the reduction in GHG emissions from energy efficiency investments.
- 3.7 The TC will integrate results from another technical cooperation under execution with BANDESAL (RG-T2338 and RG-X1258) which has been supporting the conceptualization of a financing strategy to promote the financing of EE projects for Salvadorian firms. It will also consider lessons learned from the existing deployment of ESI strategy in other countries (i.e. Colombia and Mexico).

#### **IV. Description of activities/components and budget**

- 4.1 The TC proposes to support the preparation of the operation ES-L1132 through 2 main components:
- 4.2 **Component 1: Development of a ready-to-use, tailored financial strategy, including:**
  - 4.2.1 Structuring of standardized performance contracts between SMEs and ESTPs, under which the risks associated with achieving energy savings are transparent and

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<sup>6</sup> IDB has already been successfully piloting the ESI approach with BANCOLDEX in Colombia (CO-L1124) and FIRA in Mexico (ME-L1145) to support investments in energy efficiency projects by SMES in the service and agribusiness sectors respectively.

<sup>7</sup> [Estrategia Nacional del Medio Ambiente. Ministerio de Medio Ambiente y Recursos Naturales](#)

equitably shared by both parties, in particular establishing mechanisms to ensure that the ESTPs accompany the project maintenance and pay partially for potential losses in case the savings would not be achieved.

- 4.2.2 Development of financial risk mitigation instruments, including insurance coverage, which would include legal and risk analysis and key insurance/surety stakeholder coordination.
- 4.2.3 Design of monitoring, reporting and verification (MRV) system for assessing energy savings of financed projects, including the development of standard methodologies for eligible technologies, validation procedures, protocols, formats, reporting and monitoring procedures and key stakeholder coordination.
- 4.2.4 Consultations and knowledge sharing with key market players (ESTPs, SMEs, LFIs).
- 4.2.5 Development of a marketing strategy,<sup>8</sup> including identification of an initial pipeline of potential bankable projects/pilots.
- 4.2.6 Development of a management information system for BANDESAL's overall Program execution and monitoring, including information technology, workflows, web design, link with BANDESAL's IT system.
- 4.2.7 Systematization of the monitoring and evaluation of BANDESAL Credit line and overall Program impacts.
- 4.2.8 Institutional capacity building and technical support to BANDESAL.
- 4.3 **Component 2: Support implementation of the integrated financing strategy,** through the following activities:
  - 4.3.1 Support in awareness raising and capacity building of beneficiaries (SMEs, ESTPs, LFIs) of the various tools developed under the Program (methodologies to assess energy savings, standard contract, insurance policy, third party technical quality verification), including a marketing strategy to promote enable women-owned and led SMEs benefit from loans offered by the Project.
  - 4.3.2 Inputs to the national regulatory framework for EE based from the experience and lessons learnt acquired from the structuring and implementation of the Program. This activity will be implemented jointly with the CNE to enhance the current national regulatory framework for EE.
  - 4.3.3 Support in the selection and launching of pilot projects to be supported by BANDESAL EE Financing Strategy, as well as success fees (in the form of reduced interest rates) for financed SME projects that would prove to save energy.
  - 4.3.4 Support in the continuous monitoring and verification of the results from the Program, including lessons learned and potential standardization of processes and methodologies that could be promoted to spread the ESI model to additional sectors in the same country through knowledge sharing.

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<sup>8</sup> The marketing and awareness raising strategy is expected to develop the capacities of technology providers to develop a new line of business: the sale of guaranteed energy savings instead of mere energy efficient technologies. The marketing strategy should support the development, diffusion and dissemination of information of new risk mitigation products, such as standard contracts, monitoring reporting and validation methodologies and ESI products (see also component 2 for the implementation of the strategy).



### Indicative Results Matrix

	Unit	Baseline		Year 1 - 5		Expected Completion Date*	Data Source, means of verification
		Value	Year	Planned	Actual		
Component 1: Standard performance contract for risk sharing between SMEs and ESTPs prepared	#	0	2016	1		05/2017	BANDESAL's information systems and IDB systems
Component 1: Insurance policy covering energy savings developed	#	0	2016	1		05/2017	BANDESAL's information systems and IDB systems
Component 1: Methodologies accounting for technology / project level energy savings developed	#	0	2016	1		05/2017	BANDESAL's information systems and IDB systems
Component 1: Business plan for the Project promotion and execution developed	#	0	2016	1		07/2017	BANDESAL's information systems and IDB systems
Component 1: Validation system operational	#	0	2016	2		06/2017	BANDESAL's information systems and IDB systems
Component 1: Number of electronic registry systems developed	#	0	2016	1		07/2017	BANDESAL's information systems and IDB systems
Component 2: Number of LFIs trained) about the Project mechanisms and opportunities	#	0	2016	5		05/2018	BANDESAL's information systems and IDB systems
Component 2: Number of technology solution providers trained and informed about Program mechanisms*	#	0	2016	30		05/2018	BANDESAL's information systems and IDB systems
Number of BANDESAL staff trained () and informed about the Project mechanisms and methodologies.*	#	0	2016	30		04/2018	BANDESAL's information systems and IDB systems
Component 2: Number of events organized for training and outreach	#	0	2016	20		06/2018	BANDESAL's information systems and IDB systems
Component 2: Number of pilot demonstration projects supported* ()	#	0	2016	25		10/2018	Loan applications and approvals for demonstration projects to test run ESI mechanism. BANDESAL' and IDB information systems
Component 2: Number of products/ publications, knowledge sharing events, country market reports published, and webinars	#	0	2016	6		10/2020	BANDESAL's information systems and IDB systems

\*Note: The training sessions for LFIs, technical validators, technology solution providers, and BANDESAL staff, as well as the number of loan applications, aim at reaching a female participation of at least 30%. The participation of female experts will be explicitly encouraged in the invitations to the training and awareness raising events organized. The actual participation will be assessed according to participation lists.

- 4.4 The total cost of this TC is US\$2,024,000, with US\$1,700,000 financed by the Green Climate Fund (GCF). There will be in kind counterpart resources from BANDESAL for US\$324,000 including staff time, facilities for events, and office space for consultants.

### Indicative Budget

Activity/ Component Description	IDB/GCF Funding	Counterpart Funding	Total Funding US\$
Component 1	680,000	136,000	816,000
Component 2	940,000	188,000	1,224,000
Contingencies	80,000	-	80,000
<b>Total</b>	<b>1,700,000</b>	<b>324,000</b>	<b>2,024,000</b>

## **V. Executing agency and execution structure**

- 5.1 The Executing Agency (EA) will be BANDESAL. BANDESAL has the necessary fiduciary and operational capacity for the successful execution of the program, as it is subject to oversight and monitoring by the Central Bank of El Salvador. In addition, BANDESAL has a demonstrated track record of implementing another operation funded by the IDB (ES-L1089). For the purposes of this TC, BANDESAL will be responsible for: (i) executing and supervising the appropriate use of the resources obtained through the proposed TC; (ii) providing in due time and form the necessary human, technological, and budgetary resources; and (iii) delivering to the Bank the required documentation to comply with disbursements and other requirements for execution. As a condition prior to the first disbursement of the TC, the executing agency will provide evidence, to the Bank's satisfaction, of the formal designation of a Program Coordinator. The project execution will be based on the results matrix mentioned above and the products and indicators contained therein.
- 5.2 To ensure a proper execution of TC, the project team will organize launching, midterm and final review meetings/audio-conferences with BANDESAL and consultants for each of the phases contemplated in the design and implementation of planned activities.

## **VI. Major issues**

- 6.1 Given that the work proposed by 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 BANDESAL to develop the financing line under ES-L1132; and (ii) consultations with EE services providers and potential clients before the final design/consultancy products are finalized to ensure that they reflect the concerns of key stakeholders and are of high quality.

## **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 link: [Safeguard Policy Filter Report](#) and [Safeguard Screening Form](#))

### **Required Annexes:**

- Annex 1: [Request from the Client](#)
- Annex 2: [Terms of Reference](#)
- Annex 3: [Procurement Plan](#)



SECRETARÍA TÉCNICA  
Y DE PLANIFICACIÓN  
DE LA PRESIDENCIA

GOBIERNO DE

EL SALVADOR  
UNÁMONOS PARA CRECER

San Salvador, 17 de mayo de 2016

Señor

**Marco Nicola**

Representante

Banco Interamericano de Desarrollo El Salvador

Presente

Estimado Señor Nicola:

Reciba un cordial saludo y los mejores deseos de éxito en el desempeño de sus funciones.

En esta ocasión me dirijo a Usted para hacer referencia al "Programa de Seguro de Ahorros Energéticos para Inversiones de Pequeñas y Medianas Empresas Salvadoreñas en Eficiencia Energética" sobre el cual el Gobierno de El Salvador ha conocido y ha estado trabajando desde el año recién pasado a través del Banco de Desarrollo de El Salvador (BANDESAL), en coordinación con la representación del Banco Interamericano de Desarrollo.

A ese respecto, me permito confirmarle que la Secretaría Técnica y de Planificación del Gobierno de El Salvador, otorga su **No Objeción** a la ejecución de este Programa y tiene total interés en desarrollarlo de acuerdo a la propuesta de financiamiento de su institución por US\$20.00 millones, provenientes del Fondo Verde para el Clima (GFC, por sus siglas en inglés). En el caso de requerirse garantía soberana se realizarán las gestiones legales para obtención de la misma para respaldar el crédito.

Cabe destacar que el Programa está de conformidad con las prioridades, estrategias y planes nacionales, y además está acorde con la legislación nacional relevante y con los marcos regulatorios.

Sin otro particular, aprovecho la ocasión para reiterarle las muestras de mi consideración y estima.

Atentamente,



Secretario Técnico y de Planificación  
Presidencia de la República

**Roberto Lorenzana Durán**

Secretario Técnico y de Planificación de la Presidencia



## **El Salvador**

### **IFD/CMF**

#### **Support for BANDESAL in structuring a financing strategy to promote energy efficiency investment projects**

#### **Terms of Reference**

##### **I. Background**

Climate change is one of the greatest challenges now facing humankind. Yet this global challenge also creates interesting opportunities for sustainable economic and social development in many developing countries, particularly those able to undertake verifiable commitments to reducing the growth of their Greenhouse Gas (GHG) emissions and adopt low-carbon development strategies.

In the coming years, substantial amounts of financial and technical assistance resources are expected to become available on concessional terms for structuring low-carbon projects in developing economies. Such projects not only can contribute to climate change mitigation and adaptation, but help bolster the productivity levels of these economies by, for example, enhancing efficiency in the use of energy resources.

In recent years, the Inter-American Development Bank (IDB) has developed a line of programs to support public and private financial institutions of the region in the area of climate change. For example, the IDB has provided consulting services to identify and develop emissions reduction projects in commercial bank portfolios and has provided support for the development of financial instruments aimed at promoting low-carbon investments.

The IDB is currently supporting BANDESAL in its efforts to play a more active role in promoting climate change mitigation and emission reduction activities in El Salvador. This includes: (i) support to identify the climate change mitigation potential in the BANDESAL portfolio; and (ii) support to design a financing strategy based on financial and nonfinancial instruments that promotes investment in energy efficiency.

These efforts require the services of a specialist with knowledge and proven experience in structuring lending strategies to promote investment projects in energy efficiency measures.

##### **II. Objective**

The general objective of this consulting assignment is to design a financing strategy for BANDESAL that supports energy efficiency projects, and to conduct a market study that supports the strategy design, including potential work to enable BANDESAL to promote these energy efficiency projects and green projects. The aim is to support BANDESAL in structuring effective lending strategies, in the understanding that they include not only effective financial and guarantee instruments but also technical assistance, consulting

services, and training for financial intermediaries and end beneficiaries to support the structuring of demand for financing of energy efficiency projects.

### **III. Activities**

#### **1. Define characteristics and risks of the technologies/solutions**

- a. Characteristics of the technological improvement, key special features.
- b. Technology costs, depreciation time, maintenance costs, delivery time frame, installation and construction time.
- c. Alternative technologies (capable of replacing the above mentioned new technology).
- d. Technological risks and technological risk mitigating factors.

#### **2. Define characteristics of the target sector (end client)**

- a. Sector growth potential (projections)
- b. Risks associated with energy consumption.
- c. Sensitivity to energy price increases.
- d. Borrowing capacity of target clients in the subsector (estimated).
- e. Main sources of finance used in the sector.
- f. Client perception and priorities regarding technological change.
- g. Identification of barriers to EE investment and access to investment finance from the client's perspective.
- h. Identification of legal issues affecting the use/implementation of this technology (e.g., permits, compensation arrangements, taxes, subsidies, tariffs, etc.).
- i. Identification of unions associated with this sector, and gauging the potential for working with them.
- j. Definition of baseline (average): annual energy cost per type of client (according to segmentation), obsolescence of existing installed technology, or operating cost of the technology currently in use. Determine its relationship to the company's total operating costs.
- k. Definition of a typical investment (based on "average" needs)

#### **3. Define characteristics of supply/service providers**

- a. Identify providers of technology, services, and technical support, years in the market and reliability level of clients, warranties offered.
- b. Identify the form of financing currently used to finance the current services of the technology offeror.
- c. Measure the maturity and growth of the market (supply). Determine the existence of unions associated with this sector.
- d. Identify the greatest barriers (from the offeror's perspective) to selling and installing technology.

- e. Perception of the market from the supply point of view.

**4. Identify current financial channels and instruments**

- a. Identify the financial institutions and investors that have been involved in projects of this nature (or similar projects).
- b. Identify the financial instruments available now or in the past to finance projects of this type.
- c. Identify the greatest barriers (external and internal) to financing these technologies.
- d. Financial institutions' perception of the technology.

**5. Analyze emission reductions (by feasible segment)**

- a. Potential reductions in the use of energy and other resources (by segment).
- b. Potential reductions in carbon emissions by segment (according to baseline and typical investment)

**6. Design and structure an effective strategy and financing facilities capable of promoting an energy efficiency program (points “a” through “g”)**

- a. Identify stakeholders that can support BANDESAL in the strategy.
- b. Identify market failures where demand for financing is not being met through existing mechanisms and where it would be feasible to develop new financial instruments for a selected type of project.
- c. Identify the main risks of investing in the priority subsector, including an analysis of market and regulatory risks, to ensure the viability and sustainability of the financing strategy developed and the success of the energy efficiency models promoted under it.
- d. Review previous or existing initiatives, whether public or private, aimed at promoting and financing energy efficiency investments, in order to provide input for the strategy design based on the lessons learned and best practices gleaned from those initiatives. In addition, in designing the strategy, take into account the technical support provided in recent years by the Bank, through ENE, or other international organizations, to local entities in the beneficiary countries under this Technical Cooperation to encourage the adoption and financing of energy efficiency measures in their productive sectors.
- e. Examine the possibility of adapting relevant types of financial products to the selected sector, including commercial lending, revolving lines of credit, leases, trust funds, etc. Also, analyze the potential for additional revenues that could be built into the financing facilities, such as potential carbon credits and/or revenue from environmental services.
- f. Structure a strategy and financial and guarantee instrument(s) and/or mechanism(s), including a description of:
  - The necessary conditions for implementation.
  - The distribution channels that could be used.

- The financial structuring of the product in terms of investment size, interest rates, grace period, selection criteria, forms of technical assistance, supplementary instruments such as guarantees and insurance, leveraging of additional resources, both private and from national and international climate-related financing sources, etc.
  - The needs and limitations of the end beneficiaries in terms of access to the lending mechanisms.
- g. Prepare recommendations for integrating the strategy and the instrument(s) into the existing BANDESAL mechanisms and systems, and make suggestions when necessary to create innovative mechanisms and systems.
- h. Identify needs in terms of building institutional and human capacity.
- 7. Design a program promotion plan.** The approach will be to encourage clients to invest in the selected technologies and to encourage financial intermediaries and technology providers to offer financing and demand structuring services.
- a. Develop a knowledge dissemination plan for the new financing strategy, including financial and risk mitigation instruments (guarantees and/or insurance) as well as nonfinancial instruments (technical assistance, third-party technical validation and verification of projects, standard contract), the first-tier financial institutions that work directly with BANDESAL, the end clients, and the facilitators.
  - b. The consultant will prepare short documents describing the financial and nonfinancial instruments and how they work, including: description, functions, target client type, recommended structure for end clients, etc.
  - c. Support training of BANDESAL staff as well as its first-tier clients on the proposed financial instruments and/or mechanisms. The training would consist of participation in a training event with BANDESAL, the IDB, select first-tier clients of BANDESAL, and other key strategic partners to present and discuss the proposed financial and nonfinancial instruments and/or mechanisms.

#### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames and resources/bibliography to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of activity report.



c. Report 3: Final activity report.

## **V. Qualifications**

- **Education:** Undergraduate degree and master's degree in economics, energy, finance, engineering, environmental science, or related discipline.
- **Language:** Fluency in Spanish and English.
- **Experience:**
  - At least ten (10) years of professional experience related to energy efficiency technologies in El Salvador, having participated in the design, structuring, and analysis of energy efficiency projects for firms. In-depth knowledge and relevant experience in the development and management of energy efficiency projects.
  - In-depth knowledge of financial institutions and energy policies and practices in El Salvador.
  - Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
  - Ability to apply the appropriate standards and methodologies to a specific project context in order to identify creative and practical approaches to overcoming difficult situations.
  - Strong written communication skills, with the analytical skills and ability to summarize required for producing high-quality reports.
  - Ability to work well in a multidisciplinary team environment and with minimal supervision.

## **VI. Schedule of payments**

As part of the request for proposals process, the cost proposals received from individual consultants invited to participate in the bidding for this technical assistance contract must include a professional fee structure (in US\$/working day) in line with the level of training and experience required for submission of the technical proposal, on the understanding that the consultant will be paid the established amount per deliverable completed to the satisfaction of the IDB and BANDESAL specialists.

The consultant engaged will be paid the amount established as consideration per deliverable upon providing, to the satisfaction of the responsible IDB specialists, the final documents incorporating the entity's comments.

Payment will include per diems and transportation for field visits.

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

Payment will be made as follows:

- a. 30% of the total contract amount upon signature by the consultant;

- b. 35% upon IDB approval of Report 2 (first draft of activities);
- c. 35% upon IDB approval of Report 3 (final)

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Individual/International – Products and External Services Consultant (PEC)

**Start date and duration:** Six (6) months commencing on the individual consultant's contracting date. The tasks set forth in the contract are to be completed during this period.

**Place of work:** Offices of the individual consultants, El Salvador, and locations of the beneficiary institution and the identified project.

**Payment and terms:** Compensation will be determined in accordance with Bank policies and procedures.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility.

**Consanguinity:** Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or complementary workforce contractual will not be eligible to provide services to the Bank. In addition, candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consultant will refrain from using the outputs of this contract and the program to promote his/her own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

## **EI Salvador**

### **IFD/CMF**

## **Support for BANDESAL in Building their Institutional Capacity in Energy Efficiency**

### **Terms of Reference**

#### **I. Background**

The Inter-American Development Bank (IDB) is supporting El Salvador's efforts to reduce Greenhouse Gas (GHG) emissions while boosting the competitiveness of Salvadorian companies by developing a financing strategy with BANDESAL, a national development bank, aimed at promoting energy efficiency projects for private companies in this sector. Specifically, the efforts are aimed at:

- Increasing investments in energy efficiency measures in Salvadorian companies;
- Building the capacity of BANDESAL and other key market actors to structure, finance, monitor, and evaluate projects with environmental benefits that at the same time enhance the competitiveness of the companies implementing them.

The following activities are being planned for the design of this financing strategy:

- Design of specific eligibility criteria and modalities for the energy efficiency financing line for companies;
- Design of specific institutional and legal requirements to ensure the support and participation of key partners (e.g., companies and their associations, energy technology and services providers, local financial institutions, bonding companies, etc.) in implementing the financing strategy; and
- Development of methodological standards and protocols to monitor the outcomes/benefits of the financing strategy (i.e., reduction in energy use and in GHG emissions).

#### **II. Objective**

A consultant is needed with particular expertise in structuring and financing energy efficiency projects in El Salvador, to support the IFD/CMF team in building the institutional capacity of BANDESAL so as to ensure the support and involvement of key partners (e.g., sector associations, providers of energy efficiency services, bonding/insurance companies, equipment suppliers, local financial institutions, etc.) in executing a financing strategy aimed at promoting energy efficiency projects in the eligible sector(s). This strategy consists of a package of financial and nonfinancial instruments, mechanisms, and procedures to help mitigate real and/or perceived risks in these projects and engage the various market players. In addition to technical skills, it is essential that the consultant have a broad understanding of local financial institutions as

well as of the needs and characteristics of local energy service and technology providers and their potential clients in the country).

### **III. Activities**

In accordance with the program's principles and objectives, the consultant will support the IFD/CMF in the following activities, without limitation:

1. Ensure the active involvement of, and the creation of partnerships and agreements with, various key players to guarantee the overall success of the program, from the standpoint of both its financial and nonfinancial instruments. Key players include associations encompassing potential clients, local financial institutions, energy service providers, technology providers, and technical validators.
2. Prepare work flows and implementation plans for development and initial implementation of the financing strategy, including its financial and supplementary nonfinancial instruments, particularly in terms of developing models and forms to be applied.
3. Support in to the coordination and consistency to the work prepared by other consultants during the development and initial implementation of the financing line.
4. Provide technical support and quality control for the work done by other consultants.
5. Review requests for support, provide standard contracts, eligibility requirements, and relevant operational documents for financial intermediaries, key clients, and other key actors.
6. Provide follow-up assistance to operational modalities with local financial institutions and support the development and maintenance of a registry/database for tracking project requests, loans, and activity reports.
7. Support promotion of the financing strategy, including the organization of training events and consultation meetings with key market operators.
8. Identify potential pilot projects to demonstrate the feasibility and benefits of the program.
9. Prepare promotional and training materials, including support for maintaining a website dedicated to the strategy.

### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames and resources/bibliography to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of activity report.
- c. Report 3: Final activity report.

## V. Qualifications

- **Education:** Undergraduate degree and master's degree in economics, energy, finance, engineering, environmental science, or related discipline.
- **Language:** Fluency in Spanish and English.
- **Experience:**
  - At least ten (10) years of professional experience related to energy efficiency technologies in El Salvador, having participated in the design, structuring, and analysis of energy efficiency projects for firms.
  - In-depth knowledge and relevant experience in the development and management of energy efficiency projects.
  - In-depth knowledge of financial institutions and energy policies and practices in El Salvador.
  - Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
  - Ability to apply the appropriate standards and methodologies to a specific project context in order to identify creative and practical approaches to overcoming difficult situations.
  - Strong written communication skills, with the analytical skills and ability to summarize required for producing high-quality reports.
  - Ability to work well in a multidisciplinary team environment and with minimal supervision.

## VI. Schedule of payments

As part of the request for proposals process, the cost proposals received from individual consultants invited to participate in the bidding for this technical assistance contract must include a professional fee structure (in US\$/working day) in line with the level of training and experience required for submission of the technical proposal, on the understanding that the consultant will be paid the established amount per deliverable completed to the satisfaction of the IDB and BANDESAL specialists.

The consultant engaged will be paid the amount established as consideration per deliverable upon providing, to the satisfaction of the responsible IDB specialists, the final documents incorporating the entity's comments.

Payment will include per diems and transportation for field visits.

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

Payment will be made as follows:

- a. 30% of the total contract amount upon signature by the consultant;
- b. 35% upon IDB approval of Report 2 (first draft of activities);
- c. 35% upon IDB approval of Report 3 (final)

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Individual/International – Products and External Services Consultant (PEC)

**Start date and duration:** From XX MONTH, YEAR for a period of XX months. During this period, the consultant will perform the above-identified tasks, the agreed tasks under the contract, and any other tasks agreed upon in the course of project implementation.

**Place of work:** The offices of the individual consultant, as well as the location of the beneficiary institution (BANDESAL) and the identified projects.

**Payments and terms:** Compensation will be determined in accordance with the Bank's regulations and criteria.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility.

**Consanguinity:** Individuals with relatives working for the Bank, including the fourth degree of consanguinity and the second degree of affinity, will not be eligible. This includes staff and consultants. Candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consulting firm will refrain from using this contract to promote its own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

## **El Salvador**

### **IFD/CMF**

## **Support for BANDESAL in Developing Systems for Technical Evaluation and Monitoring of Energy Efficiency Projects**

### **Terms of Reference**

#### **I. Background**

The Inter-American Development Bank (IDB) is supporting El Salvador's efforts to reduce Greenhouse Gas (GHG) emissions while boosting the competitiveness of companies by developing a financing strategy with BANDESAL, a national development bank, for energy efficiency projects for private companies in this sector. Specifically, the efforts are aimed at: (i) increasing investments in energy efficiency measures in El Salvador; (ii) building the capacities of BANDESAL and other key market actors to structure, finance, monitor, and evaluate projects with environmental benefits that at the same time enhance the competitiveness of the companies implementing them.

The following activities are being planned for the design of this financing strategy: (i) design of specific eligibility criteria and modalities for promoting energy efficiency Salvadorian companies under the financing strategy, including its various financial and nonfinancial instruments; (ii) design of specific institutional and legal requirements to ensure the support and participation of key partners (for example, companies and their associations, energy technology and service providers, local financial institutions, bonding companies, etc.) in implementing the financing strategy; and (iii) development of methodological standards and protocols to monitor the results/benefits of the financing line (i.e., reduction in energy use and, consequently, in GHG emissions).

#### **II. Objective**

The main objective of this consulting assignment is to develop, test on a demonstration basis, and disseminate the protocols, forms, and procedures needed to facilitate the validation, verification, and monitoring of energy efficiency projects financed by BANDESAL as part of its financing strategy for energy efficiency projects in this sector.

The protocols and procedures to be developed are primarily aimed at facilitating implementation of the validation, verification, and monitoring mechanisms that constitute an integral part of the BANDESAL energy efficiency financing program.

This process includes development of protocols, forms, and methodologies in close collaboration with BANDESAL, the IDB, and the various key market actors. It also includes testing the developed protocols and forms through demonstration programs; participation in market outreach and training events; and initial dissemination of the outputs, seeking feedback from key actors in order to identify the adjustments needed in the protocols, forms, and methodologies, on the basis of which final adjustments will be made to the documents.

To ensure that the program is efficiently incorporated into the BANDESAL management systems, the consulting assignment will additionally involve designing specific information management tools that allow BANDESAL to manage the program information in its entirety as well as for each activity or stage associated with the various subprojects.

### **III. Activities**

The consulting activities will contribute essential elements for three validation/verification mechanisms in the program, each coming into play at a different stage of the projects:

1. Validation of technical proposal.
  - a. This mechanism comes into play at the stage of credit application and documentation review.
  - b. The purpose of this mechanism is to validate the project's and the provider's technical capacity to achieve the promised savings.
  - c. The validation will be performed remotely.
2. Verification of project construction.
  - a. This mechanism comes into play immediately after the conclusion of the construction, assembly, and installation stage and the disposal of the replaced equipment, and before commercial operation of the new equipment.
  - b. The purpose of this mechanism is to verify that the equipment and the installation work (including the monitoring systems) are in keeping with the original technical proposal.
  - c. Verification, including of the installation work and the disposal of replaced equipment, is performed onsite.
3. Validation of generated savings
  - a. This validation mechanism comes into play at the operational stage and during the financing period.
  - b. The purpose of this mechanism is to validate the reports to be prepared by the provider, in which the provider will periodically indicate the savings achieved by the project, comparing estimated savings with actual savings. In addition, the mechanism will include an online information management form and system to facilitate project reporting, approval, and performance monitoring.
  - c. The provider will perform the validation onsite and then report the results online to the technical verifier and BANDESAL.

The following table provides a preliminary list of the specific activities and associated outputs that will be needed to support implementation of the above-described mechanisms and should be carried out as an integral part of these terms of reference.



A. Validation of technical proposal and provider		
Tasks	Specific activities and outputs	Additional information
A.1 Design of technical proposal form	A.1.1 Create technical proposal form (to be completed by third parties).	Includes, for example, baseline, monitoring and measurement plan, etc.
A.2 Design of methodology for technical evaluation of energy efficiency projects.	A.2.1 Evaluation criteria and parameters (general and technology-specific criteria) and development of evaluation protocol. A.2.2 Evaluation protocol manual (guides and manuals). A.2.3 Form user's manual (for completing the form).	<b>Baseline</b> Criteria and procedures for baseline evaluation <b>Applicable technologies (EXAMPLES):</b> <ul style="list-style-type: none"> <li>Power cogeneration</li> <li>Cooling and refrigeration systems</li> <li>Boilers, steam generators</li> <li>Compressed air distribution systems</li> <li>Efficient motors</li> <li>Solar energy to preheat water</li> <li>Other</li> </ul>
A.3 Design of methodology for evaluation of technology providers	A.3.1 Evaluation criteria and parameters and development of evaluation protocol. A.3.2 Create provider evaluation form (to be completed by independent technical evaluator). A.3.3 Provider evaluation protocol manual (guides and manuals). A.3.4 Form user's manual (for completing the form).	
B. Verification of project construction		
B.1 Design of methodology for verifying: (i) construction, installation, and assembly of energy efficiency projects; and (ii) disposal of removed equipment.	B.1.1 Evaluation criteria and parameters and development of evaluation protocol, including forms for physical verification of the project and verification of proper disposal of the replaced equipment. B.1.2 Manual of protocol for verification of construction, installation, and equipment assembly, including monitoring systems. B.1.2 Manual for verifying proper disposal of removed equipment.	<ul style="list-style-type: none"> <li>Verification that improvements, equipment, and specifications are in keeping with the initial technical proposal.</li> <li>Verification that the monitoring systems are as proposed in the original technical proposal and are calibrated and installed in accordance with the initial proposal.</li> <li>Verification of proper disposal of the removed equipment.</li> </ul>

C. Verification of generated savings		
C.1 Design of methodology for verifying the reports of savings generated by and performance of the energy efficiency project.	<p>C.1.1 Evaluation criteria and parameters and development of results measurement and evaluation protocol</p> <p>C.1.2 Form for reporting project performance and savings generated (to be completed by the energy efficiency services or technology provider)</p> <p>C.1.3 Manual of results measurement and evaluation protocol (guides and manuals).</p> <p>C.1.4 Form user's manual (for completing the form)</p>	<p>Verification of parameters requested in the report form, such as:</p> <ul style="list-style-type: none"> <li>– Energy savings (KWh)</li> <li>– CO<sub>2</sub> reduction</li> <li>– Economic savings</li> <li>– Etc.</li> </ul> <p>The results are reported online by the provider of energy efficiency services or energy efficiency technologies</p>
D. Information management protocol		
D.1 Design of information management system	<p>D.1.1 Identify actors, roles, and communication flows (including flowchart) among the parties for information management purposes.</p> <p>D.1.2 Identify and develop an information technology system to manage the information arising from operation of the proposed mechanisms.</p> <p>D.1.3 Manual of information management protocol (guides and manuals).</p> <p>D.1.4 Conduct training sessions in the use of the tool and protocols developed.</p>	
E. Outreach, training, and feedback		
E.1 Consultations, feedback, and final adjustments to protocols and forms	<p>E.1.1 Conduct consultations with key actors, such as technical service and technology providers and potential clients, to obtain feedback for protocols, forms, and methodologies.</p> <p>E.1.2 Conduct a "field test" on the developed protocols and forms in order to determine validation and verification time frames, and make any required adjustment to their content.</p> <p>E.1.3 Make final adjustments to the protocols, forms, and methodologies based on the consultations.</p>	

E.2 Market outreach and training	E.2.1 Design and implementation of a training program for users of the protocols, forms, and methodologies, starting with the projects in the program's initial pipeline.  E.2.2 Participation in events to promote and raise awareness of BANDESAL's energy efficiency program.	
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#### IV. Reports/Outputs

- a. The final outputs associated with each activity are to be written and presented in Spanish.
- b. As part of the preparation for each of tasks A-E in the preceding table, midterm reports will be delivered for approval and comments by the BANDESAL team and the IDB. For each activity, the midterm report will include the CVs of at least three experts that the consultant expects to provide to perform the activities associated with the task, as well as a detailed work plan. These midterm reports will be delivered to the IDB within one month after the signing of the contract.
- c. A progress report will be delivered three months after the signing of the contract.
- d. The final report consists of all outputs of tasks A-E as well as final reports for each of these tasks. A report will be considered finalized upon its approval by the IDB Project Team Leader.
- e. All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

#### V. Qualifications

- **Education:** Experts with undergraduate and graduate degrees in economics, energy, finance, engineering, environmental science, or related discipline.
- **Language:** Fluency in Spanish.
- **Experience:**
  - At least ten (10) years of professional experience related to energy efficiency technologies in El Salvador, having participated in the design and analysis of methodologies and protocols for monitoring and evaluation of energy efficiency projects for firms.
  - In-depth knowledge and significant experience in validating and verifying the results of GHG emissions reduction projects in El Salvador.
  - In-depth knowledge and significant experience in validating and verifying the results of energy efficiency projects.

- In-depth knowledge of financial institutions and energy policies and practices in El Salvador.
- Familiarity with GHG emissions reduction methodologies and international energy efficiency certifications, including ISO 9000, ISO 50001, Clean Development Mechanism (a tool of the United Nations Framework Convention on Climate Change), and others.
- Significant experience in the design and execution of training programs.
- Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
- Ability to apply the appropriate standards and methodologies to a specific policy context in order to identify creative and practical approaches to overcoming difficult situations.
- Strong written communication skills, with the analytical skills and ability to summarize required for conveying significant findings through high-quality reports.

## **VI. Schedule of payments**

Payment for this technical assistance will be made as follows:

- 30% upon signature of the contract and delivery of midterm reports with detailed work plans;
- 20% upon delivery of the final version of the documents for the activities described under tasks A and B (with the approval of the IDB team);
- 20% upon delivery of the final version of the documents for the activities described under tasks C, D, and E (with the approval of the IDB team);
- 30% upon delivery of a report with the formal technical validations by providers and the demonstrational validation of proposed projects supporting the program launch. The number of demonstrational validations to be carried out under this contract will be proposed by the interested firms as part of the bidding process and will be an important selection criterion.

Travel expenses for any travel required by the consulting firm in order to perform the work will be reimbursed through letters of agreement in accordance with IDB policies.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Consulting firm; lump sum to be disbursed in accordance with the schedule of payments.

**Start date and duration:** Eight (8) months commencing on the contract signature date.

**Place of work:** The firm's offices, as well as the locations of the beneficiary institution (BANDESAL) and of the identified projects.

**Payments and terms:** Compensation will be determined in accordance with the Bank's regulations and criteria.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility. In the process of providing technical assistance, the IDB project team will ensure that its beneficiaries understand and agree to comply with the Bank's environmental and social policies.

**Consanguinity:** Individuals with relatives working for the Bank, including the fourth degree of consanguinity and the second degree of affinity, will not be eligible. This includes staff and consultants. Candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consultant will refrain from using the outputs of this contract and the program to promote his/her own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

## **El Salvador**

### **IFD/CMF**

## **Support for BANDESAL in the Design of Web-based Information Systems for Management and Monitoring of Energy Efficiency Projects**

### **Terms of Reference**

#### **I. Background**

The Inter-American Development Bank (IDB) is supporting El Salvador's efforts to reduce greenhouse gas emissions while boosting the competitiveness of companies by developing a financing strategy with BANDESAL, a national development bank, for energy efficiency projects for private companies in this sector. Specifically, the efforts are aimed at: (i) increasing investments in energy efficiency measures in companies; (ii) building the capacities of BANDESAL and other key market actors to structure, finance, monitor, and evaluate projects with environmental benefits that at the same time enhance the competitiveness of the companies implementing them.

The following activities are being planned for the design of this financing strategy: (i) design of specific eligibility criteria and modalities for promoting energy efficiency investment projects under the financing strategy, including its various financial and nonfinancial instruments; (ii) design of specific institutional and legal requirements to ensure the support and participation of key partners (for example, companies and their associations, energy technology and service providers, local financial institutions, bonding companies, etc.) in implementing the financing strategy; and (iii) development of methodological standards and protocols to monitor the results/benefits of the financing line (i.e., reduction in energy use and in GHG emissions).

#### **II. Objective**

This assignment requires a consultant with specific experience in information systems and technologies, particularly in the design and integration of databases and interactive web platforms to support BANDESAL and the IFD/CMF team in structuring an information technology system that supports the program management and monitoring functions and can ultimately be integrated into BANDESAL's existing information systems.

#### **III. Activities**

In accordance with the program's principles and objectives, the consultant will support the BANDESAL and IFD/CMF team in the following activities, without limitation:

- Analyze BANDESAL's current information system with a view to designing a comprehensive program management system that can be integrated into the BANDESAL system;

- Identify the information and decision-making flows that will need to be integrated into the financing program's information management system in order to ensure the program's proper execution and the interaction of all relevant parties;
- Design the financing program's information management system, taking into account BANDESAL's current information technology system and the interface with the various market actors that would be required to allow for fast and effective management and monitoring of the program during its execution; and
- Train the relevant BANDESAL staff, the energy efficiency services and technology providers, the end beneficiaries, and their first-tier clients in the functioning of this management system.

#### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames and resources/bibliography to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of progress report.
- c. Report 3: Final report.

#### **V. Qualifications**

- **Education:** Undergraduate degree and graduate degree in systems engineering or related discipline.
- **Language:** Fluency in Spanish and English.
- **Experience:**
  - At least five (5) years of professional experience with computerized management systems, information technologies, and database design, integration, and management.
  - In-depth knowledge of computerized information, management, and decision-making systems at financial institutions;

- Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
- Ability to apply the appropriate standards and methodologies to a specific context of project information and management systems in order to identify creative and practical approaches to overcoming difficult situations.
- Strong written communication skills, with the analytical skills and ability to summarize required for producing high-quality reports.
- Ability to work well in a multidisciplinary team environment and with minimal supervision.

## **VI. Schedule of payments**

The work will be compensated upon delivery of activity reports pursuant to the following timetable:

- 20% upon signature of the contract
- 40% upon delivery and Bank approval of the progress report
- 40% upon delivery and Bank approval of the final report.

Travel expenses for any travel required in order to perform the work will be reimbursed through letters of agreement in accordance with IDB policies.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Individual consultant, Local.

**Start date and duration:** From XX to XX MONTH, YEAR. During this period, the consultant will perform the above-identified tasks, the agreed tasks under the contract, and any other tasks agreed upon in the course of the project implementation.

**Place of work:** The offices of the individual consultant as well as the location of the beneficiary institution (BANDESAL).

**Payments and terms:** Compensation will be determined in accordance with the Bank's regulations and criteria.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility.

**Consanguinity:** Individuals with relatives working for the Bank, including the fourth degree of consanguinity and the second degree of affinity, will not be eligible. This includes staff and consultants. Candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consulting firm will refrain from using this contract to promote its own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and



HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

## **El Salvador**

### **IFD/CMF**

#### **Support for BANDESAL in the Validation and Technical Verification of Energy Efficiency Projects and Service Providers**

#### **Terms of Reference**

##### **I. Background**

The Inter-American Development Bank (IDB) is supporting El Salvador's efforts to reduce greenhouse gas emissions while boosting the competitiveness of companies by developing a financing strategy with BANDESAL, a national development bank, for energy efficiency projects for private companies in this sector. Specifically, the efforts are aimed at: (i) increasing investments in energy efficiency measures in companies; (ii) building the capacities of BANDESAL and other key market actors to structure, finance, monitor, and evaluate projects with environmental benefits that at the same time enhance the competitiveness of the companies implementing them.

The following activities are being planned for the design of this financing strategy: (i) design of specific eligibility criteria and modalities for promoting energy efficiency investment projects under the financing strategy, including its various financial and nonfinancial instruments; (ii) design of specific institutional and legal requirements to ensure the support and participation of key partners (for example, companies and their associations, energy technology and service providers, local financial institutions, bonding companies, etc.) in implementing the financing strategy; and (iii) development of methodological standards and protocols to monitor the results/benefits of the financing line (i.e., reduction in energy use and, consequently, in GHG emissions).

##### **II. Objective**

The main objective of this consulting assignment is to support BANDESAL in the validation, technical verification, and monitoring of the energy efficiency projects and service and technology providers financed by BANDESAL in the context of its financing strategy for energy efficiency projects in this sector.

Project validation, technical verification, and monitoring are an integral part of the BANDESAL program to support the financing of energy efficiency projects based on protocols, forms, and procedures previously developed for such purposes.

##### **III. Activities**

In accordance with the principles and objectives set forth in the strategy, the consulting firm (hereinafter, the Validating Entity) will support BANDESAL in, and make determinations with respect to, the following actions:

1. Validating compliance with the established criteria for determining the experience of technical service or technology providers (hereinafter, Technical Offerors). With regard to this activity, the Validating Entity will be required to validate the form

“Presentation and validation of Technical Offerors” and its document attachments. The Validating Entity will be required to make a determination as to whether or not the validation criteria for this form have been met. If this module is validated, the request for resources will continue to be processed with validation of the form “Presentation and validation of the technical/cost proposals” and the respective technical form(s), depending on the technology or technologies to be implemented and the document attachments. Otherwise, the request for project resources under the BANDESAL line of credit will be rejected.

2. Determining the likelihood that an efficiency project to be potentially financed with resources from the line of credit will achieve the projected savings. With regard to this activity, the Validating Entity will be required to validate the form “Presentation and validation of the technical/cost proposals” and the respective technical form(s), depending on the technology or technologies to be implemented and the document attachments. The Validating Entity will be required to make a determination as to whether or not the validation criteria for this form have been met. If this module is validated, the request for resources will continue to be processed and become eligible for financing under the BANDESAL line of credit.
3. Verifying compliance with the criteria listed in the form “Presentation and verification of the implemented project” and the form “Presentation and verification of waste management” and their document attachments, based on the information compiled during the visit to the implemented project site and the project proposal submitted in the form “Presentation and validation of technical/cost proposals” and respective technical form(s). The result of this verification will determine whether or not a beneficiary of the credit will have access to a lower interest rate during the remaining credit period as a reward for success, in the event this is an integral part of the financing strategy.
4. The consulting firm will only participate in the process of verifying the savings results reported during execution of the project financed by the BANDESAL line of credit when so required (i.e., in the event of a dispute between the investor and the providers of energy efficiency services or technologies). This process involves verifying the information set forth in the form “Presentation and verification of results” and the measurement records for the period reported in this form, in order to determine whether or not the reported savings were achieved. The result of this determination is framed as technical support for the client benefiting from the line and it should not affect the terms of the credit.

As an integral part of the proposal, the Validating Entity will establish and provide an activity flow for the validation and verification process that the energy efficiency projects requesting resources from the BANDESAL line are required to go through. In addition to the above-indicated actions, the Validating Entity will:

- Join BANDESAL upon request at events aimed at raising awareness of the financing line, after coordinating with the parties.
- Train BANDESAL and the existing or potential beneficiaries of the financing strategy in the use and management of the forms and methodology.

- Provide BANDESAL with feedback on potential improvements to the forms and methodology used under the financing strategy and makes the respective adjustments following BANDESAL approval.
- Provide NBD with a monthly report, to be delivered within the first five days of each month, on all activities carried out in the respective month.
- Be responsible for any harm to BANDESAL arising in connection with the determinations made under the contract.
- Disclose to BANDESAL any conflict of interest that disqualifies the consulting firm from making a determination under the contract to be signed pursuant to this invitation.

#### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames and resources/bibliography to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of activity report.
- c. Report 3: Final activity report.

#### **V. Qualifications**

- **Education:** Experts with undergraduate and graduate degrees in economics, energy, finance, engineering, environmental science, or related discipline.
- **Language:** Fluency in Spanish and English.
- **Experience:**
  - At least ten (10) years of professional experience related to energy efficiency technologies in El Salvador, having participated in the design and analysis of methodologies and protocols for monitoring and evaluation of energy efficiency projects for firms.
  - In-depth knowledge and significant experience in validating and verifying the results of GHG emissions reduction projects in El Salvador.
  - In-depth knowledge and significant experience in validating and verifying the results of energy efficiency projects.

- In-depth knowledge of financial institutions and energy policies and practices in El Salvador.
- Familiarity with GHG emissions reduction methodologies and international energy efficiency certifications, including ISO 9000, ISO 50001, Clean Development Mechanism (a tool of the United Nations Framework Convention on Climate Change), and others.
- Significant experience in the design and execution of training programs.
- Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
- Ability to apply the appropriate standards and methodologies to a specific policy context in order to identify creative and practical approaches to overcoming difficult situations.
- Strong written communication skills, with the analytical skills and ability to summarize required for conveying significant findings through high-quality reports.

## **VI. Schedule of payments**

Payment for this technical assistance will be made as follows:

- Advance of 25% upon signature of the contract;
- Payment of 25% when one third of the projects scheduled for validation have been validated;
- Payment of 25% when two thirds of the projects scheduled for validation have been validated;
- Payment of the remaining 25% when all projects scheduled for validation under the program have been validated.

Travel expenses for any travel required by the consulting firm in order to perform the work will be estimated separately and be prorated into the four scheduled payments.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Consulting firm; lump sum to be disbursed in accordance with the schedule of payments.

**Start date and duration:** Eight (8) months commencing on the contract signature date.

**Place of work:** The firm's offices, as well as the locations of the beneficiary institution (BANDESAL) and of the identified projects.

**Payments and terms:** Compensation will be determined in accordance with the Bank's regulations and criteria.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility. In the process of

providing technical assistance, the IDB project team will ensure that its beneficiaries understand and agree to comply with the Bank's environmental and social policies.

**Consanguinity:** Individuals with relatives working for the Bank, including the fourth degree of consanguinity and the second degree of affinity, will not be eligible. This includes staff and consultants. Candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consulting firm will refrain from using this contract to promote its own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

## **EI Salvador**

### **IFD/CMF**

#### **Support for BANDESAL in the development, revision and adaptation of a standardized Performance contract for energy efficiency projects**

#### **Terms of Reference**

##### **I. Background**

The Inter-American Development Bank (IDB) is supporting El Salvador's efforts to reduce greenhouse gas emissions while boosting the competitiveness of companies by developing a financing strategy with BANDESAL, a national development bank, for energy efficiency projects for private companies in this sector. Specifically, the efforts are aimed at: (i) increasing investments in energy efficiency measures in companies; (ii) building the capacities of BANDESAL and other key market actors to structure, finance, monitor, and evaluate projects with environmental benefits that at the same time enhance the competitiveness of the companies implementing them.

The following activities are being planned for the design of this financing strategy: (i) design of specific eligibility criteria and modalities for promoting energy efficiency investment projects under the financing strategy, including its various financial and non-financial instruments; (ii) design of specific institutional and legal requirements such as a standardized contract to ensure the support and participation of key partners (for example, companies and their associations, energy technology and service providers, local financial institutions, bonding companies, etc.) in implementing the financing strategy; and (iii) development of methodological standards and protocols to monitor the results/benefits of the financing line (i.e., reduction in energy use and, consequently, in GHG emissions).

##### **II. Objective**

The main objective of this consulting assignment is to support BANDESAL in the development, revision and adaptation of a standardized performance contract for energy efficiency projects

##### **III. Activities**

In accordance with the principles and objectives set forth in the strategy, the consulting firm/Legal consultant will:

- a. Revise the general technical requirements and modalities for the financing line making recommendations to BANDESAL with respect to standard performance contracts, eligibility criteria, and legal topics considered relevant for the execution of the financing line;

- b. Elaboration, revision, adaptation and possible improvement of an existing model contract format for energy efficiency performance which regulates the rights and responsibilities of the potential clients and of the technology service providers;
- c. Elaboration, revision, adaptation and possible improvement of an existing model Insurance or surety contract format, as necessary.
- d. Elaboration, revision, and proposal of any additional legal instrument which might be necessary for the implementation of the project.
- e. Participate in 7 roundtables with the validator, the insurance company and the BANDESAL team and the BID with the objective to discuss the requirements of the contract and use inputs for the alignment to the needs of the project and the various stakeholders;
- f. Awareness raising and socialization of the standard performance contract with relevant market actors. The socialization will take place in 6 events each of 2 hours with local financial institutions, technology providers, company associations and companies.

#### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of activity report.
- c. Report 3: Final activity report.

#### **V. Qualifications**

- **Education:** Expert with university degree, preferably with a post-graduate degree in Law.
- **Language:** Fluency in Spanish
- **Experience:**
  - At least ten (5) years of professional experience related to the execution of contracts and the sub-contracting of works, services and products in El Salvador
  - In-depth knowledge of financial institutions and the insurance sector



- Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
- Strong written communication skills, with the analytical skills and ability to summarize required for conveying significant findings through high-quality reports.

## **VI. Schedule of payments**

Payment for this technical assistance will be made as follows:

- Advance of 25% upon signature of the contract;
- Payment of 35% when an interim report is submitted that includes as a minimum the proposal of contract format after the roundtable discussions mentioned above;
- Payment of 40% when a final report is submitted that after the socialization events mentioned above.

Travel expenses for any travel required by the consulting firm in order to perform the work will be estimated separately and be prorated into the four scheduled payments.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Consulting firm/Individual consultant; lump sum to be disbursed in accordance with the schedule of payments.

**Start date and duration:** Six (6) months commencing on the contract signature date.

**Place of work:** The firm's offices, as well as the locations of the beneficiary institution (BANDESAL) and of the identified projects.

**Payments and terms:** Compensation will be determined in accordance with the Bank's regulations and criteria.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility.

**Conflict of interests:** The selected consulting firm will refrain from using this contract to promote its own services and/or products.

## **EI Salvador**

### **IFD/CMF**

#### **Support for BANDESAL and CNE in the capturing Project lessons learnt for the Improvement of the Regulatory Framework**

#### **Terms of Reference**

##### **I. Background**

Climate change is one of the greatest challenges now facing humankind. Yet this global challenge also creates interesting opportunities for sustainable economic and social development in many developing countries, particularly those able to undertake verifiable commitments to reducing the growth of their Greenhouse Gas (GHG) emissions and adopt low-carbon development strategies.

In the coming years, substantial amounts of financial and technical assistance resources are expected to become available on concessional terms for structuring low-carbon projects in developing economies. Such projects not only can contribute to climate change mitigation and adaptation, but help bolster the productivity levels of these economies by, for example, enhancing efficiency in the use of energy resources.

In recent years, the Inter-American Development Bank (IDB) has developed a line of programs to support public and private financial institutions of the region in the area of climate change. For example, the IDB has provided consulting services to identify and develop emissions reduction projects in commercial bank portfolios and has provided support for the development of financial instruments aimed at promoting low-carbon investments.

The IDB is currently supporting BANDESAL in its efforts to play a more active role in promoting climate change mitigation and emission reduction activities in EI Salvador. This includes: (i) support to identify the climate change mitigation potential in the BANDESAL portfolio; (ii) support to design a financing strategy based on financial and nonfinancial instruments that promotes investment in energy efficiency; and (iii) providing inputs to the national regulatory framework for energy efficiency based on the experience and lessons learnt acquired from the structuring and implementation of the IDB Global Credit Line for Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs).

These efforts require the services of a specialist with knowledge and proven experience in structuring lending strategies to promote investment projects in energy efficiency measures and drafting lessons learnt for the inclusion in regulatory processes.

##### **II. Objective**

The general objective of this consulting assignment is to capture lessons learnt from the design and implementation of a financing strategy for BANDESAL that supports energy efficiency projects. The aim is to support CNE in structuring effective regulatory advice to support the market for the financing of energy efficiency projects.

### **III. Activities**

1. Define scope and target public regulatory audience in terms of any relevant regulation that would have an impact on energy efficiency investments and that can benefit from the results of the implementation of BANDESAL line of credit.
2. Gather and analyse program experience from first and secondary sources such as Technology Service Providers, Financial and Insurance Institutions, and end-beneficiaries and project reports, respectively with a view to inform alterations to the existing regulatory framework to increase demand-side energy efficiency investments.
3. Cooperate to gather information as well as socialize interim and final results with relevant actors such as National Council on Energy (CNE) and OSARTEC (Salvadorian Organization for Technical Regulation), National Commission for Micro- and Small Companies (CONAMYPE) and all others as relevant to include all regulatory initiatives and efforts in the analysis.
4. Draft on the basis of the analysis recommendations for the integration of the lessons learnt into the existing normative and regulatory framework for EE.

### **IV. Reports/Outputs**

The final outputs associated with each of the components will be in Spanish.

The consultant will deliver a detailed work plan with time frames and resources/bibliography to be considered, a background report, and interim reports for approval and discussion by the IDB team as stages in the preparation of each output.

Reports will be considered finalized when approved by the IDB Project Team Leader.

All outputs, reports, materials, and documents resulting from the activities performed hereunder will be the property of the IDB. Any publication or dissemination of information related to work performed hereunder will be subject to the relevant IDB policies.

The reports will include the following:

- a. Report 1: Work plan and methodology used (to be delivered one week after the contract is signed)
- b. Report 2: First draft of activity report.
- c. Report 3: Final activity report.

### **V. Qualifications**

- **Education:** Undergraduate degree and master's degree in economics, energy, finance, engineering, environmental science, or related discipline.
- **Language:** Fluency in Spanish. English desirable.

- **Experience:**

- At least ten (10) years of professional experience related to energy efficiency in El Salvador, having participated in the design, structuring, and analysis of energy efficiency projects for firms.
- In-depth knowledge and relevant experience in the development and management of energy efficiency projects.
- In-depth knowledge of financial institutions and energy policies and practices in El Salvador.
- Excellent writing abilities and both oral and written communication skills; proven ability to convey complex notions and prepare clear, concise, and relevant reports.
- Experience in policy and regulatory consulting.
- Strong written communication skills, with the analytical skills and ability to summarize required for producing high-quality reports.
- Ability to work well in a multidisciplinary team environment and with minimal supervision.

## **VI. Schedule of payments**

The consultant engaged will be paid the amount established as consideration per deliverable upon providing, to the satisfaction of the responsible IDB specialists, the final documents incorporating the entity's comments.

Payment will include per diems and transportation for field visits.

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

Payment will be made as follows:

- a. 30% of the total contract amount upon signature by the consultant;
- b. 35% upon IDB approval of Report 2 (first draft of activities);
- c. 35% upon IDB approval of Report 3 (final)

The above-indicated amounts include all overhead and travel expenses necessary to perform the work.

## **VII. Characteristics of the consulting assignment**

**Type of consulting assignment:** Individual/International – Products and External Services Consultant (PEC)

**Start date and duration:** Six (6) months commencing on the individual consultant's contracting date. The tasks set forth in the contract are to be completed during this period.

**Place of work:** Offices of the individual consultants, El Salvador, and locations of the beneficiary institution and the identified project.

**Payment and terms:** Compensation will be determined in accordance with Bank policies and procedures.

**Coordination:** María Netto, of the Capital Markets and Financial Institutions Division (IFD/CMF), will have project coordination and technical responsibility.

**Consanguinity:** Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or complementary workforce contractual will not be eligible to provide services to the Bank. In addition, candidates must be citizens of an IDB member country.

**Conflict of interests:** The selected consultant will refrain from using the outputs of this contract and the program to promote his/her own services and/or products.

**Diversity:** The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants, and persons of indigenous origin to apply.

Inter-American Development Bank  
VPC/FMP

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS										
Country: El Salvador					Executing agency: BANDESAL				Public or private sector: Public	
Project number: ES-T1258					Title of Project: Energy Savings Insurance (ESI) for private energy efficiency investments by Small and Medium-Sized Enterprises (SMEs)					
Period covered by the plan: December, 2016 - December, 2020										
Threshold for ex-post review of procurements:				Goods and services (in US\$):		640,000		Consulting services(in US\$):		980,000
Item Nº	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB	Local*			
		Component 1: Development of ready-to-use, tailored financial strategy								
		Consulting services								
1		Consultants for performing the structuring of financial and non-financial mechanisms, Capacity building, Marketing, and IT system	390,000	NICQ/SSS	Ex-Post	390,000	78,000	Q1 2017		
2		Consulting firm for technical validation/verification as well as for monitoring and evaluation	150,000	SSS	Ex-Post	150,000	30,000	Q1 2017		
3		Individual local technical EE expert to facilitate BANDESAL implementation	80,000	IICC/NICQ	Ex-Post	80,000	32,000	Q1 2017		
		Non consulting services								
3		Logistics for consultation meetings and events with key stakeholders including publication material	28,000	PC	Ex-Post	28,000	21,000	Q1 2017		
4		Travel	32,000	PC	Ex-Post	32,000	9,600	Q1 2017		
		Component 2: Support implementation of the financing strategy								
		Consulting services								
5		Consultants for Monitoring and Reporting, Awareness raising, impact evaluation and lessons learnt for national regulatory framework	360,000	NICQ/SSS	Ex-Post	360,000	72,000	Q4 2017		
		Non consulting services								
6		Success fee for pilot projects	500,000	n.a.	Ex-Post	500,000	49,000	Q1 2018		
7		Logistics for meetings and capacity and awareness raising events including publication material	42,000	PC	Ex-Post	42,000	21,000	Q4 2017		
8		Travel	38,000	PC	Ex-Post	38,000	11,400	Q4 2017		
		Contingencies								
9		Contingency	80,000	n.a.	-	80,000		-		
		Total	1,700,000			1,700,000	324,000			
Total			1,700,000	Prepared by: Alexander Vasa			Date: June 28, 2016			
*In-kind resources will include staff time, facilities for events, and office space for consultants.										
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value od US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".										
(2) <u>Goods and works</u> : CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.										
(2) <u>Consulting firms</u> : CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection nder a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.										
(2) <u>Individual consultants</u> : IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.										
(2) <u>Country system</u> : include selection Method										
(3) <u>Ex-ante/ex-post review</u> : In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex process.										
(4) <u>Technical review</u> : The PTL will use this column to define those procurement he/she considers "critical"or "complex"that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.										