

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

THE GOVERNMENT OF DENMARK

regarding

**Project Specific Grant to the Inter-American Development Bank for Project
No. RG-X1258 titled, "Regional Energy Savings Insurance and Risk
Management Program"**

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the "Bank") and the Government of Denmark, acting through the Ministry of Foreign Affairs (the "Donor") (hereinafter together referred to as the "Parties").

WHEREAS, the Bank has designed Project No. RG-X1258 titled "Regional Energy Savings Insurance and Risk Management Program" (the "Project"), as described in the attached preliminary project document attached hereto as the Annex, as may be modified in a revised project document, identified by the same Bank project number (the "Project Document"), to be approved by the Bank pursuant to Section 11 below;

WHEREAS, the Donor has agreed to support the execution of the Project by providing a project specific grant to be administered by the Bank; and

WHEREAS, the Bank is prepared to receive and administer the contribution funds to be made available by the Donor.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Donor will make available to the Bank a grant contribution in the amount of thirty-four million five hundred thousand Danish krone (DKK 34,500,000) (the "Contribution") to be administered by the Bank to co-finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document (subject to the approval mentioned in Section 11 below). Any material deviations from the objectives and activities of the Project described in the Project Document will require the Donor's written approval.
3. Following the signature of this Administration Agreement by the Parties, the Donor will transfer the Contribution to the Bank in one single installment, upon the Bank's written request, to an account indicated by the Bank in writing. Upon receipt of such deposit, the Bank will convert the Danish krone into U.S. dollars and will deposit the resulting amount (subject to the exchange rate prevailing at the time of conversion) into an account denominated in U.S. dollars (the "Account"). The Account includes resources provided as grant funds by other donors for other Bank projects. The Contribution will be administered in the Account without distinction from other donors' contributions.
4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank's applicable policies and procedures, including Bank's applicable policies and procedures related to fraud and anti-corruption. The Bank will exercise the same care in the discharge of its functions, as described in this Administration Agreement, as it exercises with respect to the administration and management of resources from other donors, and will have no further liability to the Donor in respect thereof.
5. The Contribution will be accounted for separately from the Bank's assets, and will be administered together with other contributions received by the Bank. The Bank may

freely exchange the Contribution funds into other currencies as may facilitate their administration and disbursement. The Bank will not be responsible for foreign exchange risk in the receipt, conversion or administration of Contribution funds. Further, the Bank may at its discretion invest and reinvest the resources of the Contribution pending their disbursement in connection with the Project.

6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain:
 - (a) a fee equal to five percent (5%) of the total Contribution amount resulting from the conversion of the Contribution into U.S. dollars and following the deposit of the Contribution into the Account; and
 - (b) any investment income generated by the Contribution pending its disbursement towards the Project.
7. The Bank's procurement policies and procedures will be applicable to the procurement of goods and services, as well as the contracting of consulting services, carried out with the Contribution, as required by the different components of the Project. Further, the Donor accepts that:
 - (a) the resources of the Contribution will be completely untied; and
 - (b) the consultancy services financed with the Contribution may be provided and executed by companies, specialized institutions or individuals from any Bank member country.
8. The Donor will not be responsible for the activities of any person or third-party engaged by the Bank as a result of this Administration Agreement, nor will the Donor be liable for any costs incurred by the Bank in terminating the engagement of any such person.
9. During the course of the Project, the Bank will, by no later than June 30 of every year, submit to the Donor an annual non-audited progress report of the Project for the previous year and a non-audited financial expense report of the Contribution. In the context of the progress report, the Bank will monitor and evaluate the indicators of the Project using the data sources, methods and means of verification as set forth in the Project Document. Furthermore, in context of the progress report, the Parties will hold, during the course of the Project, (a) a teleconference to discuss the status of the Project once every calendar semester; and (b) a meeting to discuss the status of the Project once every calendar year. By no later than six months following the completion of the Project, the Bank will submit to the Donor a non-audited final report of the Project. In addition, the Donor may also request an "agreed upon procedures" report issued by an external auditor selected by the Bank on the use of the Contribution resources. The cost of such auditor's report will be borne by the Project. The Bank will not provide audited financial statements for the Account.

10. As soon as possible upon completion of the Project, the Bank will return to the Donor any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
11. The Donor acknowledges that the Bank's commitment to use the Contribution as contemplated herein will be subject to the Bank's formalization of all internal approvals necessary for the Project and/or the Project Document. Such internal approvals by the Bank include the approval of the Project Document, substantially in the form attached hereto as the Annex. Once the Project Document has been approved, the Bank will furnish a copy of it to the Donor, which will then be deemed incorporated into this Administration Agreement as the Annex. The Donor accepts that the final, approved version of the Project Document may vary from the attached Annex, in which case the approved version will prevail, and no amendment to this Administration Agreement will be required.
12. The offices responsible for coordination of all matters and receiving any notice or request in writing in connection with this Administration Agreement or the Project are as follow:

(a) For the Bank:

- i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Manager, Office of Outreach and Partnerships (ORP)
Tel.: +1 (202) 623-1583
Fax: +1 (202) 623-2543
E-mail: partnerships@iadb.org

- ii. Day-to-day communications regarding the management of the Contribution and the implementation of this Administration Agreement will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Chief, Grants and Co-financing Management Unit Office of Outreach and Partnerships (ORP/GCM)
Tel.: +1 (202) 623-2018
Fax: +1 (202) 623-3171
E-mail: orp-gcm@iadb.org

(b) For the Donor:

The Ministry of Foreign Affairs of Denmark
Department of Green Growth
Asiatisk Plads 2
DK-1448 Copenhagen K
DENMARK
Attention: Mr. Jakob Rogild Jakobsen, Chief Adviser
Tel: + 45 3392 0357
Fax: + 45 3254 0533
E-mail: jakjak@um.dk

13. This Administration Agreement will come into force on the date of its signature by each of the Parties.
14. The Parties may amend any provision of this Administration Agreement in writing.
15. Subject to their respective policies and procedures with respect to the disclosure of information, the Parties may make this Administration Agreement publicly available.
16. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
17. The Parties will seek to amicably settle any disputes that may arise from or relate to this Administration Agreement.

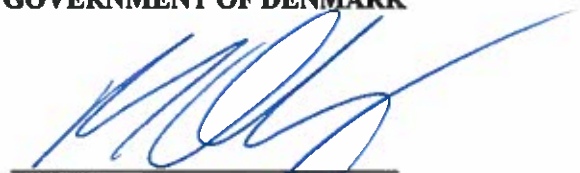
IN WITNESS WHEREOF, the Inter-American Development Bank and the Government of Denmark, each acting through its duly authorized representative, have signed this Administration Agreement in the English language as of the dates indicated below.

**INTER-AMERICAN
DEVELOPMENT BANK**



Bernardo Guillamon
Manager
Office of Outreach and Partnerships

GOVERNMENT OF DENMARK



Morten Elkjaer
Head of Department
Department of Green Growth
Ministry of Foreign Affairs

Date: DECEMBER 11, 2015

Date: December 15, 2015

Technical Cooperation Document (TC-Document)

I. Basic Information for TC

Country/Region:	Regional
TC Name:	Regional Energy Savings Insurance and Risk Management Program
TC Number:	RG-X1258
Team Leader/Members:	Juan José Gomes (IFD/CMF), Team Leader; Maria Netto (IFD/CMF), Co-team Leader; Gloria Visconti (INE/CCS); Claudio Alatorre (INE/CCS); Asger Garnak (INE/CCS); Daniel Hincapié (ORP/PTR); Claudia Ogialoro (OPR/GCM); Leticia Riquelme (CMF/CME), Luciano Schweizer (CMF/GBR); Mônica Conceição (CMF/GBR); Alexander Vasa (IFD/CMF); María Margarita Cabrera (IFD/CMF); Natacha Marzolf (INE/ENE); Rodrigo Aragón (ENE/CME); Arturo Alarcón (ENE/GBR); José Ramón Gomez (ENE/CCO); Betina Hennig (LEG/SGO); Liza Lutz (LEG/SGO); Micha Martin Van Waesberghe (KNL/KNM); Gloria Lugo (IFD/CMF); and Cecilia Bernedo (IFD/CMF).
Taxonomy:	Client Support (CS)
TC Abstract authorization date:	N.A.
Beneficiary:	Development Bank of Espírito Santo (BANDES), Brazil; Development Bank of South (BRDE), Brazil; Development Agency of Goiás, Brazil; Development Bank of Colombia (BANCOLDEX), Colombia; Development Bank of El Salvador (BANDESAL), El Salvador; Energy Efficiency Trust Fund (FIDE), Mexico; Development Financial Corporation (COFIDE), Peru.
Executing Agency:	Capital Markets and Financial Institutions Division (IFD/CMF)
Donors providing funding:	Government of Denmark – Ministry of Foreign Affairs (MFA)
IDB Funding Requested:	US\$5,002,500 ¹
Local counterpart funding:	US\$1,000,500
Disbursement period:	60 months (execution period: 54 month)
Required start date:	January 15, 2016
Types of consultants:	Firms and individual consultants
Prepared by Unit:	IFD/CMF
Disbursement Responsibility Unit:	Institutions for Development Sector (IFD/IFD)
TC Included in Country Strategy:	No
TC included in CPD	No
GCI-9 Sector Priority:	(i) Institutions for growth/social welfare; and (ii) protecting the environment and responding to climate change.

II. Objectives and Justification of the TC

- 2.1 Financial instruments and strategies that foster and finance climate change (or green finance) associated projects are still fairly underdeveloped in many Latin American countries (LAC). The lack of integrated financing strategies, combining financial and non-financial instruments needed to address the different financial and non-financial barriers of these projects, is present throughout the region. National Development Banks (NDBs) represent strategic partners to stimulate financing to such projects and are in a unique position to bridge that gap. These climate change-associated projects include a wide variety of opportunities, and studies have shown that LAC countries severely lack the capacity to identify those opportunities and put together technically robust and bankable projects. This is particularly the case for projects in

¹ These funds will be administered by the Inter-American Development Bank (IDB) through a non-reimbursable Project-Specific Grant (PSG). MFA will contribute DKK 34,500,000, equivalent to US\$5,002,500 at an exchange rate of 0.145 (Source: <http://www.xe.com/currencyconverter/> (July 18, 2015)). This PSG will be administered by the IDB pursuant to document SC-114. In accordance with that document, MFA's commitment for the PSG will be established through a separate Administrative Agreement.

the area of energy efficiency (EE) which is considered one of the most cost-efficient investments that a country can make to reduce its increasing energy bill.² There is a market disconnect not only on the requirements for this type of projects, but also among final beneficiaries, Energy Services and Technology Providers (ESTP), Local Financial Institutions (LFI), and other market players such as insurance companies.

- 2.2 As a result, local markets lack mechanisms to build trust and facilitate a win-win outcome for all relevant actors. NDBs are not yet equipped with the financing strategies that could be offered once the demand is untapped, including insurance products that are still incipient in the local markets. While all countries have undertaken initiatives to promote investments in EE, most of them have not managed to address the most important barriers and risks in an integrated fashion, aligning, at the same time, the interests and needs of key actors.
- 2.3 The proportion of EE projects financed through LFIs in LAC is still relatively small due to several barriers, including, among others:³ (i) limited availability of credit at adequate conditions; (ii) lack of knowledge of LFIs on the risks and returns of such projects and on how to market, analyze, structure and finance them; (iii) lack of knowledge by potential beneficiaries about the economic benefits of these investments; (iv) longer pay back periods, as compared to other investment projects funded by LFI; (v) high real or perceived risks by investors, LFI and/or ESTP, including regulatory risks; (vi) the perception that EE projects are not “business as usual” investments; and (vii) lack of financial capacity of ESTP.⁴
- 2.4 To address these barriers, a financing line needs to be accompanied with risk mitigation instruments which ensure that any real or perceived risk is addressed,⁵ and that the projects financed result in energy savings that repay the investments.
- 2.5 National Development Banks (NDBs) are in a unique position to engage private investors and LFIs in the undertaking and financing of this type of investments, align development finance with national mitigation actions, and intermediate international climate funding to promote the scaling up of private investments in EE.⁶
- 2.6 The IDB, the entity with the longest track record of work with NDBs in the region, has been supporting NDBs in structuring and financing integral strategies to promote private investments with productivity and environmental sustainability objectives. In recent years, the IDB has been working increasingly with NDBs to integrate climate change and environmental concerns in their businesses through the development of financial strategies geared to promote green private investments,⁷ mobilizing in many cases international sources of climate finance.⁸

² IEA 2014 [World Energy Investment Outlook](#); IEA 2014 [Energy Efficiency Market Report 2014](#).

³ [Sarkar, A. & Singh, J. \(2010\): Financing energy efficiency in developing countries – lessons learned and remaining challenges.](#)

⁴ Although ESTP are knowledgeable on EE technologies, and on how to structure technically robust EE projects, they tend to have an insufficient capital base to invest directly on these technologies under performance contracts. In other more advanced economies, ESTPs are able to finance EE projects more easily under the Energy Service Company (ESCO) model. See Fang, W. S., Miller, S. M., & Yeh, C.-C. (2012). [The effect of ESCOs on energy use](#)

⁵ Mills, E. (2003). [Risk transfer via energy-savings insurance](#); Jones, et al. (2014). [Quantifying the Financial Value of Insurance for Energy Savings Projects.](#)

⁶ Smallridge, D. et al. (2012). [The Role of National Development Banks in Intermediating International Climate Finance to Scale Up Private Sector Investments.](#)

⁷ This TC will complement and use lessons learnt from other TCs underway ([ATN/MC-13341-RG](#), [ATN/OC-13283-RG](#), [ATN/FI-13401-RGR](#), [ATN/OC-14741-RG](#), [ATN/OC-13944-RG](#) and [ATN/FI-14376-RG](#))

- 2.7 The proposed Technical Cooperation (TC) seeks to scale up IDB's current activities to promote NDBs' efforts on green finance, in this case through innovative structured financing strategies. It aims to support the scaling up of private sector investments in EE by empowering NDBs to coordinate and support the structuring of innovative EE financing strategies in Brazil, El Salvador, Peru, Mexico and Colombia, including the replication to other sectors of two financing strategies already in execution in the last two countries. To that effect, the program will support: (i) assessment of niche markets opportunities; (ii) development and combination of tailored risk sharing and financial and non-financial mechanisms to scale up private investments in EE; (iii) engagement of LFI in the deployment of new financial products; (iv) identification and engagement of ESTPs and other key market stakeholders to support the structuring of technically robust, bankable projects; (v) development of standards and mechanisms for monitoring, reporting, validation, and monetizing results; and (vi) sharing lessons learned among stakeholders. Through these activities, NDBs would also be able to structure proposals to climate funds.
- 2.8 The types of technologies to be promoted and economic sectors to be supported will vary by country and type of NDB, to adapt to national/NDB mandates and priorities.
- 2.9 The TC is expected to have an important long-term market transformation effect, as it should create conditions for ESTP and LFI to expand their clients' base. The TC is also expected to support the creation of an enabling environment to ensure that the market has sufficient ESTP to develop pipelines of bankable EE projects and that final beneficiary firms are able to invest in them assuming relatively low risks.
- 2.10 This TC is consistent with two institutional priorities of the Bank under the GCI-9: (i) institutions for growth and social welfare, as it supports private sector investments and employment through financial market deepening; and (ii) protecting the environment and responding to climate change, by reducing Greenhouse Gas (GHG) emissions through energy savings. It is also consistent with priority areas under the Bank's country strategies with the five beneficiary countries. The project team will also ensure that the supported mechanisms are fully compatible with relevant Bank's policies and sectoral frameworks.

III. Description of activities/components and budget

- 3.1 **Component 1 – Tailored financial strategies.** Each beneficiary NDB will be supported to develop ready-to-use, tailored financial strategies consisting of a combination of financial and non-financial instruments through the following

through which IFD/CMF has been supporting NDBs in the design and implementation of green finance programs. The experience with previous TCs showed the importance of tailoring green financing strategies to specific conditions of sectors and countries where the NDBs work and the need to consider "integrated" approaches that offer a combination of financial and non-financial activities to support both the supply of and the demand for financing (i.e. adequate funding and risk mitigation instruments and the promotion of a pipeline of technically-robust, bankable projects through the efforts of reliable ESTPs). The TCs also supported the exchange of experiences of NDBs regarding green finance – both regionally through networks such as *Asociación Latinoamericana de Instituciones para el Desarrollo (ALIDE)*, as well as globally under initiatives such as the [Global Climate Finance Innovation Lab](#). The knowledge tools and methodologies from these TCs will also support the implementation of this TC.

⁸ Examples include, for instance, blending IDB and NDB resources with Clean Technology Fund (CTF) resources in the cases of Colombia and Mexico. For more information see also: [IDB-BK-116, chapter 6](#), [IDB-MG-148](#) and [IDB-TN-437](#).

activities: (i) feasibility analyses, to determine investment appetite and financing constraints in priority EE sectors per implementation country / NDB mandate, including: (a) evaluation of EE investment and financing opportunities and priority sectors; (b) selection of large market opportunities; (c) assess relevant EE technology and ESTP; and (d) evaluation of country priorities and key partners; (ii) market assessment, including: (a) assessments of market size and key risks and barriers, including a review of the existing regulatory framework to ensure the viability of the strategies and the success of the EE projects promoted under them; (b) technology analysis (economic and cost-benefit analysis, key market characteristics, identification and assessment of ESTP); (c) assessment of local insurance markets, players and products; (d) determination of financing requirements and availability; (e) identification and alignment of prior or existing initiatives and public/private efforts;⁹ and (f) identification and assessment of technical and performance validators of EE projects; (iii) support in the design of EE financing strategies, including: (a) proposal for financial, including insurance products, and non-financial instruments; (b) support, when appropriate, for the development of project proposals to gain access to international climate finance; (c) business plan for their deployment (including legal and financial structure); (d) capacity building of LFIs and other key actors; (e) guidelines for the promotion and marketing of the strategy; (f) NDBs' deployment plan, including budget and capacity assessment to adopt the strategy into their current structure; (g) support mechanisms for the launch, promotion and operationalization of the financing strategy; and (h) support for the identification of demonstrative pilot projects; and (iv) support for a system to monitor and evaluate results, including: (a) proposal of specific methods to sample, collect, maintain and analyze all relevant data to assess progress and results; (b) design of information systems to register information on subprojects and each NDBs' program; and (c) technical support to assess the impact of each strategy.

- 3.2 **Component 2 – Implementation process.** This component will support each beneficiary NDB with the implementation of its strategy, through the following activities, among others: (i) definition of the source and final amount of funding;¹⁰ (ii) support, when needed, to gain access to international sources of climate finance; (iii) deployment of the strategy, including its launching and promotion through events with relevant stakeholders; and (iv) undertaking of demonstrative pilot projects.

- 3.3 **Component 3 – Knowledge Platform.** The TC will promote the collection of information and the dissemination of lessons learnt in EE financing both at national and regional levels as one of its key outputs. Planned activities in this regard include: (i) development of studies, webinars, presentations, newsletters and guidelines showing specific experiences in structuring EE strategies; (ii) organization of events, in collaboration with national and regional networks such as energy services company and relevant SME associations and [ALIDE](#), respectively, to share experiences and disseminate knowledge among relevant stakeholders; (iii) organization of training and outreach efforts for relevant stakeholders through the NDBs' own training and promotion systems and facilities; (iv) design and

⁹ As part of this process, the technical support efforts that the Bank, through ENE, and other relevant international organizations have granted to local entities in beneficiary countries will be taken into account.

¹⁰ Each NDB's financing strategy is expected to be financed by a mix of resources, including their own resources, IDB resources and/or sources of domestic or international climate finance sources.

maintenance of dedicated web interfaces for the program and its activities under IDB's dedicated web pages: "[Klave Finanzas Verdes](#)" and the [community of practices for Financial Institutions on green finance](#). Furthermore, all TC information will be made available publicly through a [dedicated web page](#), in accordance with [IDB transparency and access to information policies](#); and (v) the TC will also take advantage and collaborate with other IDB initiatives to support EE financing, including specific initiatives from divisions, such as ENE, and departments of the IDB as well as regional initiatives like the [GREENPYME initiative](#) from the Inter-American Investment Corporation (IIC) and the [Regional Energy Efficiency Program from the IDB's Structured and Corporate Finance Department \(SCF\)](#). The TC will also benefit from ongoing IDB collaborations with international initiatives such as the United Nations Sustainable Energy for All (SE4ALL).

Indicative Results Matrix

	Unit	Baseline		Year 1 - 5		Expected Completion Date*	Data Source, means of verification
		Value	Year	Plan- ned	Actual		
Component 1: Feasibility analysis studies completed, identifying EE sectors to be prioritized	#	0	2015	7		04/2016	Beneficiary NDBs' information systems and IDB systems
Component 1: Market assessments completed, identifying financial and non-financial barriers to be addressed	#	0	2015	7		12/2016	Beneficiary NDBs' information systems and IDB systems
Component 1: Ready to use financing strategies developed **	#	0	2015	7		09/2017	Beneficiary NDBs' information systems and IDB systems
Component 1: Monitoring and evaluation systems for results developed	#	0	2015	7		03/2018	Beneficiary NDBs' information systems and IDB systems
Component 2: Number of NDB divisions / structures dedicated to support implementation of financing strategies	#	0	2015	7		06/2018	Beneficiary NDBs' information systems and IDB systems
Component 2: Training and outreach events for LFI on the financing strategies organized	#	0	2015	35		06/2018	Beneficiary NDBs' information systems and IDB systems
Component 2: Training and outreach events for technical validators on the financing strategies organized	#	0	2015	10		06/2018	Beneficiary NDBs' information systems and IDB systems
Component 2: Training and outreach events for ESTP on the financing strategies organized	#	0	2015	40		06/2018	Beneficiary NDBs' information systems and IDB systems
Component 2: Demonstration projects supported with investment credit	#	0	2015	35		03/2019	Loan applications and approvals for demonstration projects to test run ESI mechanism. NDBs' information systems and IDB systems
Component 3: Knowledge platform - Number of learning products (reports, tools, e-learning) prepared, edited and published for target groups	#	0	2015	52		10/2020	Knowledge Platform linked within " Klave Finanzas Verdes ", Finanzascarbono.org
Component 3: Positive feedback from participants benefitting from workshops and events who report use of knowledge	%	0	2015	80%		10/2020	IDB Systems and Surveys

* The exact dates of deliverables may vary depending on specific work plans developed with each of the beneficiaries.

** The financing strategies are expected to result in financing allocated by NDBs (and potentially by IDB and other sources of international climate finance).

3.4 The total cost of this TC is US\$6,003,000, with US\$5,002,500 coming from the Danish Ministry of Foreign Affairs (MFA). There will be in kind counterpart resources

from beneficiary NDBs for US\$1,000,500 (around US\$144,000 by each beneficiary NDB),^{11, 12} including staff time, facilities for events, and office space for consultants.

Indicative Budget (in US\$)

Activity/ Component Description	IDB/Fund Funding	Counterpart Funding	Total Funding US\$
Component 1	2,573,750	626,400	3,200,150
Component 2	1,609,500	232,000	1,841,500
Component 3	362,500	142,100	504,600
Contingencies	206,625	-	206,625
Cost sharing fee	250,125	-	250,125
Total	5,002,500	1,000,500	6,003,000

- 3.5 MFA's contribution for this project will be provided to the Bank through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the "Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)" (Document SC-114). As contemplated in these procedures, the commitment from MFA will be established through a separate Administrative Agreement (AA). Under such agreement, the resources for this project will be administered by the Bank and the Bank will charge a 5% administrative fee, which is duly identified in the budget of this project. The 5% fee will be charged after the contribution had been received and converted into United States dollars (US\$).
- 3.6 There might be the possibility that additional donors would be interested in supporting this TC with additional financial contributions after the project is approved by the IDB Board of Directors. In this case, and to the extent that a future donor or donors may contribute resources to support any of the project's components listed herein in the form of a Project Specific Grant (PSG), the IDB will establish a commitment from each donor through an AA without the requirement of preparing or approving a separate project proposal. Under such AA, the resources provided by the donor will be administered by the Bank and it will charge an administrative fee according to the Bank's current policy on administration for fees from donor contributions to trust funds and PSGs.¹³
- 3.7 IDB will sign agreement letters with each NDB to disburse PSG resources once the donor has signed the AA with the IDB and disbursed the resources.
- 3.8 Based on previous experience, it is expected that each beneficiary NDB will provide financing to the private sector (directly or through LFI) of US\$25 million and that this finance would mobilize/leverage private sector financing for EE investments. It is expected that, on average, by December 2020, for every US\$ financed by an NDB, at least US\$1 in private sector financing would be leveraged for EE investments.

¹¹ Final resources in US\$ will be subjected to the exchange rate of the date when the contribution (DKK 34,500,000) is disbursed to the Bank and converted into US\$. If a significant adverse movement in the exchange rate reduces the amount of US\$ in this budget, and such amount cannot be covered by the contingency line, the activities contemplated in the project will be decreased appropriately to the US\$ amount available.

¹² The budget allocated to each NDB will depend on the complexity of sectors and country size.

¹³ Consistent with the mechanisms under OP-219-3 relating to PSGs, co-financing resources raised in support of this operation will be incorporated in accordance with the corresponding co-financing agreements and channeled towards the components set forth above, thus increasing their reach and impact. The approval of a separate proposal would only be required if the above mentioned aggregate amount is exceeded or if a donor wishes to finance a component not included in a Board approved operation, or if a proposed co-financed operation falls outside established Bank policies and procedures.

IV. Executing agency and execution structure

- 4.1 The proposed TC will support seven counterparts ([BANDES](#), [BRDE](#), [Development Agency of Goiás](#), [BANCOLDEX](#), [BANDESAL](#), [FIDE](#), [COFIDE](#)) from five countries (Brazil, Colombia, El Salvador, Mexico, and Peru). Given its regional scope, it is appropriate for the IDB to execute it to coordinate the various studies and ensure their proper regional dissemination. In addition, to ensure a proper execution, the launching, mid-term and final review meetings will be organized with beneficiary entities and consultants for each of the phases contemplated in their subprojects.
- 4.2 The Bank will use TC resources to hire the services of individual consultants and firms, as well as services other than consulting, in accordance with its procurement policies and procedures. In addition, the project team will prepare and submit to the donor all execution reports in compliance with AA stipulations. If, at the end of its execution, the TC is closed with a positive uncommitted and unspent balance, the project team will inform ORP/GCM to transfer the unspent balance as agreed to by the donor pursuant to the terms of the PSG AA.¹⁴

V. Major issues

- 5.1 Given that the work proposed in this TC involves the design and implementation of intricate financial structures, there is a risk of not obtaining good quality results if the work carried out by consultants is not properly monitored. Ensuring close quality control of the support provided is also one of the reasons why the TC is executed by IDB (IDF/CMF) with support from INE/CCS, ORP and KNL. Existing regulatory frameworks or their future changes may affect the attainment of the goals of the financing strategies supported by this TC. To mitigate this risk, their design will review the countries regulatory framework and their evolution to ensure their viability and the success of the EE projects promoted under them. This TC requires also a strong ownership and involvement by beneficiary NDBs' officers. To that effect, it will ensure their continuous capacitation. It is also expected that beneficiary NDBs will dedicate appropriate resources for the implementation of the TC. CMF will ensure that NDBs agree on these conditions, through jointly signed letters of agreement, and will request non-objection letters from their governments, to obtain any support.

VI. Exceptions to Bank policy

- 6.1 No exceptions to Bank policy are envisioned.

VII. Environmental and Social Strategy

- 7.1 Based on the Environment and Safeguards Compliance Policy (OP-703), the TC has been classified as category C (see: [classification toolkit](#)). No potential negative environmental and/or social impacts of the TC were identified and therefore no mitigation strategy is required to address any impact.

Required Annexes:

- Annex I: [Requests from the clients/ beneficiaries](#)
- Annex II: [Terms of Reference for activities/components to be procured](#)
- Annex III: [Procurement Plan](#)
- Annex IV: [Gantt Chart](#)
- Annex V: [MFA-IDB Project Document](#)

¹⁴ All PSG Administration Agreements include provisions for the use of any unspent balances.



N/REF.: PRESI/2015 3300

Vitória-ES, 03 JUL. 2015

Ilma. Sra.
Daniela Carrera Marques
Representante no Brasil do
Banco Interamericano de Desarrollo
SEN Quadra 802 Conjunto F Lote 39
Brasília-DF - CEP 70.800-400

Ref.: Manifestação de interesse para efeito de obter assistência técnica não reembolsável para o apoio na estruturação de linhas de financiamento de projetos de **investimento em Eficiência Energética** a partir de gestões que o BID está realizando junto ao Governo da Dinamarca.

Prezada Senhora:

O Banco de Desenvolvimento do Espírito Santo S/A - BANDES instituição financeira vinculada ao Governo do Estado do Espírito Santo, manifesta o interesse em ser beneficiário de recursos não reembolsáveis para o apoio a Bancos e Agências de Desenvolvimento na estruturação de linhas de financiamento de projetos de investimento em Eficiência Energética.

Tal manifestação se ampara na parceria do Banco Interamericano de Desenvolvimento - BID, através da Divisão de Mercados de Capitais e Instituições Financeiras (IFD/CMF), com o Governo da Dinamarca, sob a responsabilidade de seu Ministério de Mudança Climática, Energia e Edificações (Ministry of Climate, Energy and Building - KEBMIN), para o desenvolvimento de instrumentos inovadores de mitigação de risco em projetos relacionados com eficiência energética.

O apoio do BID será de fundamental importância para a implementação de estratégias de financiamento que permitam ajustar a oferta de financiamento às demandas materializadas em projetos que visam a eficiência energética, conforme a natureza e especificidades de diferentes setores e arranjos produtivos da economia do Estado do Espírito Santo.

Cabe ressaltar que este programa de ação que pretendemos desenvolver, em parceria com o BID, enquadra-se no projeto estruturante do Governo do Estado do Espírito Santo, denominado "Economia Verde - Subprojeto Eficiência Energética", o qual compõe o conjunto de 20 projetos selecionados como prioritários no plano estratégico governamental para o período 2015 – 2018.

A coordenação do referido projeto estruturante do Governo do Estado está sob a responsabilidade do BANDES, e tem como objetivo central estimular ações empresariais que contribuam para estimular o desenvolvimento sustentável mediante iniciativas que visam melhor aproveitamento dos recursos naturais, incluindo a utilização de fontes alternativas e otimização dos sistemas convencionais de geração de energia.



Neste sentido, acreditamos que este programa de ação conjunta com o BID, visando iniciativas no campo da eficiência energética, caso venha ser efetivamente pactuado, contribuirá para impulsionar os investimentos em mitigação e adaptação à mudança climática, sustentabilidade ambiental e maior eficiência empresarial.

Aproveitamos a oportunidade para agradecer a possibilidade de adesão e nos colocar à disposição para quaisquer outros esclarecimentos adicionais que se fizerem necessários.

Cordialmente,

A handwritten signature in black ink, appearing to read "L. Vellozo", written over a horizontal line.

LUIZ PAULO VELLOZO LUCAS
Diretor-Presidente



GADIR-2015/022

Porto Alegre, 5 de fevereiro de 2015.

A Sua Senhoria a Senhora
DANIELA CARRERA MARQUES
 Representante no Brasil do
 BANCO INTER - AMERICANO DE DESARROLLO
 BRASÍLIA (DF)

Assunto: *Manifestação de interesse para efeito de obter assistência técnica não reembolsável para o apoio na estruturação de linhas de financiamento de projetos de investimento em Eficiência Energética a partir da facilidade regional que o BID está tramitando junto ao Governo da Dinamarca.*

Ao cumprimentá-la, dirigimo-nos a V.Sa. para manifestar o interesse do **BRDE - Banco Regional de Desenvolvimento do Extremo Sul** em ser beneficiário de recursos não reembolsáveis para o apoio a Bancos e Agências de Desenvolvimento na estruturação de linhas de financiamento de projetos de investimento em Eficiência Energética provenientes da facilidade regional que o BID está desenvolvendo sobre instrumentos inovadores de mitigação de risco através da Divisão de Mercados de Capitais e Instituições Financeiras (IFD/CMF), e que encontra-se neste momento tramitando junto ao Governo da Dinamarca e promovida pelo Ministério de Mudança Climática, Energia e Edificações (*Ministry of Climate, Energy and Building - KEBMIN*).

Este apoio do BID é crítico para apoiar a nossa instituição no desenvolvimento de estratégias de financiamento efetivas que permitam ajustar a oferta de financiamento à demanda materializada nos projetos, promovendo, desta forma, o desenvolvimento do mercado de financiamento para ditos tipos de projetos de investimento.

Cabe ressaltar que o apoio solicitado, uma vez que se materialize, permitirá fortalecer e complementar os esforços que nossa entidade vem realizando para efeito de impulsionar os investimentos em mitigação e adaptação à mudança climática, sustentabilidade ambiental e produtividade empresarial.

Agradecemos antecipadamente a atenção que se possa brindar a esta comunicação.

Atenciosamente,


JORGE GOMES ROSA FILHO
 Diretor-Presidente

c.c. Luciano Schweizer, Especialista Líder, BID
 Maria Netto, Especialista Líder, BID

DIREÇÃO GERAL
 Rua Uruguai, 155 - 4º andar
 Cep 90010-140
 Porto Alegre / RS - Brasil
 Fone: (0xx51) 3215.5000
 Fax: (0xx51) 3215.5050
 E-mail: brde@brde.com.br

AGÊNCIA PORTO ALEGRE
 Rua Uruguai, 155 - 1º andar
 Cep 90010-140
 Porto Alegre / RS - Brasil
 Fone: (0xx51) 3215.5000
 Fax: (0xx51) 3215.5050
 E-mail: brdepoa@brde.com.br

AGÊNCIA FLORIANÓPOLIS
 Av. Hercílio Luz, 617
 Cep 88020-000
 Florianópolis/ SC - Brasil
 Fone: (0xx48) 3221.8000
 Fax: (0xx48) 3223.5822
 E-mail: brdeflo@brde.com.br

AGÊNCIA CURITIBA
 Av. João Gualberto, 570
 CEP 80030-900
 Curitiba / PR - Brasil
 Fone: (0xx41) 3219.8000
 Fax: (0xx41) 3219.8020
 E-mail: brdecur@brde.com.br



Ofício nº 0774 / 2015

Goiânia (GO), 06 de maio de 2015.

A Ilma. Senhora

Daniela Carrera Marques

Representante no Brasil do BANCO INTER-AMERICANO DE DESARROLLO – BID

SEN – Quadra 802 – Conjunto F – Lote 39

CEP: 70.800-400 – Brasília – Brasil.

C/C: Luciano Schweizer, Especialista Líder, BID

Maria Netto, Especialista Líder, BID

Assunto: Manifestação de Interesse / Assistência Técnica não Reembolsável para o Apoio na Estruturação de Linhas de Financiamento de Projetos de Investimento em Eficiência Energética.

Prezada Senhora,

Manifestamos o interesse da **Goiás Fomento** em ser beneficiária de recursos não reembolsáveis para o apoio a Bancos e Agências de Desenvolvimento na estruturação de linhas de financiamento de projetos de investimento em Eficiência Energética provenientes da facilidade regional que o BID está desenvolvendo sobre instrumentos inovadores de mitigação de risco através da Divisão de Mercados de Capitais e Instituições Financeiras (IFD/CMF), e que encontra-se, neste momento, tramitando junto ao Governo da Dinamarca e promovida pelo Ministério de Mudança Climática, Energia e Edificações (Ministry of Climate, Energy and Building – KEBMIN).

Este apoio do BID é muito importante para apoiar a nossa instituição no desenvolvimento de estratégias de financiamento efetivas que permitam ajustar a oferta de financiamento as demandas materializada nos projetos, promovendo, desta forma, o desenvolvimento do mercado de financiamento para ditos tipos de projetos de investimento.

Cabe ressaltar que o apoio solicitado, uma vez que se materialize, permitirá fortalecer e complementar os esforços que nossa entidade vem realizando para efeito de impulsionar os investimentos em mitigação e adaptação à mudança climática, sustentabilidade ambiental e produtividade empresarial.

Ao ensejo, antecipamos agradecimentos.

Atenciosamente,

Sérgio Duarte de Castro
Diretor de Prospecção de Oportunidades de Negócios

BANCOLDEX
PROMUEVE EL DESARROLLO EMPRESARIAL

B - VFI - 83491

Bogotá D.C., 14 de enero de 2015

Doctor

Rafael De La Cruz

Representante en Colombia

Banco Interamericano de Desarrollo

Carrera 7 No. 71- 21 Torre B Piso 19

Bogotá, Colombia

Referencia: Expresión de interés para obtener asistencia técnica no reembolsable para el apoyo en la estructuración de líneas de financiamiento de proyectos de *inversión en Eficiencia Energética* a partir de la facilidad regional que el Banco Interamericano de Desarrollo está tramitando ante el Gobierno de Dinamarca.

BANCOLDEX - Banco de Comercio Exterior de Colombia S.A. expresa su interés de ser beneficiario de recursos no reembolsables para el apoyo a Bancos Nacionales de Desarrollo en la estructuración de líneas de financiamiento para proyectos de inversión en Eficiencia Energética que incorporen instrumentos novedosos de mitigación de riesgos. Este proyecto está siendo tramitando ante el Gobierno de Dinamarca y es promovido por el Ministerio de Cambio Climático, Energía y Edificación (Ministry of Climate, Energy and Building-KEBMIN) a través de la facilidad regional que la División de Mercados de Capitales e Instituciones Financieras (IFD/CMF) del BID presentará.

Este proyecto del BID apoya a nuestra institución en el desarrollo de estrategias que permitan ampliar la oferta de financiamiento y acercar la oferta y la demanda para el desarrollo de proyectos de eficiencia energética, así como a fortalecer y complementar los esfuerzos que nuestra entidad viene adelantando para impulsar las inversiones en mitigación y adaptación al cambio climático, sostenibilidad ambiental y productividad empresarial.

Agradeciéndole de antemano la atención que le pueda brindar a esta comunicación.

Cordialmente,


Beatriz Elena Arbeláez Martínez

Vicepresidente Financiero

Banco de Comercio Exterior de Colombia S.A.

Calle 28 No. 13 A-15, Piso 42

Bogotá - Colombia

c.c. José Juan Gomes Lorenzo, Banco Interamericano de Desarrollo - BID

Maria Netto, Banco Interamericano de Desarrollo - BID

Alexander Vasa, Banco Interamericano de Desarrollo - BID

Maria Margarita Cabrera, Banco Interamericano de Desarrollo - BID

Bogotá D.C., Colombia
Calle 28 No. 13A-15 Pisos 37 al 42
C.P. 110311
PBX: (57-1) 486-3000

Línea gratuita nacional: 01 8000 18 0710
contactenos@bancoldex.com
www.bancoldex.com



**BANDESAL**
BANCO DE DESARROLLO DE EL SALVADORGOBIERNO DE
EL SALVADOR
UNÁMONOS PARA CRECER

San Salvador, 07 de abril de 2015.

Señor Marco Carlo Nicola,
BANCO INTER-AMERICANO DE DESARROLLO
79 Av. Nte. Calle El Mirador Edificio WTC Torre 1 Nivel 4
San Salvador, El Salvador

Referencia: Expresión de interés a los efectos de obtener asistencia técnica no reembolsable para el apoyo en la estructuración de líneas de financiamiento de proyectos de *inversión en Eficiencia Energética* a partir de la facilidad regional que el BID está tramitando ante el Gobierno de Dinamarca.

Por medio de la presente quisiera expresar el interés de Banco de Desarrollo de El Salvador – BANDESAL de ser beneficiario de recursos no reembolsables para el apoyo a Bancos Nacionales de Desarrollo en la estructuración de líneas de financiamiento de proyectos de inversión en Eficiencia Energética provenientes de una facilidad regional que el BID y bajo instrumentos novedosos de mitigación de riesgo a través de la División de Mercados de Capitales e Instituciones Financieras (IFD/CMF), que se encuentra en estos momentos tramitando ante el Gobierno de Dinamarca y promovida por el Ministerio de Cambio Climático, Energía y Edificación (Ministry of Climate, Energy and Building-KEBMIN).

Este apoyo del BID es crítico para apoyar a nuestra institución en el desarrollo de estrategias de financiamiento efectivas que permitan que la oferta de financiamiento para los referidos proyectos se encuentre con su demanda, promoviendo así el desarrollo del mercado de financiamiento para dichos tipos de proyectos de inversión.

Demás está decir que el apoyo solicitado una vez que se materialice permitiría fortalecer y complementar los esfuerzos que nuestra entidad viene adelantando a los efectos de impulsar las inversiones en mitigación y adaptación al cambio climático, sostenibilidad ambiental y productividad empresarial.

Agradeciéndole de antemano la atención que le pueda brindar a esta comunicación.

Atentamente.


Marina Mérida Mancía Alemán
Banco de Desarrollo de El Salvador - BANDESAL



C.c.

Jose Juan Gomes Lorenzo
Maria Netto
Alexander Vasa
Maria Margarita Cabrera



México, D.F., a 22 de enero de 2015.

Ref:DG/012/15.

Dra. Mercedes Rosalba Araoz Fernández
Representante de México
Banco Inter-Americano De Desarrollo

Referencia: Expresión de interés a los efectos de obtener asistencia técnica no reembolsable para el apoyo en la estructuración de líneas de financiamiento de proyectos de *inversión en Eficiencia Energética* a partir de la facilidad regional que el BID está tramitando ante el Gobierno de Dinamarca.

Por medio de la presente quisiera expresar el interés del Fideicomiso para el Ahorro de Energía Eléctrica (FIDE) de ser beneficiario de recursos no reembolsables para el apoyo a esta entidad especializada en promover inversiones de eficiencia energética provenientes de una facilidad regional que el BID, a través de la División de Mercados de Capitales e Instituciones Financieras (IFD/CMF), se encuentra en estos momentos tramitando ante el Ministerio de Cambio Climático, Energía y Edificación (Ministry of Climate, Energy and Building-KEBMIN) del Gobierno de Dinamarca.

Este apoyo del BID es crítico para apoyar a nuestra institución en el desarrollo de estrategias de financiamiento efectivas que permitan que la oferta de financiamiento para los referidos proyectos se encuentre con su demanda, promoviendo así el desarrollo del mercado de financiamiento para dichos tipos de proyectos de inversión.

Demás está decir que el apoyo solicitado una vez que se materialice permitiría fortalecer y complementar los esfuerzos que nuestra entidad viene adelantando a los efectos de impulsar las inversiones en mitigación y adaptación al cambio climático, sostenibilidad ambiental y productividad empresarial.

Agradeciéndole de antemano la atención que le pueda brindar a esta comunicación.

Atentamente



Dr. Raúl E. Talán Ramírez
Director General del
Fideicomiso para el Ahorro de Energía Eléctrica
Mariano Escobedo No. 420
Col. Anzures
México, 11590 D.F.

c.c.p. José Juan Gomes Lorenzò.- BID
Maria Netto.- BID
Alexander Vasa.- BID
Maria Margarita Cabrera.- BID
José Antonio Urteaga Dufour, FIDE México

CORPORACION FINANCIERA DE DESARROLLO S.A. - COFIDE
GERENCIA GENERAL

CF-01462-15/GNCN

Lima, 23 de febrero 2015



Señor,
Fidel Jaramillo
Representante
Banco Interamericano de Desarrollo – BID

Referencia: Carta N° 210/2015

Estimado Señor Jaramillo,

Tengo a bien dirigirme a usted, con respecto a su carta de la referencia, mediante la cual nos informan que COFIDE será incluida como una de las instituciones financieras públicas de desarrollo que formará parte de la propuesta que vuestra entidad está presentando al gobierno de Dinamarca, con el fin de obtener recursos no reembolsables para el apoyo a Bancos Nacionales de Desarrollo en la estructuración de líneas de financiamiento de proyectos de inversión en Eficiencia Energética.

En tal sentido, estamos muy agradecidos por habernos considerado en su propuesta; asimismo, reiteramos nuestro compromiso de apoyo a la promoción de las eficiencias energéticas; y, estaremos atentos a la confirmación de la aprobación de vuestra propuesta.

Sin otro particular, quedo de usted,

Atentamente,


Jorge Luis Ramos Felices
Gerente General

TERMS OF REFERENCE FOR CONSULTANTS

1. [Apoyo a BNDs para la estructuración de estrategia de financiamiento para promover proyectos de inversión en eficiencia energética](#)
2. [Apoyo a BNDs en el fortalecimiento de sus capacidades institucionales en eficiencia energética](#)
3. [Apoyo a BNDs para el desarrollo de sistemas para la evaluación técnica y el monitoreo de proyectos de eficiencia energética](#)
4. [Apoyo a BNDs en el diseño de sistemas de información sobre plataformas web para la gerencia y monitoreo de proyectos de eficiencia energética](#)
5. [Apoyo a BNDs en la validación y verificación técnica de proyectos y proveedores de servicios de eficiencia energética](#)
6. [Support for the technical review and coordination of energy efficiency financing strategies and other climate change mitigation financing products to support NDBs.](#)

Regional

IFD/CMF

PROGRAMA REGIONAL DE AHORROS ENERGÉTICOS Y MECANISMOS DE GESTIÓN DE RIESGO (RG-X1258)

Apoyo a BNDs para la estructuración de estrategia de financiamiento para promover proyectos de inversión en eficiencia energética

TÉRMINOS DE REFERENCIA

ANTECEDENTES

El cambio climático es uno de los desafíos más importantes que enfrenta la humanidad en la actualidad. Sin embargo, este desafío global crea también interesantes oportunidades de desarrollo económico y social sostenible para muchos países en desarrollo, particularmente aquellos que asuman compromisos verificables en términos de desacelerar el crecimiento en sus emisiones de gases de efecto invernadero y adopten estrategias de desarrollo económico bajas en emisión de carbono.

En los próximos años se esperan montos sustanciales de recursos de asistencia técnica y financieros, en condiciones concesionales, para la estructuración de proyectos de bajo carbono en economías en desarrollo. Dichos proyectos pueden contribuir no solo a la mitigación y adaptación al cambio climático, sino también a apuntalar los niveles de productividad de dichas economías, al mejorar, por ejemplo, la eficiencia en el uso de los recursos energéticos.

En años recientes, el Banco Interamericano de Desarrollo (BID) ha desarrollado una línea de programas para apoyar a las instituciones financieras públicas y privadas de la región en materia de cambio climático. Por ejemplo el BID ha proporcionado servicios de consultoría para identificar y desarrollar proyectos de reducción de emisiones en los portafolios de bancos comerciales y ha brindado apoyo para el desarrollo de instrumentos financieros para la promoción de la inversión de bajo carbono.

El BID está actualmente apoyando a NOMBRE BND, para que juegue un rol más activo en la promoción de actividades de mitigación de cambio climático y reducción de emisiones en PAIS. Esto incluye: (i) apoyo para identificar el potencial de mitigación de cambio climático en el Portafolio de NOMBRE BND; y (ii) apoyo para diseñar una estrategia de financiamiento basada en instrumentos financieros y no financieros que promueva inversiones en eficiencia energética.

Como parte de estos esfuerzos se requieren los servicios de un especialista con conocimiento y experiencia probada en la estructuración de estrategias de financiamiento para promover proyectos de inversión en medidas de eficiencia energética.

OBJETIVOS DE LA CONSULTORÍA

El objetivo general de la presente consultoría es diseñar una estrategia financiera para NOMBRE BND para apoyar proyectos de eficiencia energética, realizar un estudio de mercado que apoye el diseño de la estrategia mismo que deberá incluir el potencial de proyectos para que NOMBRE BND pueda promover estos proyectos de eficiencia

energética y proyectos verdes, con la finalidad de apoyar a NOMBRE BND en estructurar estrategias de financiamiento efectivas, entendiéndose por estas no solo el desarrollo de instrumentos financieros y de garantía adecuados sino también apoyos de asesoría técnica, consultoría y capacitación a intermediarios financieros y beneficiarios finales para apoyar la estructuración de la demanda de financiamiento para proyectos de eficiencia energética.

ACTIVIDADES

1. Análisis de pre factibilidad sobre las áreas de oportunidad más atractivas

- a. Tamaño de mercado (número de clientes y volumen de inversión) y principales barreras y riesgos que limitan inversiones privadas en EE y su financiamiento en dichas áreas
- b. Rentabilidad de los proyectos
- c. Facilidad (no tantas barreras) para desarrollar el mercado
- d. Potencial de reducciones de emisiones de carbono
- e. Oportunidad de negocio para el BND

2. Definición del sector (mercado potencial)

- a. Segmentar el mercado al menos en dos o tres categorías (ejemplo: por tamaño o por tipo de actividad)
- b. Tamaño del mercado de acuerdo a la segmentación.
- c. Segmentar el mercado al menos en dos o tres categorías (ejemplo: por tamaño o por tipo de actividad).
- d. Tamaño del mercado de acuerdo a la segmentación.

3. Definir características, y riesgos de las tecnologías/soluciones

- a. Características de la mejora tecnológica, principales particularidades.
- b. Costos de la tecnología, tiempo de depreciación, costos de mantenimiento, tiempos de entrega, tiempos de instalación y construcción.
- c. Tecnologías alternativas (que pueden reemplazar dicha tecnología nueva).
- d. Riesgos tecnológicos y mitigadores del riesgo tecnológico.

4. Definir características del sector objetivo (cliente final)

- a. Potencial de crecimiento del sector (proyecciones)
- b. Riesgos asociados al consumo de energía.
- c. Sensibilidad al incremento en precios de energéticos
- d. capacidad de endeudamiento de los clientes objetivos del subsector (estimado).
- e. Principales fuentes de financiamiento usadas por el sector.
- f. Percepción y prioridades del cliente sobre cambio tecnológico.
- g. Identificación de barreras a la inversión en EE y al acceso del financiamiento para inversión – desde el punto de vista del cliente.
- h. Identificar características legales que enmarcan al uso/implementación de esta tecnología (Ej. permisos, esquemas de remuneración, impuestos, subsidios, aranceles, etc.).

- i. Identificar gremios que congreguen a este sector, y medir potencial para trabajar con ellos.
- j. Definir línea base (promedio); costo energético anual por cliente tipo (de acuerdo a segmentación), obsolescencia de la tecnología actualmente instalada, o costo de operación de la tecnología que se usa actualmente. Definir su relación con respecto al total de costos operativos de la empresa.
- k. Definir una inversión tipo (de acuerdo a necesidades “promedio”)

5. Definir características de oferta/ proveedores de servicios

- a. Identificar proveedores de la tecnología, servicios, soporte técnico, años en el mercado y nivel de confiabilidad de los clientes, garantías que ofrecen.
- b. Identificar forma de financiamiento usado actualmente para financiar los servicios actuales del ofertante de la tecnología.
- c. Medir la madurez del mercado (oferta) y crecimiento del mismo. Identificar si existen gremios que congreguen a este sector.
- d. Identificar mayores barreras (desde punto de vista del ofertante) para vender e instalar su tecnología.
- e. Percepción del mercado, desde el punto de vista de la oferta.

6. Identificar canales e instrumentos financieros actuales

- a. Identificar que instituciones financieras e inversionistas han estado participando en proyectos de esta naturaleza (o proyectos similares)
- b. Identificar qué instrumentos financieros existen o han existido para financiar este tipo de proyectos.
- c. Identificar las mayores barreras que presenta el financiamiento de estas tecnologías (externas e internas).
- d. Percepción de las instituciones financieras sobre la tecnología.

7. Análisis de reducción de emisiones (por segmento factible)

- a. Reducciones potenciales de consumo de energía y otros recursos (por segmento).
- b. Reducciones potenciales de emisiones de carbono por segmento (de acuerdo a línea base e inversión tipo)

8. Diseño y estructuración de una estrategia y de mecanismos financieros efectivos que puedan promover un programa de eficiencia energética (puntos “a” al “g”)

- a. Identificar actores que puedan apoyar a NOMBRE BND en la estrategia.
- b. Identificar fallas en el mercado donde existe una demanda por financiamiento que no se está cubriendo con los mecanismos existentes y donde sería factible el desarrollo de nuevos instrumentos financieros para un tipo de proyecto seleccionado.
- c. Identificar riesgos principales de inversión en el sub sector priorizado, incluyendo un análisis de riesgos de mercado y regulatorios para asegurar la viabilidad y sostenibilidad de la estrategia de financiamiento desarrollada y el éxito de los proyectos de EE que se promuevan bajo la misma.

- d. Revisar iniciativas anteriores o existentes, públicas o privadas, dirigidas a promover inversiones en EE y su financiamiento a los efectos de retroalimentar el diseño de la estrategia con las lecciones aprendidas y las mejores prácticas que se dependen de las mismas. Asimismo, tomar en cuenta en el diseño de la estrategia los apoyos técnicos que el Banco, a través de ENE, u otros organismos internacionales relevantes le hayan brindado en años recientes a entidades locales de los países beneficiarios bajo esta TC a los efectos de promover la adopción y financiamiento de medidas de eficiencia energética en sus sectores productivos.
 - e. Analizar adecuación de tipos de productos financieros relevantes para el sector seleccionado, incluyendo crédito comercial, líneas de crédito de giro, arrendamiento, fondos fiduciarios, etc. Se deberá también analizar potencial de rentas adicionales que podrían ser estructuradas en los mecanismos financieros, tales como potenciales bonos de carbono y/o rentas de servicios ambientales.
 - f. Estructurar una estrategia e instrumento(s) y/o mecanismo(s) financiero(s) y de garantía(s), incluyendo una descripción de:
 - o Las condiciones necesarias para su implementación.
 - o Los canales de distribución que se podrían emplear.
 - o La estructuración financiera del producto en términos de tamaño de las inversiones, tasas de interés, periodo de gracia, criterios de selección, elementos de asistencia técnica, instrumentos complementarios como garantías y seguros, apalancamiento de recursos adicionales tanto privados como provenientes de fuentes de financiamiento climático nacionales e internacionales, etc.
 - o Las necesidades y limitaciones de los beneficiarios finales para acceder a los mecanismos financieros.
 - g. Elaborar recomendaciones para la integración de la estrategia y el instrumento dentro de los mecanismos y esquemas existentes de NOMBRE BND y realizar sugerencias en caso sea necesario generar mecanismos y esquemas innovadores.
 - h. Identificar necesidades en términos de fortalecimiento de las capacidades institucional y humana.
9. **Diseño de un plan de promoción del programa.** El enfoque será estimular a los clientes a invertir en las tecnologías seleccionadas, así como a los intermediarios financieros y los proveedores de tecnología proveer financiamiento y servicios de estructuración de demanda.
- a. Elaborar un plan de difusión de conocimiento sobre la nueva estrategia de financiamiento, incluyendo sus instrumentos financieros y de mitigación de riesgos (garantías y/o seguros) como no financieros (asesoría técnica, validación y verificación técnica de proyectos por en tercero, contrato estándar), las instituciones financieras de primer piso que operan directamente con NOMBRE BND, los clientes finales, y los facilitadores.
 - b. El consultor desarrollará documentos cortos que describen los instrumentos financieros y no financieros y su funcionamiento, incluyendo: su descripción, sus funciones, tipo de cliente a la cual se orienta, estructura recomendada para clientes finales, etc.
 - c. Apoyar a la capacitación de personal del BND así como a sus clientes de primer piso sobre los instrumentos y/o mecanismos financieros propuestos. La

capacitación consistiría en la participación en un evento de capacitación con NOMBRE BND, BID, clientes de primer piso selectos de NOMBRE BND y otros aliados estratégicos relevantes para presentar y comentar los instrumentos y/o mecanismos financieros y no financieros propuestos.

REPORTES/PRODUCTOS

Los productos finales ligados a cada uno de los componentes se presentarán en el idioma español.

Se deberá entregar un plan de trabajo detallado con tiempos y recursos / bibliografía a ser considerada, un informe de entorno y reportes interinos para aprobación y comentario por parte del equipo del BID como etapas de preparación de cada producto.

Un reporte se considerará como finalizado al aprobarse por parte del Jefe de Proyecto del BID.

Todos los productos, informes, materiales y documentos resultantes del desarrollo de las actividades objeto de la presente contratación serán propiedad del BID. Cualquier publicación o difusión de información en relación con los trabajos desarrollados al amparo de esta contratación habrán de someterse a las políticas del BID relacionadas con la materia.

Los reportes deberán incluir lo siguiente:

- a. Reporte 1: Plan de trabajo y metodología usada (a ser entregado una semana después de firmar el contrato)
- b. Reporte 2: Primer borrador de reporte de actividades.
- c. Reporte 3: Reporte final de actividades.

CALENDARIO DE PAGOS

En el proceso de solicitud de propuestas, las ofertas económicas que se reciban de consultores individuales que hayan sido invitados a participar en el proceso de contratación para la adjudicación de la presente asistencia técnica, deberán contemplar, por un lado, una estructura de honorarios de costes profesionales (en USD/día laborable), de acuerdo con el nivel de formación y la experiencia exigible que se requerirá a la hora de llevar a cabo la presentación de la propuesta técnica, asumiendo, por otro lado, que por entregable desarrollado a satisfacción de los especialistas del BID, y NOMBRE BND, el consultor percibirá los costos que se fijan en cada caso.

El consultor contratado percibirá el importe establecido como contraprestación por entregable, a satisfacción de los especialistas del BID responsables, los documentos finales que incorporen los comentarios de la entidad.

El pago incluirá viáticos y transporte para las visitas de campo

Las cantidades previamente señaladas incluyen todos los gastos generales y de viajes necesarios para la ejecución de los trabajos.

Los pagos estarán divididos de la siguiente manera:

- a. 30% del monto total del contrato a la firma del consultor
- b. 35% a la aprobación por parte del Banco del Reporte 2 (Primer borrador de actividades):
- c. 35% a la aprobación por parte del Banco del Reporte 3 (Final)

En todas las cantidades anteriormente señaladas, se incluyen los gastos generales y de viajes necesarios para la ejecución de los trabajos.

COORDINACIÓN

La coordinación y responsabilidad técnica del proyecto correrá a cargo de José Juan Gomes y María Netto, de la División de Mercados de Capital e Instituciones Financieras (IFD/CMF).

CARACTERÍSTICAS DE LA CONSULTORÍA

Tipo de Consultoría: Individual/Internacional – PEC: Provisión de servicios de consultoría por un consultor individual con amplia experiencia en: (i) estructuración de líneas financieras dedicadas a programas ambientales; (ii) eficiencia energética; (ii) programas de mitigación al cambio climático; y (iv) análisis financiero.

Fecha de inicio y duración: Seis (6) meses a partir de la contratación del consultor individual. A lo largo del referido periodo se deberán ejecutar las tareas que componen el objeto del contrato.

Lugar de Trabajo: Oficinas de los consultores individuales, PAIS, así como ubicaciones de la institución beneficiaria y del proyecto identificado.

Requisitos que debe reunir el consultor individual: El consultor individual habrá de tener una experiencia comprobada de al menos 10 años con programas de eficiencia energética y en la estructuración de mecanismos financieros. Es indispensable que el consultor individual tenga dominio de español hablado y escrito.

Pago y Condiciones: La compensación será determinada de acuerdo a las políticas y procedimientos del Banco. Adicionalmente, los candidatos deberán ser ciudadanos de uno de los países miembros del BID.

Consanguinidad: De conformidad con la política del Banco aplicable, los candidatos con parientes (incluyendo cuarto grado de consanguinidad y segundo grado de afinidad, incluyendo conyugue) que trabajan para el Banco como funcionario o contractual de la fuerza contractual complementaria, no serán elegibles para proveer servicios al Banco. **Diversidad:** El Banco está comprometido con la diversidad e inclusión y la igualdad de oportunidades para todos los candidatos. Acogemos la diversidad sobre la base de género, edad, educación, origen nacional, origen étnico, raza, discapacidad, orientación sexual, religión, y estatus de VIH/SIDA. Alentamos a aplicar a mujeres, afrodescendientes y a personas de origen indígena.

Regional

IFD/CMF

Programa regional de ahorros energéticos y mecanismos de gestión de riesgo

(RG-X1258)

APOYO A BNDs EN EL FORTALECIMIENTO DE SUS CAPACIDADES INSTITUCIONALES EN EFICIENCIA ENERGÉTICA

TÉRMINOS DE REFERENCIA

ANTECEDENTES

El Banco Interamericano de Desarrollo (BID) está apoyando los esfuerzos de PAIS por reducir las emisiones de Gases Efecto Invernadero (GEI), aumentando al mismo tiempo la competitividad de sus empresas en el sector XXX, a través del desarrollo de una estrategia de financiamiento con BND, un banco nacional de desarrollo, para promover proyectos de eficiencia energética en empresas privadas del referido sector. En particular, los esfuerzos pretenden:

- Aumentar las inversiones en medidas de eficiencia energética en empresas del sector XXX;
- Fortalecer las capacidades de BND y de otros actores relevantes de mercado en la estructuración, financiamiento, monitoreo y evaluación de proyectos con beneficios ambientales que mejoran simultáneamente la competitividad de las empresas que los desarrollan.

Las siguientes actividades se están planeando para el diseño de esta estrategia de financiamiento:

- El diseño de criterios específicos de elegibilidad y modalidades de la línea de financiamiento para eficiencia energética en empresas;
- El diseño de requisitos específicos tanto institucionales como legales para asegurar el apoyo y la participación de socios claves (ej. Empresas de los sector XXX y sus asociaciones, proveedores de tecnologías y de servicios energéticos, instituciones financieras locales, afianzadoras, etc.) en la implementación de la estrategia de financiamiento; y
- El desarrollo de estándares metodológicos y protocolos para monitorear los resultados/beneficios de la estrategia de financiamiento (i.e. reducción de uso de energía y reducciones GEI).

OBJETIVO DE LA CONSULTORÍA

Se requiere un consultor con particular experiencia en la estructuración y financiamiento de proyectos de eficiencia energética en PAIS para que respalde al equipo de IFD/CMF en fortalecer la capacidad institucional de BND para garantizar el apoyo y la participación de socios claves (ej. asociaciones del(os) sector(es) XXX, empresas proveedoras de servicios de eficiencia energética, afianzadoras/aseguradoras, proveedores de equipamientos, instituciones financieras locales etc.) en la ejecución de una estrategia de financiación para la promoción de proyectos de eficiencia energética en sector(es) XXX, la cual integra un paquete de instrumentos financieros y no financieros, mecanismos y procedimientos que contribuyen a mitigar los riesgos reales y/o percibidos en dichos proyectos e inducir la participación de los diferentes actores de mercado. Aparte de la capacidad técnica del especialista, es crítico que el mismo tenga una amplia comprensión de las instituciones financieras locales, así como de las necesidades y las características de los proveedores de servicios y tecnologías energéticas locales, y de sus clientes potenciales en el país (firmas en sector(es) XXX).

ACTIVIDADES PRINCIPALES

De acuerdo con los principios y los objetivos establecidos para el Programa, el consultor apoyará al equipo de IFD/CMF en las siguientes acciones, pero a las que no se limita:

- Asegurar la participación activa y el desarrollo de alianzas y acuerdos con distintos actores relevantes para que el programa sea un éxito en su totalidad, tanto desde el punto de vista de los instrumentos financieros que contempla como los no financieros. Actores relevantes incluyen asociaciones de clientes potenciales, instituciones financieras locales, proveedores de servicios energéticos, proveedores de tecnología y validadores técnicos.
- Desarrollar flujos de trabajo y planes de implementación para el desarrollo e implementación inicial de la estrategia de financiación, que comprende sus instrumentos financieros y no financieros complementarios, particularmente en términos del desarrollo de modelos y formatos a aplicar/usar.
- Contribuir a la coordinación y coherencia del trabajo elaborado por otros consultores durante el desarrollo y ejecución inicial de la línea de financiación.
- Proporcionar respaldo técnico y control de calidad del trabajo elaborado por otros consultores.
- Revisar solicitudes de apoyo, proveer contratos estándares, requisitos de elegibilidad y documentos operacionales relevantes para intermediarios financieros, clientes clave y otros actores relevantes.
- Dar seguimiento a las modalidades operacionales con instituciones financieras locales, y apoyar el desarrollo y mantenimiento de un registro/base de datos para el rastreo de solicitudes de proyectos, créditos e informes de actividades.
- Apoyar la promoción de la estrategia de financiamiento, incluyendo la organización de eventos de capacitación y reuniones consultivas con actores clave de mercado;
- Identificar proyectos pilotos potenciales para demostrar la factibilidad y los beneficios del programa.
- Desarrollar materiales promocionales y de capacitación, incluyendo el apoyo para el mantenimiento de una página web dedicada a la estrategia.

CALIFICACIONES

- **Formación académica:** formación universitaria y masters en económica, energía, finanzas, ingeniería, ciencias ambientales u otra disciplina relacionada.
- **Idioma:** Dominio del español y del inglés.
- **Experiencia:**
 - Un mínimo de diez (10) años de experiencia profesional relacionado con tecnologías de eficiencia energética en PAIS, en los cuales haya participado en el diseño, estructuración y análisis de proyectos de eficiencia energética para firmas, preferiblemente en el SECTOR XXX. Conocimiento amplio y experiencia relevante en el desarrollo y gestión de proyectos de EE.
 - Conocimiento amplio de instituciones financieras y de políticas y prácticas de energía en PAIS.
 - Excelente capacidad de redacción y habilidades de comunicación, tanto escrita como oral; capacidad demostrada para comunicar conceptos complejos y preparar informes que sean claros, concisos y relevantes.
 - Capacidad de aplicar estándares y metodologías adecuadas al contexto específico de proyectos para identificar abordajes creativos y prácticos para superar situaciones difíciles.
 - Habilidades fuertes de comunicación escrita, con la capacidad analítica y de síntesis que permita la preparación de informes de alta calidad.
 - Capacidad de trabajar en equipos multidisciplinarios armónicamente y con niveles mínimos de supervisión.

CARACTERÍSTICAS DE LA CONSULTORÍA

Tipo de consultoría: Products and Service (PEC) Suma Alzada- Local

Fecha de inicio y duración: Del XX de XXX del XXX por un período de XX meses. Durante este periodo, el consultor seleccionado ejecutará las tareas anteriormente identificadas, las acordadas bajo el contrato, así como las que se acordarían durante la implementación del proyecto.

Lugar de trabajo: Oficinas de los consultores individuales, así como ubicación de la institución beneficiaria (BND) y de los proyectos identificados.

Coordinación: Responsabilidad general para la supervisión de esta consultoría y la aprobación de los pagos corresponde a Jose Juan Gomes Lorenzo, Especialista Líder de Mercados Financieros (IFD/CMF), en coordinación con María Netto, Especialista Líder de Mercados Financieros y Cambio Climático (IFD/CMF).

Conflicto de interés: El consultor seleccionado se abstendrá de usar los productos de este contrato y del programa para la promoción de sus propios servicios y/o productos.

Cronograma de Pagos: La remuneración por el trabajo será de un salario mensual contra la entrega de un informe de actividades mensual, previa conformidad por el especialista líder para hacer efectivo el pago. Cualquier gasto de viaje que se requiera para la ejecución de los trabajos se remunerará siguiendo las normas del Banco.

Pagos y Condiciones de Empleo: La remuneración será determinada de acuerdo a los reglamentos y criterios del Banco.

Consanguinidad: Individuos con familiares trabajando para el BID, que incluyen el cuarto grado de consanguinidad y el segundo grado de afinidad, no son elegibles. Esto incluye empleados y consultores. Los candidatos deben ser ciudadanos de un país miembro del Banco Interamericano de Desarrollo.

Diversidad: El BID está comprometido con la diversidad e inclusión y a proporcionar igualdad de oportunidades en el empleo. Acogemos la diversidad con base en género, edad, educación, origen nacional, raza, discapacidad, orientación sexual, religión y status de VIH/SIDA. Alentamos la postulación de mujeres, afro-descendientes y personas de origen indígena.

Regional

IFD/CMF

PROGRAMA REGIONAL DE AHORROS ENERGETICOS Y MECANISMOS DE GESTION DE RIESGO (RG-X1258)

APOYO A BNDs PARA EL DESARROLLO DE SISTEMAS PARA LA EVALUACIÓN TÉCNICA Y EL MONITOREO DE PROYECTOS DE EFICIENCIA ENERGÉTICA

TÉRMINOS DE REFERENCIA

ANTECEDENTES

El Banco Interamericano de Desarrollo (BID) está apoyando los esfuerzos de PAIS por reducir las emisiones de Gases Efecto Invernadero (GEI), aumentando al mismo tiempo la competitividad de sus empresas en el sector XXX, a través del desarrollo de una estrategia de financiamiento con BND, un banco nacional de desarrollo, para proyectos de eficiencia energética en empresas del referido sector. En particular, los esfuerzos pretenden: (i) aumentar las inversiones en medidas de eficiencia energética en empresas del SECTOR; (ii) fortalecer las capacidades de BND y otros actores relevantes de mercado en la estructuración, financiamiento, monitoreo y evaluación de proyectos con beneficios ambientales que mejoran simultáneamente la competitividad de las empresas que los desarrollan.

Las siguientes actividades se están planeando para el diseño de esta estrategia de financiamiento: (i) el diseño de criterios específicos de elegibilidad y modalidades de la estrategia de financiamiento para eficiencia energética en empresas SECTOR, incluyendo los diferentes instrumentos financieros y no financieros que integre; (ii) el diseño de requisitos específicos tanto institucionales como legales para asegurar el apoyo y la participación de socios claves (ej. Empresas SECTOR y sus asociaciones, proveedores de tecnologías y de servicios energéticos, instituciones financieras locales, afianzadoras, etc.) en la implementación de la estrategia de financiamiento; y (iii) el desarrollo de estándares metodológicos y protocolos para monitorear los resultados/beneficios de la línea de financiamiento (i.e. reducciones de uso de energía y por ende de Gases Efecto Invernadero).

OBJETIVO DE LA CONSULTORÍA

El objetivo principal de esta consultoría es elaborar, poner a prueba con carácter demostrativo y socializar los protocolos, formatos y procedimientos necesarios para facilitar la validación, verificación y monitoreo de los proyectos de eficiencia energética en el SECTOR XXX financiados por BND en el contexto de su estrategia de financiamiento para proyectos de eficiencia energética en ese sector.

Los protocolos y procedimientos a desarrollar tienen como función principal facilitar la implementación de los mecanismos de validación, verificación y monitoreo que forman parte integral del programa de BND para financiar Eficiencia Energética.

Este proceso comprende el desarrollo de protocolos, formatos y metodologías en estrecha colaboración con BND, BID, y los diferentes actores relevantes de mercado.

Además, comprende la puesta a prueba de los protocolos y formatos desarrollados a través de programas demostrativos; participación en eventos de concienciación y capacitación de mercado; y socialización inicial de los productos, buscando retroalimentación de actores clave, de manera de identificar los ajustes requeridos en los protocolos, formatos y metodologías a base de la cual se realizarán ajustes finales de la documentación.

Para asegurar la incorporación eficiente del programa en los sistemas de gestión de BND, la consultoría involucrará también el diseño de herramientas específicas de gestión de información que permitan al BND manejar la información del programa en su totalidad y de cada actividad o etapa vinculada a los diferentes sub-proyectos.

ACTIVIDADES Y PRODUCTOS

Las actividades de la consultoría contribuirán elementos esenciales para 3 mecanismos de validación/verificación en el programa, cada uno actuando en una etapa diferente de los proyectos:

- a. Validación de propuesta técnica.
 - El mecanismo actúa en la etapa de análisis de la solicitud de crédito y documentación.
 - El mecanismo tiene como objetivo validar la capacidad técnica del proyecto y la del proveedor para cumplir con los ahorros prometidos.
 - La validación se lleva a cabo en escritorio.
- b. Verificación de la construcción del proyecto
 - El mecanismo actúa inmediatamente después de que haya concluido la etapa de construcción, montaje e instalación, y disposición de los equipos reemplazados, previo a que arranque la operación de los nuevos equipos.
 - El mecanismo tiene como objetivo verificar que los equipos y la instalación (incluyendo los sistemas de monitoreo) están de acuerdo a la propuesta técnica original.
 - La verificación, incluyendo la de instalación y la de disposición de equipos sustituidos, se hace in situ.
- c. Validación de los ahorros generados
 - El mecanismo de validación actúa en la etapa de operación y durante el periodo de financiamiento.
 - El mecanismo tiene como objetivo validar los reportes que el proveedor deberá generar, y donde estará reportando periódicamente los ahorros alcanzados por el proyecto, comparando los ahorros estimados, contra los ahorros alcanzados. Adicionalmente, el mecanismo contará con un formato y un sistema de gestión de información (online) que facilite el reporte, aprobación y monitoreo del desempeño del proyecto.
 - La validación la hace el proveedor in situ, y después reporta los resultados al verificador técnico y al BND vía internet.

La tabla siguiente presenta una lista preliminar de las actividades específicas y los productos asociados que serán necesarios para apoyar la implementación de los

mecanismos descritos anteriormente, y que deben de desarrollarse como parte integral de estos términos de referencia.

A. Validación de propuesta técnica y de proveedor		
Tareas	Actividades y productos específicos	Información adicional
A.1 Diseño del formato de la propuesta técnica	A.1.1 Desarrollar Formato de Propuesta técnica (para ser llenado por tercero).	Incluye p.ej. línea base, plan de monitoreo y medición, etc.
A.2 Diseño de la metodología para la evaluación técnica de los proyectos de eficiencia energética.	A.2.1 Criterios y parámetros de evaluación (criterios generales y por tecnología), y desarrollo del protocolo de evaluación. A.2.2 Manual del protocolo de evaluación (guías y manuales). A.2.3 Manual de usuario del formato (para llenado).	Línea base Criterios y procedimiento para evaluación de línea base Tecnologías aplicables (EJEMPLOS): <ul style="list-style-type: none"> – Cogeneración de energía – Sistemas de enfriamiento y refrigeración – Calderas, generadores de vapor – Sistemas de distribución de aire comprimido – Motores eficientes – Energía solar para el precalentamiento de agua – XXX
A.3 Diseño de la metodología para la evaluación de los proveedores de tecnologías	A.3.1 Criterios y parámetros de evaluación, y desarrollo del protocolo de evaluación. A.3.2 Desarrollar Formato para evaluar a proveedor (para ser llenado por validador técnico independiente). A.3.3 Manual del protocolo de evaluación de proveedores (guías y manuales). A.3.4 Manual de usuario del formato (para llenado).	
B. Verificación de la construcción del proyecto		
B.1 Diseño de la metodología para la verificación de: i) la construcción, instalación y montaje de los proyectos de EE; y ii) la disposición de equipos desmontados.	B.1.1 Criterios y parámetros de evaluación, y desarrollo del protocolo de evaluación, incluyendo los formatos para la verificación física del proyecto y la verificación de la adecuada disposición de los equipos sustituidos. B.1.2 Manual del protocolo para verificar la construcción, instalación, montaje de equipo. Así como también los sistemas de monitoreo. B.1.2 Manual para verificar la disposición adecuada de los equipos desmontados.	<ul style="list-style-type: none"> – Verificación de que las mejoras, equipos y especificaciones se hayan hecho de acuerdo a la propuesta técnica inicial – Verificación que los sistemas de monitoreo sean los que se propusieron en la propuesta técnica original, que estén calibrados y que estén instalados de acuerdo a propuesta inicial. – Verificación de que los equipos desmontados hayan sido dispuestos adecuadamente.
C. Verificación de los ahorros generados		
C.1 Diseño de la metodología para verificar el reporte	C.1.1 Criterios y parámetros de evaluación, y desarrollo del protocolo de medición y evaluación de resultados	Verificación de parámetros solicitados en el formato de reporte, como: <ul style="list-style-type: none"> – Ahorro de energía (KWh) – Reducciones de CO2

de los ahorros generados y desempeño de proyecto de EE.	<p>C.1.2 Desarrollar Formato para reportar desempeño del proyecto y ahorro generado (para ser llenado por el proveedor de servicios de eficiencia energética o de tecnología)</p> <p>C.1.3 Manual del protocolo de medición y evaluación de resultados (guías y manuales).</p> <p>C.1.4 Manual de usuario del formato (para llenado)</p>	<p>Ahorros económicos</p> <p>Etc.</p> <p>El reporte de los resultados lo hace el proveedor de servicios de eficiencia energética y de tecnologías de eficiencia energética vía internet</p>
D. Protocolo de Gestión de Información		
D.1 Diseño del sistema de gestión de información	<p>D.1.1 Definición de los actores, roles y flujos de comunicación (incluyendo flujograma) entre las partes para la gestión de la información.</p> <p>D.1.2 Definición y desarrollo de un sistema informático para la gestión de la información derivada de la operación de los mecanismos aquí propuestos.</p> <p>D.1.3 Manual del protocolo de gestión de información (guías y manuales).</p> <p>D.1.4 Ejecución de sesiones de entrenamiento para el uso de la herramienta y de los protocolos desarrollados.</p>	
E. Concienciación, capacitación y retroalimentación		
E.1 Consultas, retroalimentación y ajustes finales de los protocolos y formatos	<p>E.1.1 Realizar consultas con actores relevantes, tales como proveedores de servicios técnicos y de tecnología, y clientes potenciales para obtener su retroalimentación a los protocolos, formatos y metodologías.</p> <p>E.1.2 Hacer una “prueba de campo” de los protocolos y formatos desarrollados para definir tiempos de validación y verificación, y hacer cualquier ajuste requerido en sus contenidos.</p> <p>E.1.3 A base de las consultas y prueba realizar ajustes finales de los protocolos, formatos y metodologías.</p>	
E.2 Concienciación y capacitación de mercado	<p>E.2.1 Diseño e implementación de un programa de capacitación para usuarios de los protocolos, formatos y metodologías, partiendo de los proyectos del pipeline inicial del programa.</p> <p>E.2.2 Participación en eventos de promoción y concienciación del programa de EE de BND.</p>	

REPORTES

- a. Los productos finales ligados a cada actividad son escritos y presentados en español.
- b. Como parte de la preparación de cada una de las actividades A-E de la Tabla anterior, se deberá entregar reportes interinos para aprobación y comentario por parte del equipo del BND y del BID. Para cada actividad, el reporte interino debe incluir por lo menos tres (3) CV de expertos que el Consultor espera proveer al BID para llevar a cabo las actividades asociadas a la actividad, así como un plan de trabajo detallado. Estos reportes interinos se deberán entregar al BID dentro de un mes a partir de la firma del contrato.
- c. Se deberá entregar un reporte de progreso a los tres meses de la firma del contrato.
- d. El reporte final consiste en todos los productos de las actividades A-E así como reportes finales de cada uno de ellas. Un reporte se considerará finalizado al aprobarse por parte del Jefe de Proyecto del BID.
- e. Todos los productos, informes, materiales y documentos resultantes del desarrollo de las actividades objeto de la presente contratación serán propiedad del BID. Cualquier publicación o difusión de información en relación con los trabajos desarrollados al amparo de esta contratación habrá de someterse a las políticas del BID relacionadas con la materia.

CRONOGRAMA DE PAGOS

Los pagos de la presente asistencia técnica estarán divididos de la siguiente manera:

- 30% a la firma del contrato y entrega de reportes interinos con planes de trabajo detallados;
- 20% a la entrega de la documentación en su versión final correspondiente a las actividades descritas bajo las actividades A y B (con la aprobación del equipo del BID);
- 20% a la entrega de la documentación en su versión final correspondiente a las actividades descritas bajo las Tareas C, D y E (con la aprobación del equipo del BID);
- 30% a la entrega de un reporte con las validaciones técnicas formales de proveedores y de propuestas de proyectos realizadas con carácter demostrativo para apoyar el lanzamiento del programa. El número de validaciones demostrativas a realizar bajo este contrato será ofrecida por las firmas interesadas en el contexto de la llamada a concurso y será un criterio importante de selección a considerar.

Los viajes que sean necesarios para la ejecución del trabajo de la firma consultora serán reembolsados a través de Cartas de Acuerdo de conformidad con las políticas del BID.

COORDINACIÓN

La coordinación y responsabilidad técnica del proyecto correrá a cargo de Jose Juan Gomes Lorenzo y Maria Netto, ambos Especialistas Líderes de Mercados Financieros de la División de Mercados de Capital e Instituciones Financieras (ICF/CMF). En el proceso de ejecución de la asistencia técnica, el equipo de proyecto del BID se

asegurará de que los beneficiarios de la misma conozcan y se responsabilicen del cumplimiento de las políticas ambientales y sociales de la entidad.

CARACTERÍSTICAS DE LA CONSULTORÍA

Tipo de consultoría: Firma Consultora; suma alzada a ser desembolsada según el cronograma de pago.

Duración: Ocho (8) meses a partir de la fecha que se firme el contrato.

Lugar de trabajo: Oficinas de la firma, así como ubicaciones de la institución beneficiaria (BND) y de los proyectos identificados.

Monitoreo y Evaluación: La firma consultora preparará informes de sus actividades.

Conflicto de interés: La firma consultora seleccionada se abstendrá de usar este contrato para la promoción de sus propios servicios y/o productos.

Calificaciones:

- Expertos con formación universitaria y de posgrado en economía, energía, finanzas, ingeniería, ciencias ambientales u otra disciplina relacionada.
- Un mínimo de diez (10) años de experiencia profesional relacionados con tecnologías de eficiencia energética en el país XXX, en los cuales haya participado en el diseño y análisis de metodologías y protocolos para el monitoreo y evaluación de proyectos de eficiencia energética a nivel de firmas, preferiblemente en el sector XXXX.
- Conocimiento amplio y experiencia relevante a la validación y verificación de resultados de proyectos de reducción de emisiones GEI en el país XXX.
- Conocimiento amplio y experiencia relevante en la validación y verificación de resultados de proyectos de eficiencia energética.
- Conocimiento amplio de instituciones financieras y de políticas y prácticas de energía en PAIS.
- Familiaridad con las metodologías de reducciones de GEI, y certificaciones de eficiencia energética internacionales, incluyendo ISO 9000, ISO 50001, Mecanismo de Desarrollo Limpio (de la Convención Marco de las Naciones Unidas sobre el Cambio Climático), y otros.
- Experiencia amplia en el diseño y ejecución de programas de capacitación.
- Excelente capacidad de redacción y habilidades de comunicación, tanto escrita como oral; capacidad demostrada para comunicar conceptos complejos y preparar informes que sean claros, concisos y relevantes.
- Capacidad de aplicar teorías al contexto específico de política para identificar abordajes creativos y prácticos para superar situaciones difíciles.
- Habilidades fuertes de comunicación escrita, con la capacidad analítica y de síntesis requerida para generar y transmitir hallazgos relevantes a través de informes de alta calidad.

Regional

IFD/CMF

PROGRAMA REGIONAL DE AHORROS ENERGETICOS Y MECANISMOS DE GESTION DE RIESGO (RG-X1258)

APOYO A BNDs EN EL DISEÑO DE SISTEMAS DE INFORMACIÓN SOBRE PLATAFORMAS WEB PARA LA GERENCIA Y MONITOREO DE PROYECTOS DE EFICIENCIA ENERGÉTICA

TÉRMINOS DE REFERENCIA

ANTECEDENTES

El Banco Interamericano de Desarrollo (BID) está apoyando los esfuerzos de PAIS por reducir las emisiones de Gases Efecto Invernadero (GEI), aumentando al mismo tiempo la competitividad de sus empresas en el sector XXX, a través del desarrollo de una estrategia de financiamiento con BND, un banco nacional de desarrollo, para promover el financiamiento de proyectos de eficiencia energética en empresas del referido sector. En particular, los esfuerzos pretenden: (i) aumentar las inversiones en medidas de eficiencia energética en empresas del sector XXX; y (ii) fortalecer las capacidades de BND y de otros actores relevantes de mercado en la estructuración, financiamiento, monitoreo y evaluación de proyectos con beneficios ambientales que mejoren simultáneamente la competitividad de las empresas que los desarrollan.

Las siguientes actividades se están planeando para el diseño de esta estrategia de financiamiento: (i) el diseño de criterios específicos de elegibilidad y modalidades de la estrategia de financiamiento, incluyendo sus instrumentos financieros y no financieros, para promover proyectos de inversión en eficiencia energética; (ii) el diseño de requisitos específicos tanto institucionales como legales para asegurar el apoyo y la participación de socios claves (ej. Empresas SECTOR y sus asociaciones, proveedores de tecnologías y de servicios energéticos, instituciones financieras locales, afianzadoras, etc.) en la implementación de la estrategia de financiamiento; y (iii) el desarrollo de estándares metodológicos y protocolos para monitorear los resultados/beneficios de la línea de financiamiento (i.e. reducción de uso de energía y reducciones GEI).

OBJETIVO

Se requiere un consultor con particular experiencia en sistemas y tecnologías de información, particularmente en diseño e integración de bases de datos y plataformas interactivas Web para que respalde a BND y al equipo de IFD/CMF en la estructuración del sistema informático que apoye la gestión y monitoreo del programa y su eventual integración a los sistemas de información existentes de BND.

ACTIVIDADES Y PRODUCTOS

De acuerdo con los principios y los objetivos establecidos para el Programa, el consultor apoyará al equipo de BND y de IFD/CMF en las siguientes acciones, pero a las que no se limita:

- Análisis del sistema informático actual de BND a los efectos de diseñar un sistema de gestión del programa de financiamiento integral que se integre adecuadamente con el sistema de BND;
- Definir los flujos de información y decisión que tendrán que ser integrados en el sistema de gestión de información del programa de financiamiento a los efectos de garantizar su buena ejecución y la interacción de todas las partes relevantes;
- Diseño del sistema de gestión de información del programa de financiamiento, tomando en cuenta el sistema informático actual de BND y la interface que este tendrá que tener con diferentes actores de mercado a los efectos de permitir la ágil y efectiva gestión y monitoreo del programa durante su ejecución; y
- Capacitación a los profesionales relevantes de BND, a los proveedores de servicios de eficiencia energética y de tecnología, a los beneficiarios finales y a sus clientes de primer piso sobre el funcionamiento de dicho sistema de gestión.

CRONOGRAMA DE PAGO

Remuneración por el trabajo será contra la entrega de informes de actividades y seguirá el siguiente programa:

- 20% a la firma del contrato
- 40% a la entrega y aprobación por parte del Banco del Informe de Avance
- 40% a la entrega y aprobación por parte del Banco del Informe Final

Cualquier gasto de viaje que se requiera para la ejecución de los trabajos se remunerará con Carta de Acuerdo conforme las políticas del BID.

COORDINACIÓN

Responsabilidad general para la supervisión de esta consultoría y la aprobación de los pagos corresponde a Jose Juan Gomes Lorenzo, Especialista Líder de Mercados Financieros (IFD/CMF), en coordinación con María Netto, Especialista Líder de Mercados Financieros y Cambio Climático (IFD/CMF).

CARACTERÍSTICAS DE LA CONSULTORÍA

Tipo de consultoría: Consultor Individual, Local.

Fecha de inicio y duración: Del XX al XX de MES de AÑO. Durante este periodo, el consultor seleccionado ejecutará las tareas anteriormente identificadas, las acordadas bajo el contrato, así como las que se acordarían durante la implementación del proyecto.

Lugar de trabajo: Oficina del consultor individual, así como ubicaciones de la institución beneficiaria (BND).

Conflicto de interés: El consultor seleccionado se abstendrá de usar los productos de este contrato y del programa para la promoción de sus propios servicios y/o productos.

Calificaciones:

- a. **Formación académica:** formación universitaria y de posgrado en ingeniería de sistemas u otra disciplina relacionada.
- b. **Idioma:** Domina el español y del inglés.
- c. **Experiencia:**
 - Un mínimo de cinco (5) años de experiencia profesional relacionado con sistemas computarizados de gestión, tecnologías de información y diseño, integración y manejo de bases de datos.
 - Conocimiento amplio sobre sistemas computarizados de información, gestión y toma de decisión de instituciones financieras;
 - Excelente capacidad de redacción y habilidades de comunicación, tanto escrita como oral; capacidad demostrada para comunicar conceptos complejos y preparar informes que sean claros, concisos y relevantes.
 - Capacidad de aplicar estándares y metodologías adecuadas al contexto específico de sistemas de información y gestión de proyectos para identificar abordajes creativos y prácticos para superar situaciones difíciles.
 - Habilidades fuertes de comunicación escrita, con la capacidad analítica y de síntesis que permita la preparación de informes de alta calidad.
 - Capacidad de trabajar en equipos multidisciplinarios armónicamente y con niveles mínimos de supervisión.

Regional

IFD/CMF

PROGRAMA REGIONAL DE AHORROS ENERGETICOS Y MECANISMOS DE GESTION DE RIESGO (RG-X1258)

APOYO A BNDs EN LA VALIDACIÓN Y VERIFICACIÓN TÉCNICA DE PROYECTOS Y PROVEEDORES DE SERVICIOS DE EFICIENCIA ENERGÉTICA

TÉRMINOS DE REFERENCIA

ANTECEDENTES

El Banco Interamericano de Desarrollo (BID) está apoyando los esfuerzos de PAIS por reducir las emisiones de Gases Efecto Invernadero (GEI), aumentando al mismo tiempo la competitividad de sus empresas en el sector XXX, a través del desarrollo de una estrategia de financiamiento con BND, un banco nacional de desarrollo, para proyectos de eficiencia energética en empresas del referido sector. En particular, los esfuerzos pretenden: (i) aumentar las inversiones en medidas de eficiencia energética en empresas del SECTOR; (ii) fortalecer las capacidades de BND y otros actores relevantes de mercado en la estructuración, financiamiento, monitoreo y evaluación de proyectos con beneficios ambientales que mejoran simultáneamente la competitividad de las empresas que los desarrollan.

Las siguientes actividades se están planeando para el diseño de esta estrategia de financiamiento: (i) el diseño de criterios específicos de elegibilidad y modalidades de la estrategia de financiamiento para eficiencia energética en empresas SECTOR, incluyendo los diferentes instrumentos financieros y no financieros que integre; (ii) el diseño de requisitos específicos tanto institucionales como legales para asegurar el apoyo y la participación de socios claves (ej. Empresas SECTOR y sus asociaciones, proveedores de tecnologías y de servicios energéticos, instituciones financieras locales, afianzadoras, etc.) en la implementación de la estrategia de financiamiento; y (iii) el desarrollo de estándares metodológicos y protocolos para monitorear los resultados/beneficios de la línea de financiamiento (i.e. reducciones de uso de energía y por ende de Gases Efecto Invernadero).

OBJETIVO DE LA CONSULTORÍA

El objetivo principal de esta consultoría es apoyar al BND en la validación, verificación y monitoreo técnico de los proyectos y de los proveedores de servicios y tecnologías en eficiencia energética, financiados por BND en el sector XXX en el contexto de su estrategia de financiamiento para proyectos de eficiencia energética en ese sector.

La validación, verificación técnica de los proyectos y su monitoreo que forman parte integral del programa de BND para apoyar el financiamiento de proyectos de inversión en eficiencia energética a partir de protocolos, formatos, procedimientos y metodologías previamente desarrolladas para tales efectos.

ACTIVIDADES Y PRODUCTOS

En consonancia con los principios y los objetivos establecidos en la estrategia, la firma consultora, denominada Entidad Validadora, apoyará a BND en las siguientes actividades, emitiendo conceptos encaminados a:

1. La validación del cumplimiento de los criterios establecidos para determinar la experiencia de los proveedores de servicios técnicos o tecnología, denominados Proponentes Técnicos. En relación con esta actividad, se requiere que se realice la validación del formulario “Presentación y validación de proponentes técnicos” y sus documentos anexos. El validador deberá emitir el concepto frente al cumplimiento o no de los criterios de validación establecidos para este formulario. Si se cumple con la validación de este módulo, la solicitud de recursos continua con el proceso de validación, partiendo del formulario Presentación y validación de propuestas técnico-económicas”, y el(los) respectivo(s) formulario(s) técnico(s), según la(s) tecnología(s) a implementar y sus documentos anexos. En caso contrario, la solicitud de recursos del proyecto con dicha documentación quedará rechazada para ser financiada por la línea de crédito del BND.

2. Determinar la viabilidad que un proyecto de eficiencia a ser financiado potencialmente con los recursos de la línea de crédito, alcance los ahorros estimados. En relación con esta actividad, se requiere que se realice la validación del formulario “Presentación y validación de propuestas técnico-económicas”, y el(los) respectivo(s) formulario(s) técnico(s), según la(s) tecnología(s) a implementar y sus documentos anexos, para lo que el validador deberá emitir concepto de cumplimiento o no de los criterios de validación establecidos para este formulario. Si se cumple con la validación de este módulo la solicitud de recursos continua y puede ser financiada por la línea de crédito del BND.

3. La verificación del cumplimiento de los criterios consignados en el formulario “Presentación y verificación del proyecto implementado” y en el formulario “Presentación y verificación de la gestión residuos”, y sus documentos anexos, según la información levantada en la visita en sitio del proyecto implementado y la propuesta de proyecto presentada en el formulario Presentación y validación de propuestas técnico-económicas y su (sus) respectivo (s) formulario (s) técnico(s). El resultado de esta verificación determina si un beneficiario del crédito, en el caso que sea parte integral de la estrategia de financiamiento, accede o no a una disminución de tasa de interés previsto en la línea de crédito, por el plazo remanente del crédito, como premio de éxito.

4. Sólo en los casos que se requieran (ósea en caso de conflicto entre el inversionista y el proveedores de servicios de eficiencia energética y tecnologías, la firma consultora participara en la verificación de los resultados de ahorro reportados durante la ejecución del proyecto financiado por la línea de crédito de BND. Para ello, se debe verificar la información consignada en el formulario Presentación y verificación de resultados” y los registros de medición del periodo reportado en éste, con el objetivo de determinar si se alcanzaron o no los ahorros reportados. El resultado de este concepto se constituye en un apoyo técnico al cliente beneficiario de la línea y no debería repercutir en las condiciones del crédito.

Como parte integral de la propuesta, la Entidad Validadora deberá establecer y entregar el flujo de actividades del proceso de validación y verificación en la Entidad Validadora, que deben surtir los proyectos de eficiencia energética que requieran recursos de la línea del BND. En adición a la generación de los conceptos indicados anteriormente, la Entidad Validadora deberá:

- Acompañar a BND en los eventos de socialización de la línea cuando se requiera, previa coordinación entre las partes.
- Realizar las capacitaciones pertinentes para la utilización y manejo de los formularios y metodología a BND y a los clientes o potenciales clientes beneficiarios de la estrategia de financiamiento.

- Retroalimentar a BND sobre posibles mejoras de los formularios y metodología utilizadas en la estrategia de financiamiento y realizar los ajustes respectivos previa aprobación de BND.
- Realizar el proceso de reporte de forma mensual, en los primeros 5 días de cada mes a BND de todas las actividades desarrolladas en el respectivo mes.
- Responder por los perjuicios que eventualmente se generen a BND con ocasión de la emisión de los conceptos objeto del contrato.
- Declarar ante el BND cualquier situación de conflicto de interés que lo inhabilite para emitir un concepto dentro del contrato que se celebre a partir de la presente invitación

CRONOGRAMA DE PAGOS

Los pagos de la presente asistencia técnica estarán divididos de la siguiente manera:

- Un avance de 30% a la firma del contrato;
- Pago de 25%, una vez que se hayan validado un tercio de los proyectos previstos para validación;
- Pago de 25%, una vez que se hayan validado dos tercios de los proyectos previstos para validación;
- Pago de 25% remanente, una vez que se hayan validado la totalidad de los proyectos previstos para validación bajo el programa.

Los viajes que sean necesarios para la ejecución del trabajo de la firma consultora se estimaran por separado y se prorratearan en los cuatro pagos previstos.

COORDINACIÓN

La coordinación y responsabilidad técnica del proyecto correrá a cargo de Jose Juan Gomes Lorenzo y Maria Netto, ambos Especialistas Líderes de Mercados Financieros de la División de Mercados de Capital e Instituciones Financieras (ICF/CMF). En el proceso de ejecución de la asistencia técnica, el equipo de proyecto del BID se asegurará de que los beneficiarios de la misma conozcan y se responsabilicen del cumplimiento de las políticas ambientales y sociales de la entidad.

CARACTERÍSTICAS DE LA CONSULTORÍA

Tipo de consultoría: Firma Consultora; suma alzada a ser desembolsada según el cronograma de pago.

Duración: Ocho (8) meses a partir de la fecha que se firme el contrato.

Lugar de trabajo: Oficinas de la firma, así como ubicaciones de la institución beneficiaria (BND) y de los proyectos identificados.

Monitoreo y Evaluación: La firma consultora preparará informes de sus actividades.

Conflicto de interés: La firma consultora seleccionada se abstendrá de usar este contrato para la promoción de sus propios servicios y/o productos.

Calificaciones:

- Expertos con formación universitaria y de posgrado en economía, energía, finanzas, ingeniería, ciencias ambientales u otra disciplina relacionada.
- Un mínimo de diez (10) años de experiencia profesional relacionados con tecnologías de eficiencia energética en el país XXX, en los cuales haya participado en el diseño y análisis de metodologías y protocolos para el monitoreo y evaluación de proyectos de eficiencia energética a nivel de firmas, preferiblemente en el sector XXX.
- Conocimiento amplio y experiencia relevante a la validación y verificación de resultados de proyectos de reducción de emisiones GEI en el país XXX.
- Conocimiento amplio y experiencia relevante en la validación y verificación de resultados de proyectos de eficiencia energética.
- Conocimiento amplio de instituciones financieras y de políticas y prácticas de energía en PAIS.
- Familiaridad con las metodologías de reducciones de GEI, y certificaciones de eficiencia energética internacionales, incluyendo ISO 9000, ISO 50001, Mecanismo de Desarrollo Limpio (de la Convención Marco de las Naciones Unidas sobre el Cambio Climático), y otros.
- Experiencia amplia en el diseño y ejecución de programas de capacitación.
- Excelente capacidad de redacción y habilidades de comunicación, tanto escrita como oral; capacidad demostrada para comunicar conceptos complejos y preparar informes que sean claros, concisos y relevantes.
- Capacidad de aplicar teorías al contexto específico de política para identificar abordajes creativos y prácticos para superar situaciones difíciles.
- Habilidades fuertes de comunicación escrita, con la capacidad analítica y de síntesis requerida para generar y transmitir hallazgos relevantes a través de informes de alta calidad.

Regional

IFD/CMF

PROGRAMA REGIONAL DE AHORROS ENERGETICOS Y MECANISMOS DE GESTION DE RIESGO (RG-X1258)

SUPPORT FOR THE TECHNICAL REVIEW AND COORDINATION OF ENERGY EFFICIENCY FINANCING STRATEGIES AND OTHER CLIMATE CHANGE MITIGATION FINANCING PRODUCTS TO SUPPORT NDBs

TERMS OF REFERENCE

Background

Government capacities to efficiently plan, develop needed financial incentives and access, as well as absorb and coordinate international climate finance have been identified as key elements for enhancing countries' effectiveness in responding to climate change and promote sustainability and low carbon development. With their capacity to promote necessary financial incentives, manage national funds, leverage international funding and increase its impact and effectiveness through their field knowledge and expertise as well as develop innovative financing schemes, financial intermediates, financial institutions (FIs), national development banks (NDBs) and other key players in domestic capital markets could play a critical role in promoting sustainability and climate finance mitigation.

Through its operation RG-X1258, the Capital Markets and Financial Institutions (IFD/CMF) of IDB is supporting national public financial institutions in the LAC region to develop relevant institutional capacities to design financing strategies to promote climate change mitigation, particularly to promote private sector investments in energy efficiency. Part of this work includes developing financing strategies for the promotion of energy efficiency investment projects, as well as supporting NDBs and FIs to promote and exchange experiences about innovative financing lines and programs to support climate change mitigation activities, low carbon development strategies and sustainability.

As part of this initiative, IDB needs technical backstopping of a consultant to support the implementation, supervision and monitoring of the regional ESI program. In addition, the consultant will support the IDB in the identification and preparation of CMF operations, as well as to review the quality of studies and work being developed for NDBs by hired consultants within this initiative. In particular, knowledge of current practices by local financial institutions in promoting green finance is required. Furthermore, the consultant will be expected to support the identification and preparation of IFD/CMF operations related to sustainable energy and climate change mitigation.

Consultancy objective

The implementation of the operation RG-X1258 requires particular expertise on the knowledge of climate change mitigation and practices by local financial institutions in promoting green finance. The objective of the consultancy is to support quality control and coordination efforts of the outputs generated by consultants working with NDBs in the structuring and implementation

of climate change mitigation financing strategies, particularly in the case of energy efficiency financing strategies. The consultant will also provide technical backstopping to client NDBs.

Main activities

In keeping with the principles and the objectives set for the Program, the consultant will perform the following activities that include, but are not limited to::

- Support the implementation, supervision and monitoring of the regional ESI program.
- Support the identification and preparation of operations for CMF, in particular regarding aspects relating to climate finance.
- Assist in the coordination of energy efficiency financing strategies with NDBs as well as in related discussions and preparation of internal documents across the Bank in issues related to climate change mitigation and sustainable energy.
- Support the identification and preparation of operations for IFD/CMF that are related to sustainable energy and climate change mitigation.
- Directly supporting NDBs in the implementation of IDB programs, including stakeholder consultation, workflow and contractual management, as well as product review and the monitoring of results.
- Support NDB and NDB-IDB coordination in assessing sources of international climate funding (e.g. Green Climate Fund, Climate Investment Funds, Nationally Appropriate Mitigation Actions, Global Environmental Facility), for activities which reduce greenhouse gas (GHG) emissions.
- Preparing briefing notes, providing technical input and ensuring quality and coherence amongst different materials / power point presentations / documents prepared at CMF relating to green finance and NDBs, in particular relating to sustainable energy and climate change mitigation;
- Conduct in depth research and analysis on environmental and climate change finance related themes, in particular on sustainable energy and climate change mitigation.
- Reviewing and making technical comments on studies and background materials developed by other consultants hired to support NDBs in the structuring and implementation of their energy efficiency financing strategies.
- Identify funding sources and support the development of technical support project proposals to gain access to those sources and reviewing and providing input to the design / preparation of operations.
- Prepare knowledge products on green finance by NDBs for dissemination and review and provide inputs to knowledge dissemination tools such as the community of practice of financial institutions of the finanzacarbono.org platform.
- Assist in the planning and organization of consultative meetings for NDBs and other key stakeholders in the region, including assisting with logistical support, preparation of agendas, reports and briefing materials.

The materials to be developed will cover the following:

- Project proposals for technical assistance
- Background materials and briefing for internal use at IDB and external use (clients)
- Review of work plans and reports by other consultants
- Preparation of material and review of quality of documents loaded in the FI community of practice

Payment Schedule

The consultant will be paid biweekly.

Qualifications: The consultant must have:

- University and Masters' degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
- At least five years of relevant working experience with energy efficiency projects, particularly in their financing.
- Excellent knowledge and relevant work experience in project development and management.
- Excellent knowledge and work experience with green/energy finance products.
- Excellent knowledge and work experience with financial intermediaries and instruments.
- Excellent drafting ability and communication skills, both written and oral; proven ability to communicate complex concepts and prepare reports that are clear, concise and meaningful.
- Ability to apply theory to the specific policy context to identify creative, practical approaches to overcome challenging situations.
- Good written communication skills, with analytic capacity and ability to synthesize project outputs and relevant findings for the preparation of quality project reports.
- Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
- Fluency in English and Spanish. Working knowledge of other IDB languages highly desirable.

Characteristics of the Consultancy

Consultancy category and modality: DTC/TTC Yearly

Duration: XXX

Place of work: IDB Headquarters – Washington DC.

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

Payment and Conditions of Employment: Remuneration will be determined in accordance with Bank regulations and criteria. The Bank may additionally contribute toward travel and moving expenses, if applicable. If a candidate is not a citizen or resident of the country where he/she will be working, the Bank will assist him/her to obtain the corresponding visa or work permit. If a candidate cannot obtain a visa to work at the IDB, the contractual offer will be canceled.

Consanguinity: Individuals with relatives working for the IDB, including the fourth degree of consanguinity and the second degree of affinity, are not eligible for employment as staff or consultants. Candidates must be citizens of a member country of the Inter-American Development Bank.

Diversity: The IDB is committed to diversity and inclusion and to providing equal opportunities in employment. 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 origins to apply.

PROCUREMENT PLAN

Country: REGIONAL
Executing agency: IDB/CMF
Project: Regional Energy Savings Insurance and Risk Management Program
No. of project and contract: RG-X1258

Brief description of the objectives and components of the Technical Cooperation:

It aims to support the structuring of bankable projects and scale up private sector investments in EE by empowering NDBs to structure and coordinate innovative financing strategies in five countries in Latin America (Brazil, Colombia, El Salvador, Mexico, and Peru).

The TC proposes to support the preparation of the operation through three main components, including:

Component 1: Each NDB will be supported to develop ready-to-use tailored financial strategies consisting of a combination of financial instruments and non-financial instruments

Component 2: The program will also support each beneficiary NDB in the implementation of the financing strategies and provide training to technology service providers, LFIs, validators and BANDESAL.

Component 3: The Program will establish a knowledge platform to promote the collection and sharing of best practices and experiences among NDBs in promoting financing for EE in the LAC region. The knowledge sharing will be done virtually (through a web platform) as well as in person through events.

Consultancy firms or individual consultants will be hired to undertake the necessary analysis and prepare the various technical materials contemplated in this TC. The consultants would be required to travel as needed to present results of studies as well as to undertake any survey that may be required. Given the high level of technical detail and broad spectrum of issues to be covered by the program, a consultant will be hired to support the project team in reviewing the technical materials prepared by consulting firms and individual consultants working with each NDB. This consultant will also support the coordination efforts required by a regional program such as this.

Individual consultants or consulting firms will be hired to support the activities stipulated in components 1, 2 and 3. The consultants will support each NDB with the specific technical capacity and coordination of activities during the conceptualization of the financing strategies. Also, consultants will support the design of the risk transfer mechanisms, the promotion strategy and the impact evaluation strategy of the program. The execution of these components will also entail the cost of organizing events needed to consult with relevant market players (such as technology providers, LFIs, insurance companies and potential clients) on the specific requirements and conditions of the financing strategies.

Period covered by this Procurement Plan: January 2016 to November 2017

Description of the Contract and Estimated Cost of Acquisition	Estimated Cost (US\$)	Acquisition Methodology ¹	Source of Funding and Percentage		Pre-qualification	Estimated Date		Status	Comments
			BID	Local / other (in kind from NDBs)	(Yes/No)	Publication/ Procurement Announcement	Termination of Contract		
Component I: Market assessment and financing line designed									
Individual consultants (14 consultants) - Proposal of financial and non-financial mechanisms	2,680,150	IICC / NICQ	2,103,750	576,400	No	Q1 2016	Q3 2017		
Individual local consultant (7 consultants) - institutional capacity/coordination	350,000	NICQ	350,000	0	No	Q1 2016	Q4 2016		
Consultation meetings with key stakeholder's (including travels)	170,000	PC	120,000	50,000	No	Q1 2016	Q3 2017		
Component II: Implementation of each financing strategy.									
Consultancy firm per beneficiary country (7 firms)	985,900	QBS	843,900	142,000	No	Q1 2017	Q1 2018		
Individual consultant to support Project Team (1 consultant)	435,000	IICC	435,000	0	No	Q1 2016	Q4 2018		
Individual consultants - Awareness raising and capacity building (7 consultants)	312,300	NICQ	252,300	60,000	No	Q4 2017	Q1 2018		
Coordination /Consultation /Training Monitoring,	108,300	NICQ	78,300	30,000	No	Q1 2017	Q1 2018		
Component III: Dissemination and promotion strategy									
Individual consultants per beneficiary partner (7)	293,000	IICC	293,000	0	No	Q1 2016	Q4 2016		
Dissemination and promotion plan, including events and knowledge products	211,600	PC	69,500	142,100	No	Q1 2016	Q3 2018		
Contingencies	206,625	---	206,625	---	---	Q1 2016	Q4 2020		
Cost sharing fee	250,125	---	250,125	---	---	Q1 2016	Q4 2020		
TOTAL	6,003,000	---	5,002,500	1,000,500	---	---	---	---	

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

[illegible]

Regional Energy Savings Insurance Program

Version 2 adapted based on Appraisal Team Report Recommendations and coordinated with Danish Ministry of Energy, Utilities and Climate (MEUC)/GRV

Country/Region:	Regional
Beneficiary:	Requests for support received (see annex 3): <ul style="list-style-type: none"> - Development Bank of Espírito Santo (BANDES), Brazil - Development Bank of South (BRDE), Brazil - Development Agency of Goiás, Brazil - Development Bank of Colombia (BANCOLDEX), Colombia - Development Bank of El Salvador (BANDESAL), El Salvador - Energy Efficiency Trust Fund (FIDE), Mexico - Development Financial Corporation (COFIDE), Peru
Executing Agency:	Inter-American Development Bank, Capital Markets and Financial Institutions Division (IFD/CMF)
Donors providing funding:	Government of Denmark
IDB Funding Requested:	PSG contribution from the Government of Denmark of DKK 34,500,000 equivalent to approximately USD 5,000,000 ¹
Local counterpart funding, if any:	Equivalent of DKK 6.9 Million (approximately USD 1,000,000 see footnote 1 for exchange rate information) Beneficiaries will contribute approximately 10 to 20% in kind resources consisting of staff time, facilities for the development of planned promotional workshops and events, and office space for consultants supporting the design of the different products envisioned under this TC.
IDB Contact persons:	Maria Netto, Lead Capital Markets and Financial institutions Specialist, MNETTO@iadb.org Juan Jose Gomes, Lead Capital Markets and Financial institutions Specialist, JOSEG@iadb.org Daniel Hincapie, Operations Specialist, DANIELHI@iadb.org

¹ These funds will be administered by the IDB through a non-reimbursable Project-Specific Grant (PSG). The Government of Denmark will contribute DKK 34,500,000, equivalent to approximately US\$5,000,000 at an exchange rate of 0.145 (July 18, 2015, Source: <http://www.xe.com/currencyconverter/>). This PSG will be administered by the IDB pursuant to IDB policies (document SC-114). In accordance with that document, the commitment of the Government of Denmark for the PSG will be established through a separate Administrative Agreement. The budget in USD is only for illustration for this document. However, for the IDB approval process, the Technical cooperation budget will have to be illustrated in USD. To ensure the budget is realistic, the contingency resources have been set as to cover exchange rate swings up to 3%, which reflects the last 6month USD-DKK volatility as of 28th of July 2015.

1. Program objective and justification

The **objective** of the proposed Regional Energy Savings Insurance program (ESI-LAC) is to promote investments in energy saving measures by small and medium enterprises (SMEs) in five countries: Brazil, Colombia, El Salvador, Mexico, and Peru by addressing existing financial and non-financial barriers that prevent the adoption of energy efficiency (EE) measures, thus creating an enabling environment and business models that stimulate market development including both demand and supply of financing for EE projects by private sector firms.

To support the development and strengthening markets for energy services including by building trust and confidence among market actors, the program builds on partnerships with relevant local public financial institutions such as national development banks and other key actors to address risks and structure both the demand and supply side with support from technical assistance, thus paving the way for increased investment with financing through credit lines with the respective institutions.² Key elements of the risk management and financing strategies include a standardized contract; an energy savings insurance instrument; and validation and verification mechanisms.

Overview of the Document: This section illustrates the Theory of Change of the program, the barriers to EE investments; the situation in Latin America with respect EE; at the global significance of EE investments. It reflects the experience with ESI in other countries, presents a summary of the methodology of the program as well as the expected outcomes. **Section 2** explains the methodology and selection criteria for program beneficiaries. **Section 3** details the ESI-LAC program methodology and approach. **Section 4** defines program components while **Section 5** provides an overview of expected outputs as results of the technical cooperation. **Section 6** presents the expected outcomes to which the Program will contribute. **Section 7** describes co-benefits of the Program and **Section 8** includes the Program budget by component, at annual output level, and by annual development partner contribution. **Section 9** describes IDB role as executing agency and the technical management of the Program. **Section 10** addresses Program risks and risk management mechanisms to mitigate risks. **Section 11** describes the monitoring and evaluation measures related to the Program. **Section 12** lists the relationship with other related initiatives that ESI-LAC could benefit from and contribute to. This project document is accompanied by an Annexes listed in **Section 13**.

Diagram 1 below summarizes the Theory of Change, inputs, activities, expected outputs, risks and risk mitigation measures within the scope of the regional technical cooperation and expected outcomes the cooperation contributes to in Brazil, Colombia, El Salvador, Mexico, and Peru.

The theory of change of the program (as illustrated in Diagram 1) is that in the current situation the EE investments are not occurring due to barriers to investments (detailed below). The standard solution to this situation was to provide (concessional) credit lines for EE, or energy auditing, and concessional terms, however no integrated package of measures was applied to address all barriers to EE

² The ESI methodology has been analysed and endorsed as a mechanism to scale up private climate finance by the Global Climate Finance Innovation Lab <http://climatefinancelab.org> initiated by donor countries in collaboration with the private sector.

investments. In particular, previous attempts did not address all the barriers and underlying perceived risks of investment–decision making actors as well as often the longer maturities needed for these investments. The lack of experience with financing of EE investments by local financial institutions, and the lack of trust in actual energy savings coming forward, combined with the prioritization of other investments, have hindered EE investments from materializing. Diagram 1 illustrates how the proposed Danish technical assistance aims to address and improve on the current situation for EE investments in LAC, by combining Danish technical assistance with IDB technical expertise in financing, risk management, and energy saving measures, expertise by local financial implementing partners (National Development Bank - NDB) and their client networks, as well as international and local expertise procured for the program. The activities (Diagram 1) resulting from the combination of these inputs, enable an understanding of the demand and supply forces of the local market for energy efficiency financing and its current challenges, as well as structuring a strategy to address these challenges.

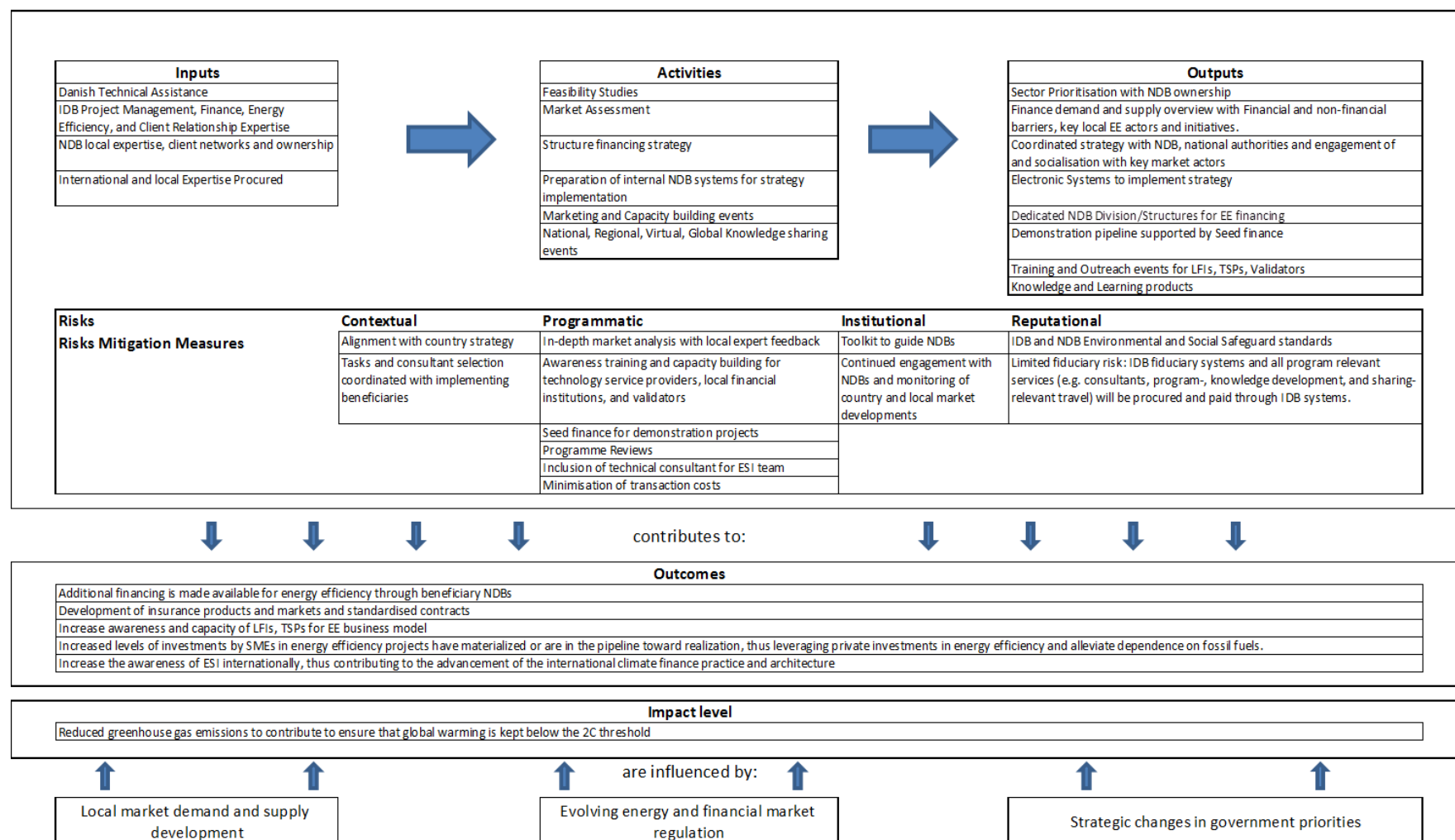
The outputs of these activities result in a strategy that has been developed and tested with local relevant private actors for EE investments including potential investors (SMEs), local financial institutions, technology service providers. Furthermore, capacity building measures for private actors and the implementing beneficiary (NDB) result in a sustainable market development by creating new lines of business for the participating actors. The risks of the proposed program are of contextual, programmatic, institutional and reputational nature and are mitigated as part of the program design. The proposed program contributes to outcomes and impacts.

The expected impact of the implantation of the financing strategy is the reduction of greenhouse gas emissions to contribute to ensure that global warming is kept below the 2C threshold. The emission GHG reductions are caused through avoided emissions due to energy savings investments implemented by SMEs and financed by local financial institutions. Outcomes the program contributes to are additional financing for EE investments, the development of standardized instruments (energy savings contracts, validation methods and insurance conditions) for the EE market, increased awareness of market actors, as well as increased investments.

Outcomes and impacts are influenced by factors outside the control of the technical assistance (market development, energy and financial market regulation and strategic changes in government priorities). These factors are somewhat mitigated due to the relationship and ownership by public implementing beneficiaries (NDB) of the program and IDB's local offices which are informed about any changes in the market and regulation.

Diagram 1: Theory of Change of the ESI-LAC proposal

Regional Energy Savings Insurance Program



Potential and barriers to EE

The use of highly efficient technologies and retrofit strategies can play an important role in reducing the energy intensity of economic activities and avoiding the need for new energy supply. At the same time, it can enhance firm productivity, potentially reduce emissions, and support climate change mitigation in a cost-effective manner. As highlighted by the International Energy Agency (IEA), energy efficiency (EE) is the most important element in keeping the door open to the globally agreed 2°C target through to 2020 at no net economic cost³. Energy efficiency can potentially boost economic growth and support energy security and competitiveness, while also improving general health and the environment. Analysis for LAC confirms that the energy-saving potential continues to be high, and that in general, about 15-20% of energy consumption could be avoided using measures with short payback periods⁴.

Situation in Latin American and Caribbean Countries

The starting situation in Latin America and the Caribbean (LAC) countries is, however, characterized by a relatively low level of private investments in EE. Direct investments and projects from Small and Medium Enterprises (SMEs) financed through local financial institutions are still low in LAC due to a set of general barriers, including but not limited to⁵:

- Limited availability of investment credit at adequate terms and conditions;
- Lack of knowledge of local financial institutions (LFIs) on the risks and returns of EE projects and on how to market, analyze, structure and finance them – EE projects may also confront ‘financial modelling’ or ‘pricing’ issues for lenders as well as difficulties in accessing finance because of the lack of collateral;
- Lack of knowledge by potential beneficiaries about the economic benefits of EE project investments;
- Longer pay back periods of EE projects as compared to normal activities funded by the Banks;
- The perception that EE projects are not “business as usual” investments; and
- Lack of financial capacity of local energy technology or service providers. Although they are knowledgeable on alternative technologies, and on how to structure technically-robust EE projects, they tend to have a very small capital base that would allow them to invest directly on these technologies. It is worth pointing out that in other more advanced economies, Energy Services Companies are able to finance EE investment projects more easily under the ESCO model.

Previous attempts which have focused on the provision of a financing line with favorable conditions for market actors have not shown the expected results. The proposed Program proposes a full set of mechanisms to address all financial and non-financial barriers.

³ IEA (2013) [World Energy Outlook Special Report 2013: Redrawing the Energy Climate Map](#)

⁴ ECLAC (2014) [Energy efficiency in Latin America and the Caribbean: Progress and challenges of the past five years](#)

⁵ Ibid.

To address all relevant barriers, a financing line needs to be accompanied with a set of activities and risk mitigation instruments that will ensure that any real or perceived risk is addressed, and that the financed projects actually result in tangible energy savings, as well as GHG emission reductions.

Global context and contribution to international initiatives

The UN Sustainable Energy for All (SE4ALL) initiative is gaining momentum as a key international framework for energy – and ESI is particularly justified in its support of the SE4ALL goal on EE. IDB is the SE4ALL Regional Hub for the LAC Region, enabling ESI to exploit synergies with SE4ALL activities in participating countries and beyond. It is a priority area of Sustainable Energy for All to address financing barriers to achieving the objectives with a focus on mobilizing private financing. As a part of this, the SE4ALL Finance Committee has identified insurance instruments – including insurance for energy efficiency performance – as key instruments in reducing risks and mobilizing increasing private sector investment in sustainable energy.

The year 2015 is a momentous year on the international arena with regard to climate change, sustainable development and energy, with landmark events including the process toward a global agreement at the Conference of the Parties to the UNFCCC (COP 21) in Paris in December as well as the UN Summit on the Sustainable Development Goals (SDGs), September 2015 in New York. ESI is well aligned with and supportive of both processes.

In the SDG process, the proposed SDG #7 on energy embodies the goals of Sustainable Energy for All, including the goal of doubling the global rate of improvement in energy efficiency by 2030. Also relevant is the SDG # 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

The ESI initiative is also supportive of the process toward and beyond COP21 where climate financing is expected to be a key issue in the negotiations. Energy Efficiency is one of the key areas addressed in the technical work under UNFCCC to enhance mitigation ambition in the period to 2020, and the ESI initiative is an example of concrete measures being undertaken to harness the potential, thereby helping to demonstrate concrete action, potentially contributing to momentum in the UNFCCC process. In addition, ESI has been recognized by the G7 and recommended by the private sector advisory board to Green Climate Fund as a priority engagement for the Private Sector Facility of the Fund.

Building on experience from pilots

The regional Program builds on lessons learned (see annex 5) from an ongoing collaborative effort between the IDB and the Government of Denmark to support the structuring of bankable projects and scale up private sector investments in EE by empowering national development banks (NDBs) to structure and coordinate innovative risk management and financing strategies. In particular, it aims to scale up pilot models initiated, with resources from the Climate Investment Funds, in collaboration with a rural NDB in Mexico ([FIRA](#)) and a NDB in Colombia ([Bancoldex](#)) to 3 additional countries (Brazil, El Salvador, Peru) in different SME sectors (service, manufacturing, tourism and agribusiness).

Methodology: The replication and expansion of pilot initiatives will apply a common methodology and a step by step approach with beneficiary NDBs consisting of: (i) assessment of niche markets opportunities through a feasibility study and market assessment; (ii) development and combination of tailored risk sharing and financial and non-financial mechanisms to scale up investments in EE; (iii) engagement of LFI and insurance/assurity companies in the deployment of new financial and risk mitigation products, respectively; (iv) identification and engagement of technology providers and key market stakeholders to structure the demand for financing through the structuring of bankable projects; and (v) development of standards and mechanisms for monitoring, reporting, validating, and monetizing the expected positive results stemming from EE private sector investment projects.

The design and structuring of the risk mitigation instruments and the step by step approach are core elements to be conducted with support of Danish technical assistance. The IDB experience with ESI pilots in Mexico and Colombia will facilitate the replication and adaptation of these activities to the ESI host country realities.

The Danish technical assistance fund, together with IDB expertise and NDB in-kind support, intends to create the local conditions and capacities for the establishment of new and/or re-orientation of existing credit lines for energy efficiency investments by the private sector in ESI host countries. The design, financial structuring and establishment of credit lines for productive and sustainable development is the core business and mandate of the CMF division. Between 2011 and 2014, the division approved in total USD 200 Million in green finance funds operations for renewable energy, energy efficiency in buildings and in industry, agriculture and forestry channeled through NDBs. For the establishment of ESI-specific credit-lines, the Program draws lessons from the establishment of credit lines in the case of Bancoldex in Colombia and FIRA in Mexico. In both operations, technical cooperation has prepared the enabling environment for the establishment of a credit line operation. In both cases, climate finance grant resources have paved the way for the establishment of credit lines. It is the clear intention of IDB that the Program shall follow this pattern and lead to financing of SME EE investment through either new credit lines or existing ones that are made available for SME investments. It is also the shared understanding with partner NDBs that this is the objective when IDB and NDB partners enter into collaboration under the Program. It is neither possible under IDB procedures nor is it deemed necessary to request a formal commitment from NDBs to establish credit lines linked to the technical cooperation. International climate finance has enabled essential technical support in both Mexico (Clean Technology Fund and Denmark) and Colombia (CTF), which has leveraged IDB resources. For the ESI Program, there is an expectation that the Danish support could leverage additional co-financing from international climate finance providers (e.g. bilateral donors or the Green Climate Fund, the NAMA Facility and others).

Expected outcomes: It is expected that the Program will result in the following outcomes:

- Additional financing for energy efficiency through beneficiary NDBs and SPVs (Based on previous experiences, it is expected that each beneficiary bank would assign a credit line of at least USD 20 million in average);
- Increased levels of investments by SMEs in energy efficiency projects (it is expected that in the short term the financing from NDBs would leverage at least an additional 20% in financing from SMEs' own resources. In the medium to long term, once LFIs and investors become aware of the real risks

and returns associated with EE investments, each dollar in financing provided by an NDB could leverage 1.5 dollars in private sector financing through LFI co-financing and SMEs own resources);

- Development of insurance products and markets to cover promised energy efficiency savings in the markets of beneficiary entities;
- Development of standard contracts that can be used by SMEs and technology and EE service providers;
- Increased awareness and capacity of LFIs, technology and EE service providers to implement the promoted business model.

2. Beneficiaries

Methodology and criteria for selection of partners

The ESI Program is based on the engagement of several key public and private partners in the respective countries. The choice of **beneficiary countries** is based on the following criteria that are reflected in the Annex on Country profiles and Beneficiary profiles:

- a) The alignment of country objectives with the ESI Program
- b) The existence or interest in preparation of a credit line with the country or implementing beneficiary
- c) The market potential for energy efficiency equipment and the status of market development
- d) The availability of a suitable insurance market for ESI
- e) Suitability for and options for replication, impact potential, and country size

The criteria for selecting implementing **NDB partners** are:

- existence of a government mandate for SME financing, focusing either explicitly on energy-efficiency and renewables financing or broader productivity development;
- sectoral expertise, experience and credibility in the beneficiary country;
- availability and reach of an established client network of local financial institutions ;
- interest in building up new or enhancing existing capacity;
- existing IDB operations with the implementing NDB;
- Institutional incentives to provide financing to end-beneficiaries.

Identification and selection of **private sector partners**: validators, technology service providers, local financial institutions, SME end-beneficiaries, and insurance providers. These are scoped and engaged through the market assessment and subsequent consultations as well as during the development of the aforementioned risk mitigation instruments. Key criteria for private sector partner selection include their technical capacity and the presence of client networks, for instance between technology service providers and SME end-beneficiaries, between technology service providers and insurance companies, and in some jurisdictions between validators and technical service providers.

Implementing partner NDBs have all sent letters of request to the IDB confirming their interest in participating in the Denmark financed ESI Program. Colombia and Mexico are already advanced reflecting their ongoing pilot ESI projects with the operational infrastructure in place.

Following these selection criteria, the Program will be executed by the IDB to support the following institutions which have formally confirmed their interest in the Program and are already collaborating with the IDB in other green initiatives. (see annexes 1 and 2 for a description of selected countries' contexts and beneficiary profiles).

The selection methodology and intensive discussions with international experts for energy efficiency and Latin America in January 2015 and July 2015, and coordination with the Danish government have resulted in the following implementing beneficiaries and countries for the ESI Program

Table 1: ESI Beneficiary countries and implementing partners

	New Market Assessment	Extending existing sectoral scope of pilots
Replication in smaller highly emitting economies	El Salvador - Development Bank of El Salvador (BANDESAL)	- not applicable
Replication in large / medium size economies	Brazil - Development Bank of Espírito Santo (BANDES) - Development Agency of Goiás - Development Bank of South (BRDE) Peru - Development Financial Corporation (COFIDE)	Colombia - Development Bank of Colombia (BANCOLDEX) Mexico - Energy Efficiency Savings Trust Fund (FIDE)

Formal arrangements with implementing partners in the remaining countries are well advanced and all have sent a letter of request (carta de demanda) to the IDB confirming their interest in participating in the Denmark financed ESI Program. Colombia and Mexico are already advanced markets with the operational infrastructure including standard contract through the existing pilots. Preparatory steps have been taken in Brazil to follow-up with the official request of the three national development banks through an informative mission in June 2015, where also potential insurance companies (e.g Allianz) were consulted. El Salvador, has an advanced market assessment, an existing IDB credit line for SMEs, and the implementing beneficiary considers to propose ESI to the Green Climate Fund. In Peru, the beneficiary partner Cofide has experience with existing energy efficiency credit lines, which ESI builds upon, and will be able to leverage the existing IDB client relationship with Cofide. In addition, SurAmericana, the insurance company that pioneered ESI in Colombia is available in Peru and El Salvador, which facilitates a scale-up in these countries.

The Program is intended to benefit the following target group and create a sustainable environment for private sector activities in energy efficiency:

- Small- and medium-sized enterprises that could potentially invest in EE to lower their energy costs, increase their competitiveness and reduce their carbon footprint in the context of improved access to finance;
- Local financial institutions interested in promoting new business lines, facilitating the allocation of funding into low-carbon projects and markets and catalyzing further investments in EE;
- Service and technology suppliers of EE, increasing the demand for their product and services, increasing their access to credit and enhancing their business opportunities on the markets they serve;
- Governments, supporting them in achieving their GHG reduction targets and enhancing the competitiveness and environmental sustainability of their economies.

3. Program methodology and approach:

As mentioned above, the proposed Program aims to replicate and expand to more countries / sectors / technologies a pilot business model and financing strategy already developed by the IDB in collaboration with the Government of Denmark with NDBs in Mexico ([FIRA](#)) and Colombia ([Bancoldex](#)). The proposed approach and pilot programs were assessed by the [Global Innovation Lab for Climate Finance](#) and endorsed and recommended by the lab as one of the most promising strategies to promote private sector investments in EE (see annex 5).

The Program will benefit from the knowledge that NDBs already have of their own local SME markets and on the role that such entities can play to deploy financial and non-financial instruments to promote private sector investments in EE. Furthermore, such entities are uniquely positioned to engage local financial institutions and private investors on EE investments, align development financing with national priorities on mitigation actions, and intermediate international climate funding to promote the scaling up of private sector investments in EE projects.

The approach promoted by the Program to support private sector EE investments seeks to develop financial and non-financial tools geared to stimulate both the supply of and the demand for financing for EE investments. From the supply side, the approach supports NDBs to develop a combination of long term credit lines and risk transfer mechanisms such as partial credit risk guarantees and insurance instruments to encourage firms and LFIs to invest in and finance EE projects, respectively. From the demand side, the Program offers non-financial products such as standardized contracts, instruments and methodologies for the technical verification of EE projects and technology and service providers by a third party validator, as well as capacity building, dissemination and outreach activities geared to local financial institutions, technology and energy services providers and SMEs.

The approach includes several of the elements that have been highlighted as important by institutional investors, including: development and application of risk mitigation instruments in order to “crowd-in” private investments and their financing; keeping down the transaction costs associated with sustainable energy investment; and promoting market transparency and standardization⁶. In summary, the key elements of the proposed approach include (see Annex 4 for an example of the Program integrated support and flow):

Standardized performance contract - A formal contractual arrangement between a potential client and a technology or energy services provider establishes a transparent and equitable risk sharing arrangement. The contract extends beyond merely supplying energy efficient equipment to cover the energy savings performance of the new installation. It reflects the ESI business model by incorporating energy saving guarantees during a certain period of time, monitoring indicators, reporting obligations and validation procedure. The energy saving guarantee is supported by the Equipment Provider through a retention of part of the total project cost to be released to the Provider in periodic tranches upon verification of contracted energy savings. The contract will be adapted to the local legal framework and current market practices.

Energy savings insurance - An insurance (e.g. in the form of a surety) covers the energy savings performance commitment assumed by the technology or energy services provider under the contract, mitigating even further the energy savings performance risk to the investor and its financier. Local insurance companies are mobilized with the additional support of international re-insurance companies.

Validation and verification mechanisms - A set of technology-specific independent validation procedures will be performed by a third party with strong credentials giving assurance to investors, technology suppliers, financial institutions and insurance companies.. Among the aspects that will be covered are: a) an ex ante technical validation of the ability of the EE project to deliver the energy savings; b) validation of the technical capacity of the technology supplier to deliver the project; c) verification that the equipment has been installed according to the proposal; d) the verification that the substituted equipment has been properly disposed of; e) verification of reported energy savings; and f) the arbitration in case of disagreement between the client and the technology solution provider about the achieved energy savings.

Awareness raising, partnerships, and pilot projects - A key aspect of making EE markets take off is to raise awareness and engage key actors in energy efficiency opportunities. Potential investors (clients), financial institutions and technology solution providers are targeted and connected. Support is provided to build an initial pipeline of “bankable” energy efficiency projects to demonstrate the viability of the mechanism and attract the interest of key players in the market.

Financing - A credit line from IDB is channeled through a NDB, enabling the local public sector financial institution to provide competitive financing at longer terms to support enterprises in the

⁶ See e.g. OECD (2015) [Mapping Channels to Mobilize Institutional Investment in Sustainable Energy](#)

implementation of energy efficiency measures. The establishment of a credit line is dependent on the clear understanding of the demand and supply of finance, barriers, and a structured financing strategy.⁷

Diagram 1: Key elements of the intervention package:



The model, illustrated in Diagram 1, emphasizes the use of standardized approaches that minimize transaction costs. This is enabled by focusing on sectors and technologies where relatively standard energy efficiency solutions are available. Technologies covered to date include: Air-conditioning, electric motors, industrial boilers, refrigeration, compressed air systems, cogeneration systems, refrigeration systems, solar water heating, and LED lighting. In addition to the standardized contract, the standardize package includes templates for each of the verifier's activities, including technical evaluation protocols for each of the relevant EE technologies in the sectors of Program focus. In consultation with other key players, the contract, templates and protocols are adapted for local conditions.

A common methodology is applied to assess opportunities, risk, barriers and design the Program in a tailored manner to the specific SME needs in different countries and for different technologies / sectors. These include a detailed marketing study in the sectors of focus, to determine the state of play, demand, appropriate technologies, barriers, and key players. Among these players are technical institutions which are candidates to become verifying entities to assess the technical capacity of EE technology and

⁷ The ultimate decision on and timing of the establishment of credit lines is dependent on a number of factors beyond the direct control of the Program, including budgetary space and the decisions of the relevant authorities in ESI host countries, including but not limited to the Ministries of Finance, Energy, and Environment. Due to the clear demand for the Program and the its strategic alignment with country strategies of energy conservation and private sector development, the IDB expects this support from the relevant authorities to materialize. The outputs of the technical cooperation create the enabling conditions for the introduction or reorientation of credit lines by overcoming barriers to SME demand for EE investments and offering reassurance to both end-users, local financial institutions and technology providers.

service providers, to validate technical proposals, and to act as arbiter of eventual disagreements about savings achieved.

The approach adopted is in line with international best practice recommendations on EE identified for the region which encourage⁸:

- Development of the **supply of financial products by commercial banks, development banks and other financial institutions** specifically targeted to develop the EE projects market.
- Encouraging private sector investment through **public-private partnerships to achieve market development initiatives**.
- **Promoting the public banking system to play a more significant role** in the creation of the EE financing market.
- **Technical assistance programs for banks, financial entities, energy efficiency auditors and certifying agencies** on the financial and economic evaluation of EE projects.
- Developing **information, research, education and promotion of energy efficiency**.
- Developing financial instruments beyond concessional credit lines, for example **performance contracts, insurance, and financing that reduce the risk for customers, project developers, and companies implementing EE projects** considering the importance of sharing risks.
- Strengthening the **development of independent validating entities**.
- Establishing lines of **concessional resources for the development of pilot and demonstration projects** to remove specific identified barriers.
- Development of **the supply of qualified engineering services** for the preparation and execution of energy efficiency (ESCO and engineering service companies, etc.).

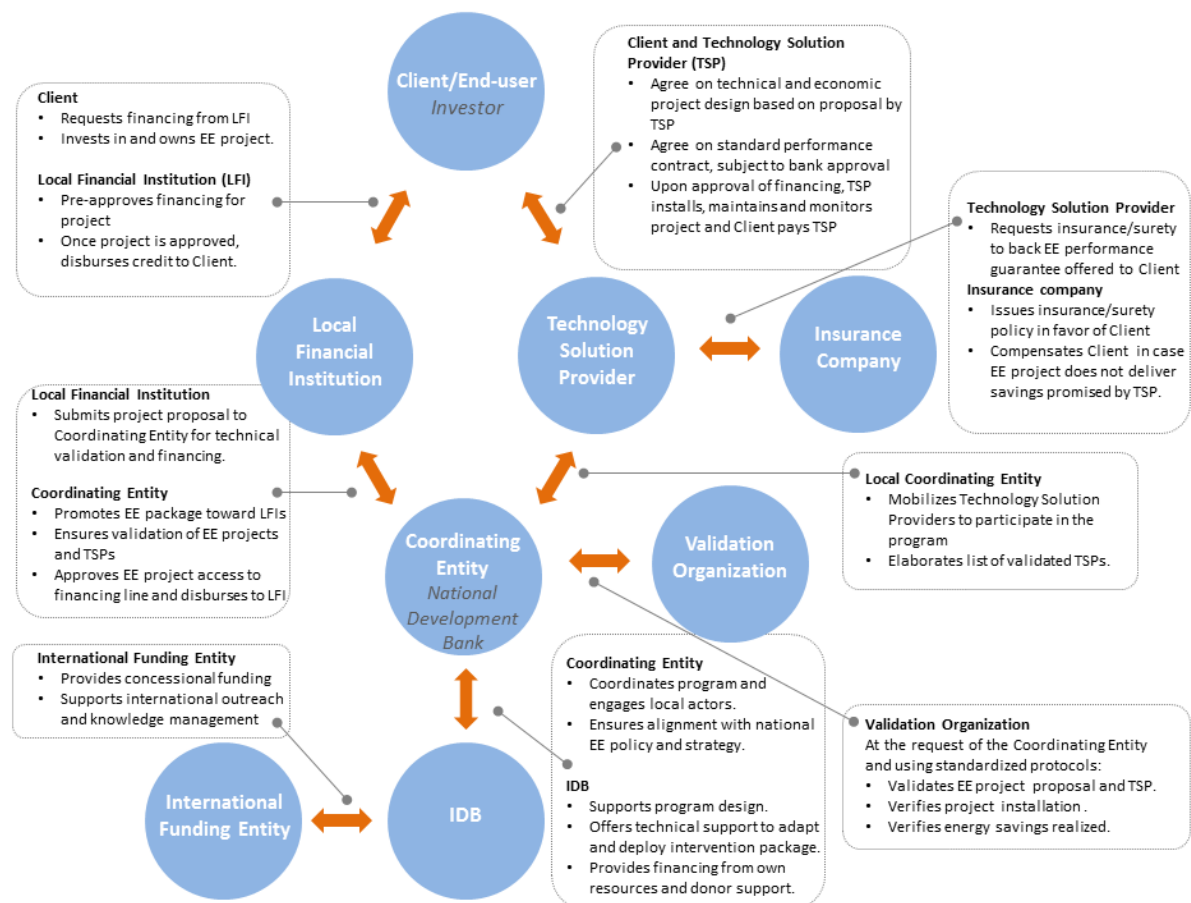
Stakeholders and their roles

- Once an agreement has been reached to introduce the Program in a country and sector with a given national counterpart institution, the above technical elements of the intervention can be carried out within 1-1.5 year. Development of a new financing line with the IDB is likely to require more time. However, often existing financing of the NDB or with the IDB can be leveraged.
- The integrated approach to overcoming perceived risks of investing in EE and developing markets require mobilization of key market actors. Important roles in implementation will be played by local financial institutions; private companies as energy end-users and investors; energy service and technology providers; insurance companies; and third party validators/verifiers.
- There is increasing focus on how the public sector, including national development banks (NDBs), can develop and implement targeted measures that mobilize private investors and increase investments in energy efficiency. This intervention package establishes a public-private program to do just that, with targeted international support.

⁸ See e.g. [ECLAC: Recommendations of V Energy Efficiency Regional Dialogue](#)

- In each country and sector, a strong local entity is identified that is willing to act as a “champion” and coordinator and which has the capacity to operate the program based on a mandate to support economic development. The Program relies heavily on the outreach and credibility of this entity with local commercial banks and local firms.
- The diagram 2 below illustrates the roles of key stakeholders in the program:

Diagram 2: Roles of key stakeholders in ESI Program



4. Program components and activities:

Each intervention in a given country and sector will comprise a number of steps that use the standardized package of interventions as a point of departure to develop a tailored package. The replication and expansion of the proposed model will be ensured by the support provided to each of the NDBs benefiting from the Program through the following components:

Component 1: Development for each of the NDBs of ready-to-use, tailored financial strategies consisting of a combination of financial instruments (i.e. guarantees, long term credit lines, contingent credit lines, insurance, etc.) and non-financial instruments (i.e. technical support for project

development, capacity building of firms and potential clients, capacity building and promotion with local financial institutions, development of standard contractual mechanisms for risk sharing, mechanisms and methodologies for technical validation of technology and energy services providers and projects, monitoring and verification by third parties, etc.).

Each NDB will receive capacity development and be supported to develop ready-to-use, tailored financial strategies consisting of a combination of financial instruments and non-financial instruments through the following steps:

- **Feasibility analyses**, to determine priority EE sectors per implementation country / NDB mandate, including:
 - Evaluation of countries priorities and key governmental and private institutions to partner with;
 - Evaluation of different EE market opportunities and sectors through the implementation of a rating system (i.e., scorecard with weighted criteria) coordinated with the implementing beneficiary;
 - Selection of large potential market opportunities;
 - Assess EE technology and service providers as well as value chain.
- **Market assessment**, including:
 - Assessments of market size and key characteristics (including barriers, segmentation, opportunities, etc.);
 - Technology analysis (economic and cost-benefit analysis, key market characteristics, identification and assessment of technology and energy services providers);
 - Assessment of local insurance markets, players and options (i.e., insurance, surety, etc.) to develop insurance/surety products.
 - Determination of characteristics of the financing requirements and financing availability;
 - Identification and alignment of existing initiatives and public efforts, including the country-specific legal and institutional framework; and
 - Identification of existing institutions or firms specialized in the technical and performance validation of EE projects.
- **Support in the design of fully pledged energy savings insurance strategies**, including:
 - Development of standard contracts for risk sharing between EE technology and energy services providers and SMEs;
 - Development of insurance terms, coverage and policy;
 - Development of methodologies for assessing the technical quality of EE project proposals and to monitor and evaluate their energy savings performance;
 - Development of processes and methodologies to validate the technical experience of EE technology and energy services providers;
 - Proposal for other specific financial instruments (i.e. long term credit lines; credit guarantees; contingent lines of credit, etc.);
 - Proposal for capacity building efforts and the promotion and marketing of the strategies;
 - Proposal for the deployment of the program (including budget, assessment of the capacity of beneficiary banks to adopt the strategy into their current operational structure; as well as other legal, financial and institutional requirements);

- Support for the identification of pilot projects for the launching of the financing strategies; and
- Support, when appropriate, to develop proposals to access international climate finance sources and blend resources from those sources into the strategies.
- **Support the development of a registry of expected impacts** of the financing strategies, including:
 - Develop an information / electronic/ banking system and registry to ensure continuous monitoring, compilation and indexing of data relating to investments, technologies, projects' energy savings performance and their respective achieved emission reductions;
 - Training and support to ensure continuous data gathering and maintenance;
 - Based on the data collected by each strategy, technical cooperation for an independent impact assessment of each of the strategies supported in the five countries;

The budget allocated to each of the countries and NDBs may be differentiated depending on the complexity of the sectors selected and the size of the countries.

Component 2: Support implementation of a financing strategy: The program will also support each beneficiary NDB in the implementation of ESI program, through the following activities:

- Support in awareness raising and capacity building of beneficiaries (SMEs, EE service and technology providers, LFIs) of the various tools developed under the program (methodologies to assess energy savings, standard contract, insurance policy, third party technical quality verification)
- Support NDB in defining source and final amount of funding - the resulting financing strategies for each NDB are expected to be financed by a combination of resources from the own NDBs, LFIs, SMEs, the IDB and potentially from international climate finance sources;
- Support in the selection and launching of pilot projects to be supported by NDBs' ESI programs, as well as seed finance for demonstration projects ; and
- Support in the continuous monitoring and verification of program results, including lessons learned to be replicated and potential standardization of processes and methodologies that could be promoted to spread the ESI model to additional sectors in the same country.

Component 3: Knowledge Platform: Collection and sharing of best practices among NDBs in promoting financing for EE in the LAC Region and sharing with LAC and globally

The Program will promote the collection of information and dissemination of lessons learned and good practices in developing strategies to finance EE both at national and regional levels as one of its key outputs. Planned activities in this regard include:

- Development of studies, webinars, presentations, newsletters and guidelines showing specific experiences in structuring ESI for different countries and sectors.
- Organization, in collaboration with national and regional networks such as ALIDE, FELABAN, ABDE, ESCO and sectorial SME associations, of national and regional events to share experiences and disseminate knowledge products with other NDBs, LFIs, energy services and technology providers and potential SME project developers.

- Organization of training and outreach to SMEs, LFIs and energy service providers to be promoted through the NDBs' training and promotion systems and facilities and with technical backstroking of dedicated technical experts.
- Design and maintenance of dedicated web interfaces for the Program and its activities to be disseminated under IDB dedicated NDB web pages, i.e. [Klave Finanzas Verdes](#)" and the [community of practices for Financial Institutions on green finance](#) (all the information relating to the Program will be made available publicly through [dedicated web page](#) and in accordance with [IDB transparency and access to information policies](#)).

The technical assessment of lessons learned and measures to ensure positive impact of training and capacitation of different stakeholders (LFIs, firms, NDBs) will be supported by methods and technical capacity of the [IDB dedicated knowledge generation department](#).

In addition to the above component the program foresees a joint inception review (in November 2016, approximately 10 months after program start) and a joint mid-term review. Furthermore, an update of a "lessons learnt" report, expected October 2016, on the ESI pilots will be timed so as to be available prior to the Inception Review, and at the same time late enough to incorporate lessons learnt on the ground in both Mexico and Colombia, as reflected in the Gantt Chart (Annex 9);

5. Outcomes⁹:

The energy savings insurance, the third party validation and the standard contract will reduce technology risk for SME buyers (and participating banks) by ensuring that the EE equipment financed will save sufficient energy to repay the loan. Outreach and capacity building efforts will assure EE equipment vendors that they will reach an expanded SME market. Furthermore, by packaging their equipment with ongoing maintenance and verification services, provided under performance-based contracts, they will generate new and additional sources of income. With the development and implementation of a pipeline of projects, the capacity and credibility of technology solution/energy service providers will be enhanced. In parallel, banks will become increasingly familiar with the real risks and returns associated with energy efficiency investments.

It is expected that these conditions brought about by the Program will contribute to the following outcomes:

- Additional financing for energy efficiency through beneficiary NDBs and SPVs (Based on previous experiences, it is expected that each beneficiary bank would assign a credit line of some USD 20 million);

⁹ While the intention, theory and rationale are clear, the formal decision to establish credit lines or to reorient existing credit lines for ESI cannot be pre-empted and will be taken in each case after the market assessment and the structuring of the financial strategy. This sequence has proven crucial for the discussion with country level partners about allocating limited resources to the credit line. For instance, the pilot countries Mexico and Colombia provided USD 20 Million and USD 10 Million, respectively, for the ESI program following the market assessment and the structuring of the financial strategy.

- Increased levels of investments by SMEs in energy efficiency projects (it is expected that in the short term the financing from NDBs would leverage at least an additional 20% in financing from SMEs' own resources. In the medium to long term, once LFI and investors become aware of the real risks and returns associated with EE investments, each dollar in financing provided by an NDB could leverage 1.5 dollars in private sector financing through LFIs co-financing and SMEs own resources);
- Development of insurance products and markets to cover promised energy efficiency savings in the markets of beneficiary entities;
- Development of standard contracts that can be used by SMEs and technology and EE service providers;
- Increased awareness and capacity of LFIs, technology and EE service providers to implement the promoted business model.

With respect to the integration of Outcomes in the Results Framework - including indicators to be assessed at the end of the Program - it is to be noted that the IDB's internal results framework for client supported technical cooperation is restricted to results that can be achieved within the technical cooperation and which are under the direct control of the project¹⁰.

6. Results Framework:

In line with the qualification included in the Section on Outcomes, it is to be noted that the Outcomes and related indicators as included in this document should be understood in line with the Danish Aid Management Guidelines, which make it clear that while the Program provides a material contribution to the outcomes and impacts, outcomes and impacts stem from factors both within and beyond control of the engagement. The inclusion of the Outcomes and indicators is therefore not to be interpreted as a formal commitment by the IDB or its partner implementing entities to achieve the outcomes.

The technical cooperation contributes to the following outcomes

Outcome		Additional financing is made available for energy efficiency through beneficiary NDBs	
Baseline	Year	2015	Limited or zero level of NDB financing channeled toward EE despite the availability of financing lines
Target	Year	2020	Significantly increased level of targeted EE finance. (Based on previous experiences, it is expected that each beneficiary bank would assign a credit line of at least USD 20 million in average)
Outcome		Development of insurance products and markets to cover promised energy efficiency savings in the markets of beneficiary entities	
Baseline	Year	2015	Non-existing Energy Savings Insurance products (except for Mexico and Colombia)

¹⁰ This is to ensure that the IDB is held accountable only for results that are under its control. It is also a way of avoiding possible conflicts of interest whereby technical support could be conditioned on partners taking loans from IDB.

Target	Year	2020	ESI products developed and available in local markets.
Outcome		Development of standard contracts that can be used by SMEs and technology and EE service providers	
Baseline	Year	2015	Absence of standardized contracts targeting SMEs and technology providers.
Target	Year	2020	Standardized contracts developed and being applied in local markets.
Outcome		Increased awareness and capacity of LFIs, technology and EE service providers to implement the promoted business model.	
Baseline	Year	2015	Limited awareness and capacity to facilitate SME EE investments by the main categories of actors in the local market.
Target	Year	2020	Significantly increased awareness and capacity to implement the SME EE finance business model in each of the local markets.
Outcome		Increased levels of investments by SMEs in energy efficiency projects have materialized or are in the pipeline toward realization thus leveraging private investments in energy efficiency and alleviate dependence on fossil fuels	
Baseline	Year	2015	Limited SME investments in EE.
Target	Year	2020	It is expected that in the short term the financing from NDBs would leverage at least an additional 20% in financing from SMEs' own resources. In the medium to long term, once LFIs and investors become aware of the real risks and returns associated with EE investments, each dollar in financing provided by an NDB could leverage 1.5 dollars in private sector financing through LFIs co-financing and SMEs own resources.
Outcome		Increase the awareness of ESI internationally, thus contributing to the advancement of the international climate finance practice and architecture	
Baseline	Year	2015	Awareness on ESI through Climate Finance Innovation Lab before implementation of program.
Target	Year	2020	The Scale-up and replication efforts in Latin America will provide lessons learnt for the replication in other regions as thus provide valuable inputs to the evolving international climate finance practice and architecture.
Impacts		Reduced greenhouse gas emissions to contribute to ensure global warming is kept below 2C threshold	

Outputs are a direct impact of the technical cooperation Output		Feasibility analysis studies, identifying EE sectors to be prioritized	
Output indicator		Number of completed feasibility analysis studies (cumulative)	
Baseline	Year	2	El Salvador (Bandesal) and Colombia (Bancoldex) have prioritised their sectors.
Target	Year 1	7	All Brazilian partners and Mexico have prioritised its EE sectors. Till the second half of the year, Peru finalises its prioritisation.
Target	Year 2	7	All implementing partners have completed feasibility analysis.
Target	Year 3	7	
Target	Year 4	7	
Target	Year 5	7	
Data Source, means of verification		Each NDB/implementing partner supported should have a complete feasibility study identifying the specific EE sectors and technologies to be prioritized / supported by the financial strategy. It is expected that feasibility studies should be ready 6 months after the startup of support to each of the NDBs. The feasibility studies should be made available from the IDB and NDB/implementing partners' information systems.	
Output		Market assessment studies, identifying financial and non-financial barriers to be addressed, main stakeholders to be involved in their deployment, and their GHG reductions potential	
Output indicator		Number of completed market studies (cumulative)	
Baseline	Year	1	El Salvador (Bandesal) has finalised its market assessment
Target	Year 1	6	Brasil, Mexico, Colombia finalised their market assessment
Target	Year 2	7	All implementing partners finalised their market assessment and presented the assessment to relevant authorities and market actors
Target	Year 3	7	-
Target	Year 4	7	-
Target	Year 5	7	-
Data Source, means of verification		Each NDB/implementing partner supported should have a complete market assessment study identifying: i) the potential size of the intervention and the key financial and non-financial barriers preventing the promotion of EE sectors; and ii) and the main stakeholders to be involved in the financing strategies. The market assessments should be made available from the IDB and NDB/implementing partners' information systems.	
Output		Implementable ready-to-use financing strategies, including a complete set of financial and non-financial instruments and operational mechanisms to deploy them.	
Output indicator		Number of financing strategies for implementation of financing line (cumulative)	
Baseline	Year	1	Colombia (Bancoldex) has a financing strategy that needs to be adapted to new sectors.
Target	Year 1	2	El Salvador (Bandesal) has finalised its financing strategy
Target	Year 2	5	Five implementing partners have finalised financing strategies
Target	Year 3	7	All implementing partners have financing strategies
Target	Year 4	7	-
Target	Year 5	7	-
Data Source, means of verification		Each NDB/implementing partner supported should have a tailor-made, ready to use financing strategy to promote private sector investments in EE, including the required set of financial and non-financial instruments and mechanisms, respectively. The strategy shall be adopted by the NDB management. The information should be made available	

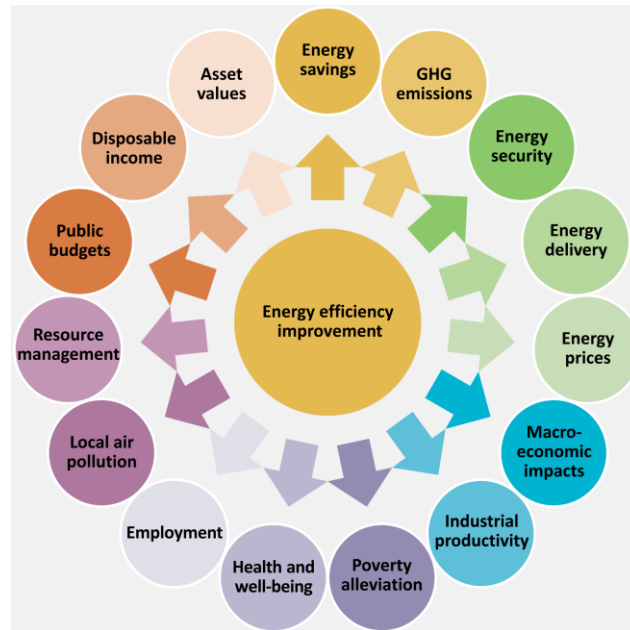
		from IDB and NDB/implementing partners' information systems.	
Output		Fully fledged electronic registry systems put in place for the monitoring and evaluation of projects and program's results.	
Output indicator		Number of electronic registry systems (cumulative)	
Baseline	Year	1	Colombia (Bancoldex) has an electronic registry system.
Target	Year 1	1	El Salvador (Bandesal) has an electronic registry system.
Target	Year 2	5	Five implementing partners have an electronic registry system.
Target	Year 3	7	All implementing partners have an electronic registry system by the first quarter of the year.
Target	Year 4	7	-
Target	Year 5	7	-
Data Source, means of verification		It is expected that each implementing agency/NDB will have developed an operational monitoring and evaluation system to track: i) private investments in promoted technologies stemming from the financing strategies developed; ii) their energy savings and/or new power generation; and iii) their respective GHG emission reductions. The monitoring and evaluating system of participating NDBs, should be based on an electronic registry system capable of collecting / indexing information stemming from supported EE projects intermediated by first tier LFIs. Such registry should also have clear format, templates and methodologies for collecting, maintaining and analyzing data. They should rely also on publicly available data systems and other relevant information needed to evaluate impacts, in particular national emissions factors, national energy generation plans and matrices, as well as promoted technology standards. The IDB will be tracking the development and establishment of the monitoring and evaluation systems and their compliance with best practices in this area and the program's requirements in order to collect and maintain data relevant to each financing strategy being promoted.	
Output		Dedicated divisions / structures to support the implementation of the financing strategies developed to promote private investments in EE	
Output indicator		Number of NDB dedicated divisions / structures (cumulative)	
Baseline	Year	1	Colombia (Bancoldex) has a dedicated ESI implementation structure.
Target	Year 1	2	El Salvador (Bandesal) has a dedicated ESI implementation structure.
Target	Year 2	2	-
Target	Year 3	4	Four implementing partners have dedicated EE financing structures
Target	Year 4	6	Six implementing partners have dedicated EE financing structures
Target	Year 5	7	All implementing partners have dedicated EE financing structures
Data Source, means of verification		Beneficiary information systems and IDB Systems.	
Output		Training and outreach events (TOE) for LFIs on the financing strategies developed to promote private sector investments in EE	
Output indicator		Number of LFIs informed and trained (cumulative)	
Baseline	Year	10	Colombian and Mexican LFIs informed and trained.
Target	Year 1	20	El Salvadorian (Bandesal)' and 5 Brazilian LFIs informed and trained.
Target	Year 2	25	LFIs for five implementing partners have been informed and trained.
Target	Year 3	35	LFIs in all implementing partner countries have been informed and trained
Target	Year 4	35	-
Target	Year 5	35	-
Data Source, means of verification		Each NDB should have outreached through campaigns and workshops at least 5 of the most relevant client LFIs (i.e. those LFIs identified during the market assessment phase as active credit providers for priority sectors with large potential for EE investments). The	

		project will also attempt to outreach at least 50% of the EE technology and energy services providers in the sectors where EE investments will be promoted. The training and outreach to LFIs and EE energy services and technology providers will be made relying on the NDBs existing promotion systems and capacity. Information in this regard will be collected by the IDB from actual participation lists in workshops, events, webinars and other relevant mailing lists.	
Output		Training and outreach events implemented in each country, targeting local technical verifiers	
Output indicator		Number of local technical validators informed and trained with ESI methodologies (cumulative)	
Baseline	Year	2	Colombian and Mexican validators informed and trained.
Target	Year 1	4	El Salvadorian validators trained. Brazilian validators informed
Target	Year 2	8	Brazilian validators informed and trained. Peruvian validators informed.
Target	Year 3	10	Relevant validators per implementing country informed and trained on ESI.
Target	Year 4	10	-
Target	Year 5	10	-
Data Source, means of verification		The training and outreach to local technical verifiers will be made through the NDBs existing promotion systems and capacity. Information in this regard will be collected by the IDB from actual participation lists in workshops, trainings and other capacity building events.	
Output		Training programs implemented in each country, targeting EE energy services and technology providers	
Output indicator		Number of technology service providers trained and informed with ESI instruments (cumulative)	
Baseline	Year	10	Colombian and Mexican TSPs informed and trained.
Target	Year 1	20	El Salvadorian TSPs trained. Brazilian and Peruvian TSPs informed.
Target	Year 2	30	Relevant TSPs informed and trained.
Target	Year 3	40	TSPs trained through additional trainings
Target	Year 4	40	-
Target	Year 5	40	-
Data Source, means of verification		The training and outreach events for EE energy services and technology providers will be made through the NDBs existing promotion systems and capacity. Information will be collected by the IDB from the actual participation lists of the workshops and training events.	
Output		Demonstration projects supported with seed finance (such as co-funding of the design of a batch of demonstration projects; partial coverage of insurance premiums)	
Output indicator		Number of pilot demonstration projects supported (dependant on combination of co-funding share) (cumulative)	
Baseline	Year	0	
Target	Year 1	0	
Target	Year 2	0	
Target	Year 3	20	Demonstration projects supported. More if through solely partial coverage of insurance premiums.
Target	Year 4	25	Demonstration projects supported.
Target	Year 5	35	Demonstration projects supported.
Data Source, means of verification		Loan applications and approvals for demonstration projects to test run ESI mechanism. Beneficiary information systems and IDB Systems	
Output		Knowledge platform - Number of learning products for global and regional ESI knowledge transfer (ESI Documentation Package, tools, e-learning, country reports, two webinars	

		and three international events) prepared, edited and published for use in Platform by EE target group	
Output indicator		Number of products/publications, events, country market reports, webinars published (cumulative)	
Baseline	Year	1	International event to launch ESI and knowledge collaboration
Target	Year 1	7	ESI Toolbox, National consultation event, regional event for NDBs, structure of knowledge web-module, 1 international event, webinar, updated lessons learnt report.
Target	Year 2	30	5 Country Market Assessment Factsheets, two national consultation events, validation, contract and insurance templates finalized for 5 implementing partners.
Target	Year 3	43	Country Market Assessment Factsheets, and validation, contract and insurance templates finalized for all implementing partners, regional event for NDBs, international event, webinar
Target	Year 4	45	Interim report of lessons learnt of implementation
Target	Year 5	52	Country and implementing partner status reports, international event
Data Source, means of verification		<p>New Regional Platform to be established. It is expected that the following knowledge products will be developed for each of the NDBs supported: webinars; training packages; technical report on lessons learned / case study; newsletter.</p> <p>The materials should be made available in a dedicated electronic platform for the Program, as well as under the IDB dedicated web pages for NDB green finance, i.e. Klave Finanzas Verdes” and the community of practices for FIs on green finance in the “Finanzas Carbono” platform.</p> <p>IDB will be tracking through these networks (data sources) the usage of the materials through website hits, downloads, as well as the number of new content, webinars and forums created by participants. The quality of the content of the materials posted on the different electronic platforms will be assessed through surveys to NDB clients and other target groups (LFIs, project developers, etc.). Products should be reviewed as of high quality by at least 50% of surveyed users.</p> <p>The materials will also be shared and promoted through IDB regional and national banking association partners and networks, such as ALIDE, FELABAN and ABDE.</p> <p>It is expected that at least 2 national dissemination workshops would be organized by implementing partners / NDBs (i.e. 20 workshops) to consult on and promote the financing strategies developed with local authorities, LFIs, local EE energy services and technology providers, as well as firms investing in EE projects through the program.</p> <p>One regional event to disseminate experiences with other NDBs would be organized using the ALIDE, FELABAN and ABDE networks, to name a few.</p> <p>IDB will be tracking the satisfaction of participants and the usage of materials and information shared through dedicated surveys to be undertaken as follow up to each of the events organized. The information will be compiled and made available through the IDB information system.</p>	

7. Expected co-benefits:

In addition to climate change benefits, as shown in the figure below, EE projects bring about many other co-benefits.



Source: IEA¹¹

It is indeed expected that projects under the Program will have strong social, economic, and environmental co-benefits, in addition to CO2 emissions reductions (See also annexes 7 and 8).

In general, EE projects under the Program will contribute to strengthen the productive sectors. Indeed, by reducing their energy and maintenance costs, the projects will impact the final beneficiaries' (SMEs) competitiveness and productivity. Furthermore, ESI can contribute to poverty reduction through improving employment and local working conditions.

The program will also have a direct impact on the national business environment by building capacity within the domestic private financial sector, increasing the access to finance of SMEs for green economy investments, and overcoming certain barriers such as the lack of standard contracts, risk transfer instruments and relevant information which have discouraged private sector investments in EE. Indeed, by introducing into the market standard energy savings sharing agreements, by promoting the deployment of standardized energy savings performance insurance instruments, and by increasing the awareness of potential beneficiaries and their financiers on the real risks and returns of certain EE

¹¹ IEA (2014) [Capturing the Multiple Benefits of Energy Efficiency](#)

technologies and on the technical expertise of energy services and technology providers, the program is expected to contribute to overcome the aforementioned market barriers.

The program will also contribute to alleviate the host country's dependence on fossil fuels and diversify its energy matrix, strengthening the national energy sector independence.

Economic co-benefits are expected to translate into financial sustainability due to a decrease in perceived risks, as well as into social co-benefits by impacting the level of employment in a certain region or sector (either increasing or protecting existing employment) or by reducing the rural exodus for example. An increase in innovation and more qualified jobs should also be considered. This 'second-level co-benefits', however, could be very costly to measure precisely.

The Program will be implemented in compliance with the host countries national legal and regulatory framework and in compliance with the implementing partners' own policies and regulations. Furthermore, the program will also be aligned with IDB environmental and social safeguard policies and regulations. The potential environmental and social risks associated with the given technologies eligible under the program will be identified, and a Protocol and a set of mitigation measures - to be applied by NDBs' client (i.e., LFI) and the sub-loan beneficiaries - will be developed taking also into account the implementing partner's Environmental and Social Risk standards. Those standards will include - among one of the most important ones - the assessment and monitoring of any potential adverse impacts on the environment if replaced units are not withdrawn from circulation and properly disposed. To mitigate this risk, an Equipment Decommissioning and Disposal Protocol will be part of any financing strategy developed under the program.

Each implementing partner in this program will benefit from this assistance through their relationship with the IDB, and will also benefit from any tailor-made, additional assistance that it could require in the future in this area to ensure that its project complies with the highest international standards on the matter. The Program will also benefit from the support that the IDB is already providing to some beneficiary NDBs. In the last 3 years, the IDB has been steadily supporting NDBs in the region in building their capacity to manage environmental and social risks. Support was provided through many different channels such as: (i) the development and dissemination of knowledge products; and (ii) tailor-made, technical assistance projects (like helping the national association of development banks in Brazil – ABDE – to implement the new banking regulation on E&S risk management established by the Central Bank of Brazil, or supporting some 10 NDBs in the design and implementation of their Environmental and Social Risks Management Systems).

8. Program Budget:

In principle, the combined amount of this operation is DKK 41.4 Million), with DKK 34.5 Million) from the Government of Denmark and (DKK 6.9 Million) in-kind counterpart resources from beneficiary entities. Total final resources in USD will depend on the exchange rate of the date when the resources are received by the Bank from the Government of Denmark. If a significant adverse movement in the

exchange rates reduces the amount of US dollars contemplated in this budget from the Government of Denmark and such amount cannot be covered by the contingency line item, the activities contemplated in the project will be decreased appropriately and the budget will be adjusted accordingly by the project team.

Resources for this project to be received from the Government of Denmark would be provided to the Bank through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)” (Document SC-114). As contemplated in these procedures, the commitment from the Government of Denmark would be established through a separate administrative arrangement. Under such arrangement, the resources for this project will be administered by the Bank and the Bank will charge an administrative fee of 5% of the contribution, which is duly identified in the budget of this project. The 5% administrative fee will be charged after the contribution had been received and converted into US dollars.

There might be the possibility that additional donors would be interested in supporting the proposed TC with additional financial contributions to the project after the project is approved by the IDB Board of Directors. In this case and to the extent that a future donor or donors may contribute resources to support any of the project’s components listed herein in the form of a Project Specific Grant (PSG), the IDB will establish a commitment from each donor through an administrative agreement without the requirement of preparing or approving a separate project proposal. Under such administrative agreement, the resources provided by the donor will be administered by the Bank and the Bank will charge an administrative fee according to the Bank’s current policy on administration for fees from donor contributions to trust funds and PSGs¹².

IDB will be contributing to the execution of the program with its own funds through:

- IDB personnel: USD 1,250,000 (for 5 staff for 5 years)
- IDB technical cooperation grants: USD 500,000 (support to Banks in developing capacity to manage social and environmental risks and develop internal/institutional capacity to promote green finance)
- There could also be resources from existing IDB loans which could leverage new credit lines developed by beneficiary NDBs under the support of this Program.

In addition the Project will have NDB in kind support:

Normally, NDBs provide in kind support (i.e. logistical support, have dedicated staff to follow up each project under the Program, provide for IT systems require to track and maintain their project’s data, etc.), amounting to 10-20% of the technical cooperation / grants (i.e. around USD 1,000,000).

¹² Consistent with the mechanisms under OP-219-3 relating to PSGs, co-financing resources raised in support of this operation will be incorporated in accordance with the corresponding co-financing agreements and channeled towards the components set forth above, thus increasing their reach and impact. The approval of a separate project proposal would only be required if the above mentioned aggregate amount is exceeded or if a donor wishes to finance a component not included in a Board approved operation or if a proposed co-financed operation falls outside established Bank policies and procedures.

Budget by component in Danish Kronas

	DKK	DKK	DKK	USD	USD	USD
Description	IDB/Fund Funding DKK	Counterpart	Total	IDB/Fund Funding	Counterpart	Total
Component 1 Demand and Supply of Finance Analysis and Design of Financial Strategy	17,750,000	4,320,000	22,070,000	2,573,750	626,400	3,200,150
Component 1a: Feasibility analysis to determine EE sector per implementation country/NDB mandate (Brasil, Colombia, El Salvador, Mexico, Peru) and potential market opportunities	1,250,000	300,000	1,550,000	181,250	43,500	224,750
Component 1b: Market assessment per EE sector in Brasil, Colombia, El Salvador, Mexico, Peru Assessments of market size and key characteristics (including barriers, segmentation, opportunities, etc.), Technology analysis, Assessment of local insurance markets, Including size, financing requirements and availability, country-specific legal and institutional framework and existing initiatives.	3,500,000	840,000	4,340,000	507,500	121,800	629,300
Component 1c: Financing strategy that provides financing support and structure the demand of the financing per implementation NDB	7,000,000	1,680,000	8,680,000	1,015,000	243,600	1,258,600
Component 1d: Support the development of a registry of expected impacts of financing strategies per implementation NDB in Brasil, Colombia, El Salvador, Mexico, Peru	6,000,000	1,500,000	7,500,000	870,000	217,500	1,087,500
Component 2 Support implementation of financing strategy	8,100,000	1,600,000	9,700,000	1,174,500	232,000	1,406,500
Component 2a Support implementation of financing strategy	2,500,000	482,759	2,982,759	362,500	70,000	432,500
Component 2b Support in awareness raising and capacity building of beneficiaries	1,500,000	413,793	1,913,793	217,500	60,000	277,500
Component 2c Support NDB in defining source and final amount of funding	300,000	206,897	506,897	43,500	30,000	73,500
Component 2d Support in the continuous monitoring and verification of program results	1,300,000	413,793	1,713,793	188,500	60,000	248,500
Component 2e Seed support for demonstration projects (7.5%)	2,500,000	82,759	2,582,759	362,500	12,000	374,500
Component 3: Global and Regional Knowledge Platform: Collection and sharing of best practices among NDBs in promoting financing for EE including the development of studies, events, webinars and fostering collaboration with national and regional networks of relevant actors, trainings and outreach to SMEs, LFIs, and energy providers, design, maintenance and promotion of a dedicated web platform	2,500,000	980,000	3,480,000	362,500	142,100	504,600
Component 3a Knowledge Publications including Tool Kits	1,500,000	588,000	2,088,000	217,500	85,260	302,760
Component 3b Trainings and knowledge sharing events (National, Regional, Global, Virtual)	1,000,000	392,000	1,392,000	145,000	56,840	201,840
CMF International Technical Consultant**	3,000,000		3,000,000	435,000		435,000
Contingencies (covers exchange rate swings)	1,425,000		1,425,000	206,625		206,625
Fee (5%)	1,725,000		1,725,000	250,125		250,125
Total DKK	34,500,000	6,900,000	41,400,000	5,002,500	1,000,500	6,003,000

The budget in USD is only for illustration for this document, based on the exchange rate 1 DKK = 0.145 Dollar of July 18th, 2015. However, for the IDB approval process, the Technical cooperation budget will have to be illustrated in USD. To ensure the budget is realistic, the contingency resources have been increased to cover exchange rate swings up to 3%, which reflects the last 6month USD-DKK volatility as of 28th of July.

The inception and the mid-term review are financed outside the proposed budget by Danish Contribution. ToRs are developed and implemented in collaboration between MCEB/GRV and IDB.

* Components 1 & 2 will be conducted in Brazil, Colombia, El Salvador, Mexico, and Peru. ** The Technical consultant will be responsible for supporting CMF in the design and implementation of the ESI program as well as green financing operations of the CMF division.

Budget by output, year and total in Danish Kronas

Development engagement A.1	Thematic Programme in DKK			Danish Contribution by year in DKK				
Engagement objective	Danish Contribution	Counterpart	Total	2016	2017	2018	2019	2020
Development for each of the NDBs of ready-to-use tailored financial strategies consisting of a combination of financing instruments and non-financing instruments								
Output A.1 - Development for each of the NDBs of ready-to-use tailored financial strategies consisting of a combination of financing instruments and non-financing instruments	17,750,000	4,320,000	22,070,000	9,050,000	8,300,000	400,000	-	-
Output 1.1 - Complete feasibility analysis studies completed, identifying EE sectors to be prioritized	1,250,000	300,000	1,550,000	1,250,000	-	-	-	-
Output 1.2 - Complete market assessment studies completed, identifying financial and non-financial barriers to be addressed, main stakeholders to be involved in their deployment, and their GHG reductions potential	3,500,000	840,000	4,340,000	3,500,000	-	-	-	-
Output 1.3 - Ready to use financing strategies developed, including a complete set of financial and non-financial instruments and operational mechanisms to deploy them	7,000,000	1,680,000	8,680,000	3,500,000	3,500,000	-	-	-
Output 1.4 - Fully fledged electronic registry systems put in place for the monitoring and evaluation of projects and program's results	6,000,000	1,500,000	7,500,000	800,000	4,800,000	400,000	-	-
Output A.2 - Long term concessional funding to be allocated/channeled by each NDB for financing focused energy efficiency private investments	8,100,000	1,600,000	9,700,000	-	4,090,000	2,960,000	850,000	200,000
Output A.2.1 - Number of NDB dedicated divisions / coordination structures to support the implementation of the financing strategies developed to promote private investments in EE	2,500,000	482,759	2,982,759	-	1,750,000	750,000	-	-
Output A.2.2 - LFI Training and outreach events (TOE) on the financing strategies developed to promote private sector investments in EE (5 TOE by beneficiary/country)	750,000	206,897	956,897	-	600,000	150,000	-	-
Output A.2.3 - Verifiers and Validators Training and outreach events implemented in each country (2 TOE per country)	375,000	103,448	478,448	-	300,000	75,000	-	-
Output A.2.4 - Energy Service Companies Training and outreach events implemented in each country (2 TOE per country)	375,000	103,448	478,448	-	300,000	75,000	-	-
Output A.2.5 - Training programs for NDB's continuous monitoring and verification of program results	1,300,000	413,793	1,713,793	-	400,000	350,000	350,000	200,000
Output A.2.6 - Identified sources for credit line (e.g. Re-orientation, NDB own resources International Climate Finance, IDB, or blending)	300,000	206,897	506,897	-	240,000	60,000	-	-
Output A.2.7 - Number of demonstration projects supported with seed finance to facilitate market trust, project viability and experience	2,500,000	82,759	2,582,759	-	500,000	1,500,000	500,000	-
Output A.3 - Increased knowledge and information sharing of lessons learned and best practices	2,500,000	980,000	3,480,000	400,000	575,000	625,000	525,000	375,000
Output 3.1 - Knowledge platform - Number of learning products (ESI Documentation Package, tools, e-learning, country reports, prepared, edited and published for use in Platform by EE target group	1,500,000	588,000	2,088,000	200,000	275,000	300,000	375,000	300,000
Output 3.2 - Events & Workshops - Positive feedback from participants benefitting from workshops and events who report on the usefulness of the knowledge presented to them.	1,000,000	392,000	1,392,000	200,000	300,000	325,000	150,000	75,000
Contingencies	1,425,000	-	1,425,000	95,000	190,000	285,000	380,000	475,000
Sub-total Thematic Programme								
CMF International Technical Consultant	3,000,000	-	3,000,000	1,000,000	1,000,000	1,000,000	-	-
Other costs (reviews, etc.) - Fee (5%)	1,725,000	-	1,725,000	1,725,000	-	-	-	-
Grand total	34,500,000	6,900,000	41,400,000	12,270,000	14,155,000	5,270,000	1,755,000	1,050,000

Budget by output, year and development partners (implementing beneficiaries)

In DKK						
Budget per output per Financing partner in DKK	2016	2017	2018	2019	2020	Total
Output A.1 - Development for each of the NDBs of ready-to-use tailored financial strategies consisting of a combination of financing instruments and non-financing instruments	11,230,000	10,340,000	500,000	-	-	22,070,000
- Denmark	9,050,000	8,300,000	400,000			17,750,000
- Partners	2,180,000	2,040,000	100,000	-	-	4,320,000
- Others	-	-	-	-	-	-
Output A.2 - Long term concessional funding to be allocated/channeled by each NDB for financing focused energy efficiency private investments	-	5,055,517	3,360,000	981,034	303,448	9,700,000
- Denmark	-	4,090,000	2,960,000	850,000	200,000	8,100,000
- Partners	-	965,517	400,000	131,034	103,448	1,600,000
- Others						-
Output A.3 - Increased knowledge and information sharing of lessons learned and best practices	596,000	771,000	821,000	721,000	571,000	3,480,000
- Denmark	400,000	575,000	625,000	525,000	375,000	2,500,000
- Partners	196,000	196,000	196,000	196,000	196,000	980,000
- Others						
Contingencies (Denmark)	95,000	190,000	285,000	380,000	475,000	1,425,000
Sub-total Thematic Programme						-
CMF International Consultant (Denmark)	1,000,000	1,000,000	1,000,000			3,000,000
Fee (5%) (Denmark)	1,725,000					1,725,000
Grand total	14,646,000	17,356,517	5,966,000	2,082,034	1,349,448	41,400,000
- Denmark	12,270,000	14,155,000	5,270,000	1,755,000	1,050,000	34,500,000
- Partners	2,376,000	3,201,517	696,000	327,034	299,448	6,900,000
- Others	-	-	-	-	-	-

The inception and the mid-term review are financed outside the proposed budget by Danish Contribution. ToRs are developed and implemented in collaboration between MCEB/GRV and IDB.

9. Executing agency and execution structure (management arrangement)

The Inter-American Development Bank (IDB) will be the executing agency of the program. IDB is the multilateral financial institution, which has the longest track record of work with NDBs in the LAC region. Indeed, it has been supporting for a very long time NDBs of the region in structuring development financing and scaling up private investments on productivity enhancement and environmental sustainability. In recent years, the IDB has been working increasingly with NDBs to integrate climate change and environmental concerns in their businesses through the development of financial strategies geared to promote green finance in the LAC region and eventually catalyze private investments in this area with the support of international climate finance¹³.

In order to **implement project proposed activities**, the following expertise and support will be sought:

- Individual consultants or consultancy firms with expertise in EE in the specific sectors, markets and countries where the program will be executed to support the development of studies, analysis and strategies proposed in component 1. Consultants may be required to travel as needed to present results of studies as well as undertake surveys.
- Individual consultants or consultancy firms with expertise in the development and implementation of monitoring and evaluation proposed in component 1. Consultants may be required to travel as needed to present results of studies as well as undertake surveys.
- Individual consultants or consultancy firms with expertise in developing financing instruments and strategies to support the development of financing strategies and their implementation as proposed in components 1 and 2. In order to promote economies of scale and sharing experiences, technical and training materials may be prepared in such a way that could benefit more than one beneficiary. Consultants would be required to travel as needed to present results of studies as well as to provide hands on training to beneficiaries and other relevant market players.
- Individual consultants or a consultancy firm with expertise in training and institutional capacity to support the development of training materials and an outreach plan to support the implementation of component 2. The execution of this component will entail the costs of consultants as well as of the events needed to promote dialogue and outreach with relevant actors (such as local commercial banks, relevant policy makers, etc.) to better internalize new products and play a proactive role in the promotion of new financing strategies with the potential to generate large environmental and social benefits. Consultants may be required to travel as needed to do their work and present results.
- Individual consultants or consultancy firms to support the development of knowledge projects and studies as well as multimedia content (e.g. webinars, videos, blogs) to disseminate lessons learned through the “[Klave Finanzas Verdes](#)” a dedicated NDB green finance web interface and knowledge tool and a [community of practices for Financial Institutions on green finance in the Finanzas Carbono Platform](#).

¹³ Examples include blending IDB and NDB resources with the Clean Technology Fund (CTF), the Forestry Investment Program (FIP), the Global Environment Facility (GEF), and bilateral donors (such as KFW and AFD) in structuring programs such as the insurance and financing scheme for energy efficiency in the services sector (Bancoldex, Colombia), the financing strategy to promote private investments in hybrid/electric buses for the BRT system (Bancoldex, Colombia); the financing facility for structuring SPVs to invest in wind power farms (Nafin, Mexico); the risk sharing scheme for geothermal power (Nafin, Mexico), insurance and financing credit line for investments in renewable energy and energy efficiency by agribusinesses (FIRA, Mexico); financing credit line for forest management by small farmers (Financiera Nacional, Mexico); and the Ecocasa financing credit line for energy efficiency in social housing (SHF, Mexico). For more information, see also: [IDB-BK-116, chapter 6](#), [IDB-MG-148](#) and [IDB-TN-437](#).

The execution of component 3 will entail the organization of national and regional events to present results and lessons learned from activities undertaken with the beneficiaries and will include also fees and travel costs for needed consultants to support the events and prepare technical materials. As mentioned above, the events will be coordinated and organized in collaboration with development banks and LFI associations such as ALIDE, ABDE as well as FELABAN.

To ensure a proper execution, the project team will organize launching, mid-term and final review meetings/audio-conferences with beneficiary entities and consultants for each of the phases contemplated in their particular projects. (See Annex 9 with the program's Gantt Chart.)

The funding for this operation will be used to hire the services of all the consultants referred to above, as well as to pay for logistics and travel costs (see Annex 6 for more details on the types of consultancies that are expected to be contracted). Any contracting will be undertaken following Bank's policies and procedures. The procurement of individual consulting services will be carried out by the IDB in accordance with Human Resources Department (HRD) policies. The procurement of consulting firm services will be carried out by the IDB in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9). The procurement of consulting services different from consultants will be carried out by the IDB in accordance with Corporate Procurement Policies.

These funds will be administered by the IDB through a non-reimbursable Project-Specific Grant (PSG). The Government of Denmark will contribute DKK 34.5 Million. This PSG will be administered by the IDB pursuant to document SC-114. In accordance with that document, the commitment of Government of Denmark for the PSG will be established through a separate Administrative Agreement.

The project team will be responsible for the preparation and submission to the Ministry of Foreign Affairs of Denmark of all project execution reports in compliance with the stipulations of the **Administration Agreement**.

The IDB, the Ministry of Foreign Affairs of Denmark, and the Ministry of Energy, Utilities and Climate of Denmark will conduct (physical or virtual) meetings at least twice a year to discuss progress in implementation, including possible complementarity and synergy with Danish bilateral collaboration in the region.

Technical Program management

The Program is conducted by IDB CMF with local support from experts in respective country IDB offices and consultancy services by local and international experts in EE, validation, technical actor coordination and engagement. Relevant IDB departments will administratively support the program execution including legal services, grants management for timely disbursement of donation funds, and contracting and fiduciary services. The lead of the program is with the CMF team.

The IDB-CMF headquarters team supports and coordinates the technical cooperation activities at each phase:

- 1) by structuring the market assessment,
- 2) coordinating to address the interest and mandate of the local implementing partner (NDB) through a scorecard system,
- 3) hiring local and international expert consultants to conduct the energy efficiency, finance and insurance, market assessment, technical work on validation protocols, legal work on contracts, and engagement with local actors (technical service providers, banks, validators, insurance, end-beneficiaries), supervising their work,

- 4) supporting the dissemination and discussion of results with relevant government actors and local private actors to assess the market demand for financing and the willingness of the government to provide financing through NDBs.

The IDB country offices in ESI host countries support headquarters with local expertise and local coordination of activities. Country offices coordinate the relationship with government institutions, specifically the liaison with the relevant ministries, including the finance, the energy, environment, and planning ministry, in the preparation of Program and dissemination of results. The coordination at country level is crucial to transform results from the technical cooperation into implementation activities and discussions with relevant ministries over lending operations between the IDB and the respective ESI country. The NDB will take the lead in coordinating with relevant national authorities such as the finance ministries and involving key ministries such as the energy, environment, and planning ministry, depending on the country. To facilitate this process coordination mechanism will be considered.

External local and international consultants support the ESI program in each country. The Consultants are hired according to their capacity and sectoral, regional and country expertise in the respective fields of energy efficiency, insurance, financial banking expertise, and validation, as well as successful previous IDB experience. The role of individual consultants is two-fold: 1) conduct the technical work (development of the market assessment, validation protocols, and standard contract and in the process) 2) engage key market actors in information provision and subsequently in the dissemination of results. Key market actors, potential investing SMEs, financial institutions, and technology equipment providers, will be engaged through the market assessment as survey partners to understand their demand, risk perceptions and challenges to realize energy efficiency investments as well as the supply of financing in the market. Subsequently in the development of the financing strategy, the same partners, in addition to validators and insurance companies will be consulted on the feasibility of options to mitigate and share the risks of EE investments through standard contracts, validation methods and insurance contract conditions so as to provide incentives to all involved actors and mitigate perceived risks. This continuous feedback loop between the local NDB and the market actors ensures that the financing strategy, once finalized, has the support of local market actors as well as to provide a platform for information exchange between market players. Subsequent capacity building and awareness raising events disseminate widely the logic of the developed financing strategy so as to ensure a clear understanding of the integrated package of measures by market actors before the launch and implementation of the strategy.

In each country, a consultant will be hired who coordinates the technical work conducted by individual expert consultants. The coordinating consultant are supervised by the IDB ESI headquarters team, and supported by the IDB ESI country teams.

This set-up has been successful in the design of the program in Mexico and Colombia. Dependent on implementing beneficiary preference the coordinating consultant sometimes is integrated in the core team of the NDB, while in other cases they are external.

10.Risks and risk management:

Consistent with the Theory of Change of the program, the risk management addresses the key risk and the program's ability to generate key outputs and the broader factors influencing the achievement of outcomes.

The table below provides a summary of the risks identified for the project and the risk mitigation response:

Risk factor	Likelihood	Impact	Risk mitigation response	Combined residual risk
Contextual Risks				
Public management and governance: The interest or commitment of governments or implementing partners could be reduced as a result of changing policy priorities and/or economic conditions	Low	High	<p>In each country/sector intervention, the project engages both the implementing partner and government to ensure that the intervention is aligned with government priorities and demand-driven. A market study is carried out initially to confirm the market potential and interest by key market actors.</p> <p>Terms of reference and selection of consultants of all activities of all the projects under the program agreed with the beneficiary entities.</p>	Low
Programmatic Risk				
Risks relating to the up-take/lower than expected momentum of the instrument by countries' energy end-users, energy service providers, financial institutions and insurance companies.	Low	High	<p>Market analysis on demand and supply for energy efficiency investment financing and underlying Extensive stakeholder engagement and consultations are undertaken with key market actors to confirm interest in the intervention and to socialize and get feedback on the design of each element of the interventions.</p> <p>The intervention is designed to minimize transaction costs to SMEs and technology solution providers participating in the program. This is achieved by standardizing and simplifying documentation and procedures.</p> <p>Seed support for a number of pilot projects, once financing strategies have been deployed by beneficiary entities, will support demonstration of the viability of the concept. –</p> <p>Inception (approximately November 2016) and mid-term review, and an update of the "lessons learnt" (approximately October 2016) report timed so as to be available prior to the Inception</p>	Low

Risk factor	Likelihood	Impact	Risk mitigation response	Combined residual risk
			<p>Review, and at the same time late enough to incorporate lessons learnt on the ground in both Mexico and Colombia</p> <p>The inclusion of an international technical consultant which supports the program implementation and a local coordinator consultant to supervise expert consultants, in each country respectively.</p>	
High risk perceptions by investing firms and LFIs on energy efficiency projects.	Medium	High	<p>The EE program, through a third-party technical validator, will assess the technical expertise of EE energy services and technology providers on behalf of potential beneficiaries; and the technical quality and expected results of their project proposals on behalf of potential beneficiaries.</p> <p>Awareness events for potential beneficiaries, to inform and educate them on energy efficiency technologies and the real risks and returns associated with the deployment of those technologies.</p> <p>Capacity building efforts for NDBs, to make them aware of the real risks and returns associated with the financing of EE technologies and to help them to develop dedicated energy efficiency credit lines that address the specific needs of private sector investments in EE.</p> <p>Capacity building efforts for NDB's first-tier clients (LFIs), to make them also aware of the real risks and returns associated with the financing of EE technologies and to increase their capacity to assess the real credit risks associated with the financing of those technologies.</p>	Low
Institutional Risk				
Complications and delays resulting from limited experience of the implementing partner (NDB) in managing a complex program focusing on energy	Medium	High	The experience from IDB's piloting of the instrument in Colombia and Mexico has shown that this risk can be mitigated through: 1) the package of technical assistance, in particular continuous support provided for the overall coordination and integration of the program into the operations of the NDB. 2) Continued engagement between the IDB and the implementing partners most of which have a long-standing relationship with the IDB, to ensure buy-in at management level.	Low

Risk factor	Likelihood	Impact	Risk mitigation response	Combined residual risk
efficiency investments.				
Reputational Risk			<p><u>Reputational risk:</u></p> <p>Reputational risk may affect both the Danish Government and IDB, and Denmark and IDB have a common interest in addressing such risks.</p> <p>Reputational risk could be caused for instance by</p> <ul style="list-style-type: none"> a) The financing of activities that are not acceptable. b) The potential failure of the project through mismanagement of resources (e.g. corruption, fiduciary responsibilities). 	
Financing of activities that do not comply with the Danish regulations (e.g. Tobacco, Weapons).	Low	High	<p>The IDB Environmental and Social Safeguards policy excludes the financing of harmful activities through an exclusion list. Furthermore, where implementing partners have their own Environmental and Social Safeguards Management Systems a binding agreement is signed to ensure that the stricter of the two is applied.</p> <p>The IDB CMF division managing the Program is working actively with NDBs to build their internal capacity to manage environmental and social risks. (See for instance: <i>Managing Environmental and Social Risks: A Roadmap for National Development Banks in Latin America and the Caribbean</i> http://publications.iadb.org/handle/11319/6437?locale-attribute=en)</p>	Low
Potential failure of the project through mismanagement of resources (e.g. corruption, fiduciary responsibilities)	Low	High	<p><u>Fiduciary risk:</u></p> <p>Fiduciary risk is limited by the IDB's well-established framework to comply with its fiduciary duties. In the framework of this technical assistance, IDB will manage the funds by the Danish Government and no monetary transfer to the local implementing partners is foreseen, strongly limiting any fiduciary concerns related to the local implementation. All program relevant services (e.g. consultants, program-, knowledge development, and sharing-relevant travel) will</p>	Low

Risk factor	Likelihood	Impact	Risk mitigation response	Combined residual risk
			<p>be procured and paid through IDB systems.</p> <p>Furthermore, the IDB has a well-established framework for addressing the likelihood of fraud and corruption in IDB Group-financed activities. The IDB Office of Institutional Integrity conducts comprehensive tailored risk assessments, Integrity Risk Reviews (IRR), developed in close collaboration with IDB Country Offices and project staff to facilitate the prevention and detection of fraud and corruption.</p> <p>Within this framework, the Office of Institutional Integrity conducts training and provides support to operational divisions of the Bank regarding integrity. Additionally, the Office of Institutional Integrity works in coordination with other multilateral development banks to share anti-corruption experiences and practices and to develop integrity programs and strategies.</p> <p>The IDB information pages on Corruption and Fraud Policy are:</p> <ul style="list-style-type: none"> • http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/corruption-prevention-tools-at-the-idb,2706.html • http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/how-to-report-fraud-and-corruption,2872.html 	

11. Monitoring and Evaluation

Progress will be monitored by the IDB, and it will provide an annual progress and financial report to the Danish MoFA. The annual report will be discussed at a (physical or virtual) meeting between the IDB, the Danish Ministry of Foreign Affairs, and the Danish Ministry of Energy, Utilities and Climate.

Monitoring of output and outcome indicators will take place semi-annually using the data sources, methods and means of verification indicated in the Results Matrix Framework. In the context of any dedicated credit line for energy efficiency being established as a result of the program, a separate monitoring and evaluation plan, with its respective Results Matrix Framework, will be designed for such lending operation. Key indicators in the progress reporting should include the number and type of end-user loans, leveraging of private finance and estimates for energy savings/avoided CO₂-emissions on the living assets on a country-by-country basis. On a semi-annually basis in context of the progress reporting, the IDB and the MEUC will via telephone conferences discuss the status of the program. In addition, IDB and the MEUC will meet face-to-face once a year.

The Danish MoFA shall have the right to carry out any technical or financial review or mission that is considered necessary to monitor the implementation of the TC. A joint inception review (approximately November 2016) and a joint mid-term review are foreseen, budgeted for and reflected in the Gantt chart. Furthermore, an update of the “lessons learnt” report timed (approximately October 2016) so as to be available prior to the Inception Review, and at the same time late enough to incorporate lessons learnt on the ground in both Mexico and Colombia. To facilitate the work of the person or persons instructed to carry out such monitoring missions, the IDB and its implementing partner will be informed of such reviews or missions in due time and shall provide these persons with all relevant assistance, information, and documentation.

An evaluation of the program may be carried out at project completion. The need for an evaluation and Terms of Reference for it will be agreed with Danida and the Danish Ministry of Energy, Utilities and Climate and will focus on the lessons learnt and their relevance for further replication in LAC and other developing regions. The decision on a possible evaluation and its scope will take into account other monitoring and evaluation efforts of the ESI that may be undertaken, e.g. by the Global Innovation Lab for Climate Finance and under the ongoing FIRA and Bancoldex projects, where impact evaluations are programmed as part of the lending operations.

12. Relationship with other related initiatives

There are several other initiatives ongoing in the LAC region and globally which address energy efficiency, including financing and market development. As a multilateral development bank, the IDB is involved in both implementation and knowledge exchange relating to several international initiatives. IDB is actively pursuing outreach and sharing of experiences among NDBs and LFIs, and will actively do in the context of this Program. Among the key initiatives of relevance to the ESI Facility are:

- Collaborative efforts with regional and national networks of NDBs and Financial Institutions (FIs) (the Association of Development Financial Institutions of Latin America and the Caribbean - ALIDE; the Federation of Latin American Banks - FELABAN; national associations of development banks, such as the one in Brazil - ABDE; and international ones, such as the United Nations Environmental Program Finance Initiative -UNEP FI) will be organized for dissemination and information sharing among NDBs and LFIs.

- Collaboration efforts with the Economic Commission for Latin America and the Caribbean (ECLAC) in order to promote information sharing and analysis of information relating to the role of NDBs in terms of catalyzing financial flows for EE in the LAC region.
- Use of IDB dedicated web platforms for NDBs and LFI, such as KLAVE Green Finance, an online knowledge tool designed by and for National Development Banks and Financial Institutions in Latin America and the Caribbean¹⁴.
- The “LAC Green Finance Program to mobilize private investment in mitigation actions and low-carbon and sustainable business models through NDBs”. The program is being implemented by IDB with support from the German Federal Environment Ministry.
- SE4ALL Americas, the Latin America portal for Sustainable Energy for All, which is managed by the IDB¹⁵. SE4ALL is promoting EE through Energy Efficiency Accelerators.
- The Climate Technology Fund, where IDB and other MDBs act as implementing entities, and which finances country programs and projects aiming at transformational change, including IDBs ESI pilot projects in Mexico and Colombia.
- The Green Climate Fund, where IDB supports “readiness” capacity building for its national development bank partners in the region. In addition, ESI has been recognized by the G7 and recommended by the private sector advisory board to Green Climate Fund as a priority engagement for the Private Sector Facility of the Fund.
- The 3GF, where IDB will be organizing a session on “Mobilizing Clean Energy Investment Through Innovative Finance” at the regional 3GF LAC meeting in June 2015.
- Bilateral programs between the IDB and counterpart countries which include credit lines for green investments

13. Annexes:

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Administration Agreement Danida – IDB (to be drafted)

¹⁴ <http://kp.iadb.org/FinanzasVerdes/en/Pages/Home.aspx>

¹⁵ <http://www.iadb.org/en/topics/energy/se4allamericas/home,17743.html>