

**REGIONAL
IFD/CMF**

RG-T3979 - Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) through National Development Banks (NDBs) support

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

TERMS OF REFERENCES

Carrying out a diagnostic to review market tendencies and NDB existing financing portfolios to identify gaps in green and resilient investment for MSMEs in selected sectors, based on both countries' COVID-19 recovery priorities.

1. Background and Justification

- 1.1.** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2.** According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.
- 1.3.** There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.
- 1.4.** The objective of this technical assistance is the institutional and technical strengthening of NDBs and other public institutions for the provision of analytics and tools to identify green finance

opportunities for MSMEs that can directly contribute to a climate-smart recovery in the selected countries. This will allow them to increase their abilities to identify, exploit and monitor the opportunities for climate finance with SMEs, and hence support the efforts of the IDB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in LAC.

2. Objectives

- 2.1. Support the IFD/CMF in the preparation of a diagnostic to review market tendencies of NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors, based on national's COVID-19 recovery priorities.

3. Key Activities

- 3.1. Undertake a desk review of all relevant information required to prepare the diagnostic on market tendencies.
- 3.2. Analyze all available data related to and required for the preparation of the expected products, using both quantitative and qualitative analytical approaches to support the arguments presented in the documents.
- 3.3. Revise market tendencies of NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors, based on national's COVID-19 recovery priorities.
- 3.4. Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

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

5. Project Schedule and Milestones

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

6. Reporting Requirements

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

7. Acceptance Criteria

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

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

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

8. Other Requirements

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

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Maria Netto, Sector Principal Specialist Financial Markets. (IFD/CMF), TC team leader, Gianleo Frisari, Economic Senior Specialist (CSD/CSC), and [indicate CMF specialist in charge of the activities at the local level].

10. Schedule of Payments

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

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

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft	25%

3. Final draft and ppt	60%
TOTAL	100%

**REGIONAL
IFD/CMF**

RG-T3979 - Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) through National Development Banks (NDBs) support

**COMPONENT 1. Identification of MSMEs green and resilient COVID-19 recovery opportunities.
CONSULTANCY 2.**

TERMS OF REFERENCES

Implementation of a pilot in selected countries' NDBs financial products for MSMEs for increased investment mobilization for a green and climate-resilient recovery.

1. Background and Justification

- 1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2 According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.
- 1.3 There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.
- 1.4 The objective of this technical assistance is the institutional and technical strengthening of NDBs and other public institutions for the provision of analytics and tools to identify green finance opportunities for MSMEs that can directly contribute to a climate-smart recovery in the selected countries. This will allow them to increase their abilities to identify, exploit and monitor the

opportunities for climate finance with SMEs, and hence support the efforts of the IDB in increasing the level of climate finance with financial intermediaries dedicated to the productive sector and SMEs in LAC.

1. Objectives

- 1.1 Support IFD/CMF in the implementation of two pilots in each selected country of NDBs financial products for MSMEs for increased investment mobilization for a green and climate-resilient recovery.

2. Key Activities

- 2.1 Implement the tagging system with selected NDBs in LAC. More specifically, in collaboration with the IDB team and selected firm/individual consultant, the selected firm/consultant will:
- 2.2 Support the selected National Development Bank in the implementation of the pilot.
- 2.3 Develop a brief in Power Point outlining (i) the results of the pilot, (ii) key takeaways and lessons learned (iii) possible suggestions for improvements and/or any other remarks deemed useful to inform the next steps of IDB.
- 2.4 Present, in collaboration with the pilot National Development Bank, the firm/consultant and the IDB team, the pilot results.
- 2.5 Participate in / organize relevant coordination virtual meeting.

3. Expected Outcome and Deliverables

- 3.1 Work Plan based on the key activities item 3 (to be delivered within [XX days]).
- 3.2 First draft of the document(s) including the developed methodology to be delivered within [XX days].
- 3.3 Final version of the documents(s) in word and pdf, including a Powerpoint presentation that includes all the outcomes from the pilots (to be delivered within [XX days]).

4. Project Schedule and Milestones

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

5. Reporting Requirements

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

6. Acceptance Criteria

- 6.1 In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:
 - Academic degree and professional work experience: economics, finance, public policy or

related areas, with proven experience in the financial sector, in particular with NDB existing financing portfolios, with focus on SMEs to identify gaps in green and resilient investment in selected sectors.

Knowledge of local of COVID-19 recovery priorities in selected countries.

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

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

7. Other Requirements

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

8. Supervision and Reporting

8.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Ppl Specialist in the Financial Market Sector. (IFD/CMF), TC team leader, Gianleo Frisari, Economic Senior Specialist (CSD/CSC), and [indicate CMF specialist in charge of the activities at the local level].

9. Schedule of Payments

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

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

Payment Schedule	
Deliverable	%
10. Work Plan	20%
11. First draft	40%
12. Final draft and ppt	40%
TOTAL	100%

**REGIONAL
IFD/CMF**

RG-T3979 - Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) through National Development Banks (NDBs) support

**COMPONENT 2. Identification of MSMEs green and resilient COVID-19 recovery opportunities.
CONSULTANCY 3.**

TERMS OF REFERENCES

Support building technical and institutional capacities of NDBs and undertaking modelling work of their MSMEs client portfolio

TERMS OF REFERENCES

1. Background and Justification

- 1.1** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2** According to IDAB Invest (2020), Micro Small and Medium Enterprises (MSMEs) represent almost 99% of businesses and account for 67% of employment in Latin America and the Caribbean (LAC) region. The Covid crisis has hit MSMEs particularly hard, and this has caused widespread closures and job losses in the LAC region. With the pandemic, MSMEs have experienced a reduction in the supply of labor, increased production costs, as well as a substantial and sudden loss of demand and revenue and worsened their already limited access to financing. This has affected MSME's willingness to invest, given the uncertainties around expected short- and medium-term economic conditions. In addition, sovereign credit ratings have suffered due to the financial stress stemming from reduced tax revenues and increased public expenditure associated with the pandemic-induced economic slowdown and expansive public counter-cyclical interventions. These factors have reduced countries' credit capacities and increase their financing costs.
- 1.3** There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and

climate resilient solutions. IDB's extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.

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

2. Objectives

- 2.1 Support IFD/CMF in the promotion of knowledge sharing of best practices developed under Component 1 and 2 to support technical and institutional capacities of NDBs and undertaking modelling work of their MSMEs client portfolio.

3. Key Activities

- 3.1 Prepare training materials for the implementation of climate tagging of NDB's products and services.
- 3.2 Lead the logistics coordination of training sessions (seminars & workshops) to promote best practices and lessons learned (regionally).
- 3.3 Map market expert advisory working groups in events and roundtables to ensure the provision of relevant data through the tagging system.
- 3.4 Participate in / organize relevant coordination virtual meeting.

4. Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities (item 3)
- 4.2 Develop and deliver a draft of the Result Report and a dissemination plan (to be delivered within [XX days] from the signing of the contract).
- 4.3 Prepare a report that should reflect the results of the dissemination program (to be delivered within [XX days] from the conclusion of the training activities).

5. Project Schedule and Milestones

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

6. Reporting Requirements

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

7. Acceptance Criteria Acceptance Criteria

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

- Academic degree and professional work experience: knowledge management, communications, or related areas, with proven experience in the financial sector organizing conferences, working groups and other knowledge sharing events. Experience editing and publishing newsletters, reports and other materials. Experience managing online outreach.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

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

8. Other Requirements

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

9. Supervision and Reporting

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Ppl Specialist in the Financial Market Sector. (IFD/CMF), TC team leader, Gianleo Frisari, Economic Senior Specialist (CSD/CSC), and [indicate CMF specialist in charge of the activities at the local level].

10. Schedule of Payments

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

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

Payment Schedule	
Deliverable	%
11. Work Plan	30%
12. First draft	30%
13. Final draft and ppt	40%

TOTAL	100%
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**REGIONAL
IFD/CMF**

RG-T3979 - Increased investment mobilization for green and resilient recovery with Micro, Small and Medium Enterprises (MSMEs) through National Development Banks (NDBs) support

**COMPONENT 2. Identification of MSMEs green and resilient COVID-19 recovery opportunities.
CONSULTANCY 4.**

TERMS OF REFERENCES
Knowledge sharing

TERMS OF REFERENCES

1. Background and Justification

- 1.1 Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
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- 1.3 There is, nevertheless, a large potential to make the COVID-19 recovery climate aligned by shifting financing towards low carbon and climate resilient investments. – Furthermore, research from the IDB-ILO (2020) shows that a recovery aligned with a net-zero economy would create 15 million net jobs by 2030, with significant opportunities in sectors such as agriculture, forestry, and electricity where MSMEs are prevalent. Countries in the region have set up policies to support MSMEs recovery, focused on liquidity (delay in tax and credit payments), employment (subsidies, direct transfers to MSMEs), production support (equipment, inputs, and innovations). Under those incentives, National Development Banks (NDBs) and other public institutions are playing an important role in providing financial support to MSMEs on stimulating greening of production and innovation for low carbon and climate resilient solutions. IDB's

extensive work in green finance with NDBs in the region over the last decade has been fundamental to progress in addressing each of these challenges. It has worked closely with NDB partners and developed strategies, plans and internal capacities to implement and prioritize green investment pathways.

- 1.4 The objective of this technical assistance is the support on the generation and dissemination of content related to the lessons learned by the BNDs in the design and implementation of green financial strategies, both nationally and regionally.

2 Objectives

- 2.1 Support IFD/CMF in the promotion of knowledge sharing of best practices developed under Component 1 and 2 to support technical and institutional capacities of NDBs.

3 Key Activities

- 3.1 Prepare and organize events to share good practices and lessons learned in collaboration with national and regional networks and key institutions
- 3.2 Identify and build relationships with national and international institutions that promote lessons learned and disseminate knowledge about financial strategies to promote green and climate-resilient investments.
- 3.3 Identify potential synergies and collaborative efforts with other IDB regional and international initiatives on financing green and climate-resilient initiatives.
- 3.4 Write press releases and other documents related to the programs financed by Technical Cooperation RG-T3979 to disseminate existing IDB platforms such as www.greenfinancelac.org.

4 Expected Outcome and Deliverables

- 4.1 Work Plan based on the key activities (item 3)
- 4.2 Develop a report on the relationships and synergies that could be generate (to be delivered within[XX days] from the signing of the contract).
- 4.3 Prepare a report that should include the press releases and documents elaborated to disemminate the results of the pilots implemented in the NDBs with IDB resources (to be delivered within [XX days] from the conclusion of the training activities).

5 Project Schedule and Milestones

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

6 Reporting Requirements

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

7 **Acceptance Criteria Acceptance Criteria**

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

- Academic degree and professional work experience: knowledge management, communications, or related areas, with proven experience in the financial sector organizing conferences, working groups and other knowledge sharing events. Experience editing and publishing newsletters, reports and other materials. Experience managing online outreach.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

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

8 **Other Requirements**

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

9 **Supervision and Reporting**

9.1 The individual consultant or consulting firm providing the service will report directly to Maria Netto, Ppl Specialist in the Financial Market Sector. (IFD/CMF), TC team leader, Gianleo Frisari, Economic Senior Specialist (CSD/CSC), and [indicate CMF specialist in charge of the activities at the local level].

10 **Schedule of Payments**

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

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

Payment Schedule	
Deliverable	%
11 Work Plan	30%
12 First draft	30%
13 Final draft and ppt	40%
TOTAL	100%

