*Banco Interamericano de Desenvolvimento (BID) e*

*Financiadora de Estudos e Projetos (Finep)*

*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 1 Activity a:**

**Analyzing climate technologies**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level.
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to review Brazilian mitigation and adaptation policies and guidelines, including national and international studies to identify technologies and innovation that should be prioritized and supported by Finep and its dedicated Climate Program.
3. **Scope of Services**
   1. The consultancy firm must have at least five years of experience with climate change projects, related to financing, science, technology and innovation and public policies.
4. **Key Activities**
   1. The selected consultancy firm will:
5. Carry out a literature review of the main mitigation and adaptation policies and guidelines in Brazil;
6. Carry out a literature review of national and international studies on mitigation and adaptation technologies and innovations;
7. Analyze main findings from the literature review to identify priority technologies and innovation Finep should support and their contribution to reduce greenhouse gas emissions.
8. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Draft report containing a literature review of Brazilian mitigation and adaptation policies.

**Product 3:** Draft report containing literature review of national and international studies on mitigation and adaptation technologies and innovations.

**Product 4:** Report consolidating findings of the literature reviews and containing recommendations of the main priority areas Finep should support.

1. **Project Schedule, Milestones and Reporting Requirements**

|  |  |  |
| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work Plan | August 2019 |
| 2 | Literature Review Report on Brazilian Climate Change Policies | November 2019 |
| 3 | Literature Review Report on National and International Studies on Mitigation and Adaptation Technologies and Innovations | February 2020 |
| 4 | Final Report Containing Main Findings and Recommendations | April 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 10% |
| 2 | 35% |
| 3 | 35% |
| 4 | 20% |
| **TOTAL** | 100% |

*Banco Interamericano de Desenvolvimento (BID) e*

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*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 1 Activity b:**

**Assessment of Finep’s climate change portfolio**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level.
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to assess the results and impacts of climate change adaptation and mitigation projects financed by Finep. The assessed projects should address the following support types of support mechanisms from Finep: (i) non-refundable funding for universities and research institutions, (ii) refundable funding for companies, and (iii) economic subsidies for companies.
3. **Scope of Services**
   1. The consultancy firm must have at least five years of experience with MRV projects, related to financing, science, technology and innovation and public policies.
4. **Key Activities**
   1. The selected consultancy firm will:
5. Map the project portfolio to be assessed;
6. Define the methodology and indicators that will be used in the assessment;
7. Analyze the project portfolio to understand their results and impacts.
8. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Report setting the methodology and indicators to assess Finep’s project portfolio.

**Product 3:** Report containing an assessment of Finep’s project portfolio.

1. **Project Schedule, Milestones and Reporting Requirements**

|  |  |  |
| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | August 2019 |
| 2 | Methodology and Indicator Report | November 2019 |
| 3 | Portfolio Assessment Report | March 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 20% |
| 2 | 40% |
| 3 | 40% |
| **TOTAL** | 100% |

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*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 2 Activity a:**

**Tailored climate mission-oriented policy**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to develop a mission-oriented approach for Finep’s climate change program and for broader use within Finep.
3. **Scope of Services**
   1. The consultant must have at least five years of experience with climate change projects, related to financing, science, technology and innovation and public policies. The consultant should also have experience on researching and applying the mission-oriented methodology.
4. **Key Activities**
   1. The consultant will:
5. Assess Finep’s current approach to climate change projects and funding;
6. Analyze the application of a mission-oriented approach for Brazil’s innovation system;
7. Detail the mission-oriented approach, detailing the eight practical steps for creating a mission-oriented organization;
8. Propose a mission-oriented approach for Finep.
9. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Draft Report with an assessment of Finep’s funding approach to climate change projects

**Product 3:** Mission-oriented methodology for Finep, including its broader use on innovation systems.

**Product 4:** Mission-oriented proposal for Finep’s climate change program and broader organization.

1. **Project Schedule, Milestones and Reporting Requirements**

|  |  |  |
| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | October 2019 |
| 2 | Draft Report with Finep’s Climate Change Funding Approach | March 2020 |
| 3 | Mission-oriented Methodology for Finep | July 2020 |
| 4 | Mission-oriented Proposal Report | August 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 15% |
| 2 | 30% |
| 3 | 35% |
| 4 | 20% |
| **TOTAL** | 100% |

# **TERMS OF REFERENCE**

**Component 2 Activity b:**

**Development of methodology for Measurement, Reporting and Verification (MRV) of greenhouse gas mitigation**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to develop and implement a mitigation measuring, reporting and verification (MRV) methodology for projects supported by Finep, particularly, through the Finep Clima Program.
3. **Scope of Services**
   1. The consultancy firm must have at least five years of experience with MRV projects, related to financing, science, technology and innovation and public policies.
4. **Key Activities**
   1. The consultancy firm will develop the MRV methodology considering the following:
5. Estimate of the mitigation potential of emissions and the potential of GHG absorption/capture;
6. Estimate of the potential generation of socio-environmental co-benefits;
7. Baseline for emissions from the project, including base year, legal requirements, activity frontier, market reach and mitigation per use associated to products and services that have funded technology/innovation;
8. Quantification of emission reduction based on pre-established monitoring and recording criteria, timing, recurrence, calculation and reporting instructions;
9. Verification of reporting based on assurance procedures, determining levels of confidence, materiality, sampling and others that are pertinent to prove adequate GHG emission reduction in relation to baseline levels.
   1. The consultancy will also implement the methodology, incorporating its elements in Finep’s procedures, norms and systems.
10. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Report with a developed MRV Methodology.

1. **Project Schedule, Milestones and Reporting Requirements**

|  |  |  |
| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | November 2019 |
| 2 | MRV Methodology Report | February 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 25% |
| 2 | 75% |
| **TOTAL** | 100% |

*Banco Interamericano de Desenvolvimento (BID) e*

*Financiadora de Estudos e Projetos (Finep)*

*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 2 Activity c:**

**Design of financial instruments**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to redesign Finep’s financing mechanisms to create attractive conditions for companies investing in climate change solutions.
3. **Scope of Services**
   1. The consultancy firm must have at least five years of experience with climate change projects, related to financing, science, technology and innovation and public policies.
4. **Key Activities**
   1. The consultant will deliver the following tasks:
5. Assess Finep’s existing funding mechanisms for companies and identify the main barriers for investments;
6. Propose the redesign of financial mechanisms to support private investment on climate innovation projects.
7. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Report on Finep’s Existing Funding Mechanisms for the Private Sector

**Product 3:** Report on Redesigned Financial Mechanisms to Attract Private Investment on Climate Change Projects.

1. **Project Schedule, Milestones and Reporting Requirements**

|  |  |  |
| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | February 2020 |
| 2 | Report on Finep’s Funding Mechanisms for the Private Sector | May 2020 |
| 3 | Report on the Redesign of Financial Mechanisms for Private Investment | September 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 25% |
| 2 | 45% |
| 3 | 30% |
| **TOTAL** | 100% |

*Banco Interamericano de Desenvolvimento (BID) e*

*Financiadora de Estudos e Projetos (Finep)*

*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 2 Activity d:**

**Designing the Finep Climate Program**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
   5. **IDB commitment to climate change**. In April 2016, during the Governors of the Bahamas meeting, the Inter-American Development Bank (IDB) Group established a target of channeling 30% of its resources to climate and sustainability. This means that 30% of the projects portfolio and investments shall incorporate mitigation and adaptation measures. The Sustainable Development Sector was created to coordinate efforts in integrating climate as a cross-sectional issue for all sectors, as well as developing climate projects by raising and mobilizing funds from the international cooperation among countries.
   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to support Finep in the elaboration, implementation, monitoring and assessment of its strategies, policies, actions and related instruments linked to the climate change thematic. The consultancy will provide specific support in designing a funding program for research, development and innovation program that contributes to climate change mitigation and adaptation, the Finep Clima.
3. **Scope of Services**
   1. The consultant must have at least five years of experience in managing and implementing climate change projects, particularly related to financing, science, technology and innovation diagnosis and public policies. Fluency in English and self-managing and articulation skills are also required.
4. **Key Activities**
   1. The consultant will deliver the following activities:
5. Coordinate the execution of the “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs” technical cooperation;
6. Support the acquisition process of the services within this technical cooperation;
7. Lead the articulation amongst Finep, BID and other Finep partners;
8. Systematize data from Finep’s strategies, policies, actions and instruments related to the cooperation’s theme.
9. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Draft report containing the coordination and execution activities of the “Finep Clima” technical cooperation and the systemization of climate change data.

**Product 3:** Development strategy for climate change projects and public calls for proposals in priority themes to be defined by Finep.

**Product 4:** Final report containing the coordination and execution activities of the “Finep Clima” technical cooperation and the systemization of climate change data.

1. **Project Schedule, Milestones and Reporting Requirements**

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| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | September 2019 |
| 2 | Draft Report | December 2019 |
| 3 | Call for proposal and development strategy | June 2020 |
| 4 | Final Report | January 2021 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 25% |
| 2 | 25% |
| 3 | 25% |
| 4 | 25% |
| **TOTAL** | 100% |

*Banco Interamericano de Desenvolvimento (BID) e*

*Financiadora de Estudos e Projetos (Finep)*

*BR-T1412: Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs*

# **TERMS OF REFERENCE**

**Component 3:**

**Awareness and outreach**

1. **Background and Justification**
   1. **Brazilian climate background and targets**. Brazil is the largest GHG emitter in Latin America having a very bold National Determined Contribution (NDC) under the Paris Agreement, which aims to reduce emissions by 37% from 2005 levels by 2025.
   2. **The role of science, technology and innovation.** The Brazilian NDC recognizes the need of clean technology development, deployment, diffusion and transfer to meet adaptation and mitigation targets across energy, agriculture, infrastructure and industry. Country specific technology solutions will be required to address local issues; therefore, it is fundamental to stimulate innovation to accelerate the development and adoption of low carbon technologies at international and national level
   3. **The role of public finance and international cooperation**. Finance is a critical component and a central challenge to the delivery of NDCs. Estimates for Brazil, indicate US$26.2 billion will be required between 2016 and 2030 to meet the country’s overall climate commitments. Funding in Brazil has traditionally been provided by public agencies and banks, which have created programs to assist the execution of the National Climate Change Policy. The same is true for innovation, where the Brazilian Development Bank (BNDES) and the Brazilian Innovation and Research Agency (Finep) have been the two predominant institutions funding research and technology development through programs, such as the Inova – delivered jointly by both organizations – and which contains energy and sustainability lines. Although the public sector has been an active player in promoting innovation, other forms of arrangements, such as public-private partnerships and international cooperation via multilateral development banks, particularly to leverage private sector participation, are necessary to scale-up investments.
   4. **Finep Clima**. Finep is currently looking at creating a dedicated climate program to support Brazil’s ambitious NDC and the Brazilian 2016-2020 Science, Technology and Innovation Strategy. Through this program, called Finep Clima, the company would capture and centralize public and private funding for climate actions and initiatives. Priority areas for adaptation and mitigation have been initially drawn from the country’s climate change plans and programs however need to be further assessed and prioritized to steer funding to critical technologies and sectors. Other gaps also need to be addressed to structure and implement this climate program, such as the design of a mission-oriented framework to ensure the successful delivery of adaptation and mitigation projects, including an evaluation of Finep’s past and current portfolio, per finance mechanism (grants and loans); the mapping of potential partners to deliver and co-fund projects/calls, capacity building plan to mainstream climate change amongst Finep staff, and awareness raising campaign for existing and potential clients.
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   6. **Technical cooperation between Finep and IDB**. In 2018, Finep and IDB stablished a technical cooperation entitled “Finep Clima: Fostering Climate Innovation to Deliver Brazil’s NDCs”. The objective of the cooperation is to support the design of the Finep Clima program. The cooperation will support the implementation of strategic activities to address the program gaps.
2. **Objectives**
   1. The objective of this consultancy is to create an outreach strategy to validate and disseminate the outcomes of Components 1 and 2 of the Finep Clima Program.
3. **Scope of Services**
   1. The consultancy firm must have at least five years of experience with climate change and sustainable development projects, related to financing, science, technology and innovation and public policies, as well as experience in communications and creating campaign strategies.
4. **Key Activities**
   1. The consultancy firm will deliver the following tasks:
5. Organize stakeholder roundtables and workshops;
6. Produce reports consolidating roundtables and workshop discussions;
7. **Expected Outcome and Deliverables**

**Product 1:** Work plan setting out the objectives, targets and implementation milestones.

**Product 2:** Implementation and reporting of stakeholder roundtables and workshops.

1. **Project Schedule, Milestones and Reporting Requirements**

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| --- | --- | --- |
| **Product** | **Description** | **Deadline** |
| 1 | Work plan | October 2019 |
| 2 | Roundtable and workshop reports | May 2020 |

1. **Acceptance Criteria**
   1. All activities under this Term of Reference will need to be done in agreement with IDB project coordinator.
   2. All the documents will be sent to the project coordinator, appointed by IDB, and to the IDB project leader for approval.
   3. Final reports will need to be agreed by the Ministry of Planning and IDB.
   4. All documents and other materials will need to be drafted in English and delivered in digital format in Word Microsoft Office 2007 or a more recent format.
2. **Other Requirements**
   1. Trips should be included in the contract amount.
3. **Supervision and Reporting**
   1. The work will be coordinated by an analyst of Finep in coordination with a Senior Specialist for Climate Change and Sustainability of Division of Climate and Sustainability Division in Brasilia-DF, Brazil (CCS-CBR).
4. **Schedule of Payments**
   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.
   2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
   3. The consultancy services related to this Project will receive the payment according to the following deliveries:

|  |  |
| --- | --- |
| **Payment Schedule** | |
| **Product** | **%** |
| 1 | 50% |
| 2 | 50% |
| **TOTAL** | 100% |