

TC Document

I. BASIC INFORMATION FOR TC

Country/Region:	Regional Project
TC Name:	Program for Enhancing the Institutional Capacity of Public and National Development Banks to Design and Implement Results-Based Frameworks for Achieving Environmental and Social Sustainability
TC Number:	RG-T2340
Team Leader/Members:	Maria Netto (IFD/CMF), Team Leader; Jose Juan Gomes (IFD/CMF), Alternate Team Leader; Erin Compton (IFD/CMF); Micha Martin Van Waesberghe (KNL/KNM); Javier Bedoya (LEG/SGO); and Stephanie Suber (IFD/CMF).
Associated Loan/Guarantee Number:	n.a.
Associated Loan/Guarantee name:	n.a.
Date of TC Abstract authorization:	03/18/2014
Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research & Dissemination
Beneficiary:	National Public and Development Banks of the Region ¹
Executing Agency and contact name	IDB/IFD/CMF
Donors providing funding:	n.a.
IDB Funding Requested:	US\$450,000 (Institutional Capacity Strengthening Fund)
Local counterpart funding, if any:	US\$90,000 in kind in the form of logistical and staff support from beneficiary entities
Disbursement period:	36 months (30 months of execution)
Required start date:	April 7, 2014
Types of consultants:	Individual consultants or firms
Prepared by Unit:	IFD/CMF
Unit of Disbursement Responsibility:	IFD/CMF
TC Included in Country Strategy:	Yes
TC included in CPD:	No
GCI-9 Sector Priority:	The TC is closely related to two institutional priorities of the IDB under the GCI-9: (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 The **main objective** of this technical cooperation (TC) is to support national development banks (NDBs) in the Latin America and the Caribbean (LAC) to develop relevant institutional capacities to design and implement results-based frameworks in their business and be able to rigorously monitor and evaluate over time the environmental and social benefits of the projects they finance.
- 2.2 **Sustainability result metrics** has received particular attention in recent years due to the potential cash flow impact and its risks and returns for investors of promoting environmental and socially friendly programs². There has also been increasing demand

¹ A first letter of request from FIRA, Mexico has already been received and is attached to this TC.

² According to the Dow Jones Sustainability Index (DJSI), about 15% to 20% of the world's assets under management will be managed according to sustainable guidelines by 2015. Data provided by the [Sustainable Asset Management \(SAM\)](#) shows the relevance of sustainability for private sector business as 20% most sustainable companies in the DJSI outperformed their benchmarks over 10 years, while the 20% least sustainable companies underperformed benchmarks over the same period.

for regional sustainability metrics in the LAC as well³. Recently, several local financial institutions in LAC, recognizing this trend, have actively sought to integrate sustainability metrics into their portfolios and develop green financing programs, with some having been included in the Dow Jones Sustainability Index⁴.

- 2.3 **Developing monitoring and evaluating systems of environmental benefits from NDBs financing lines are also key to ensure that environmental benefits can be monetized and integrated in financing programs as “cash flows”.** While many environmental projects may reduce the use of natural resources (such as energy efficiency or enhanced water management projects) and hence reduce also overall production costs, in particular for SMEs, often investors associate performance risks and not benefits with these projects, discouraging their undertaking. Ensuring proper monitoring, reporting and verification (MRV) systems should provide for more certainty about the benefits of this type of investment projects and hence become an important element of investment risk mitigation.
- 2.4 **Supporting NDB’s capacity to develop and implement appropriate MRV systems helps to better evaluate impacts of IDB “green finance” operations with NDBs and their alignment to GCI 9 environmental goals.** In fact, the MRV system has been a very important part of both incentives and impact evaluation of green finance operations that CMF is designing with NDBs, such as in the case of promoting a system to guarantee performance of energy efficiency projects under CO-L1124 (Bancoldex, Colombia), ensuring that environmental programs result in increased productivity under ME-L1145 (FIRA, Mexico) or promote credit enhancing with “performance results based incentives” to clients under ME-L1121 (Sociedad Hipotecaria, Mexico). While these programs allowed the NDBs to develop specific methodologies to MRV for environment and environmental benefits for specific financing lines, they did not provide for support for fully systematized and integrated framework allowing for ongoing and overall evaluation practices by the NDBs for all their green financing initiatives. Many of the NDBs still **lack technical expertise and experience** in designing and implementing results-based frameworks. Increased capacity of NDBs to designing and developing such frameworks in a systematized manner would allow that NDBs to apply such monitoring systems throughout their green operations (new and ongoing) in a continuous manner.
- 2.5 From the international public finance point of view, governments and MDBs have been increasingly paying attention to the need to also **track and assess results of dedicated environmental financing programs**⁵. This is not only a requirement for increased transparency and comparability of various programs⁶, but also for demonstrating that the

³ As example the ISE Corporate Sustainability Index of Bovespa (São Paulo Stock Exchange) created in 2005 assesses, in an integrated way, the economic, financial, social and environmental criteria and indicators of listed companies.

⁴ Brazil: Banco do Brasil, Banco Estado do Rio Grande do Sul S.A., Itau Unibanco Holding SA, Banco Santander Brazil Unit, Banco Bradesco, Itausa Investimentos Itau S.A.; Chile: Banco de Credito e Inversiones, Banco de Chile, Banco Santander Chile, CorpBanca SA, Sociedad Matriz Banco de Chile SA B; Colombia: Banco Davivienda SA Pref, Banco de Bogota SA, BanColombia SA, Grupo Aval Acciones y Valores; Mexico: Banregio Grupo Financiero SA de CV, Grupo Financiero Banorte O, Grupo Financiero Inbursa O; Peru: Credicorp Limited.

⁵ [OECD, Tracking climate finance: what and how?](#)

⁶ [Stockholm Environment Institute, Monitoring, Reporting and Verifying systems for climate finance in EU and its Member States.](#)

public resources available to address environmental issues and promote low carbon economic trajectories are relatively small compared to the private investments needed and hence those public resources should be used strategically and efficiently⁷. **The ability of MRVing the results of projects supported by international environmental public finance has become an important condition for prioritizing sectors and types of projects to be financed.**

- 2.6 This TC represents concrete opportunities for the IDB to comply with two institutional priorities under the GCI-9. First, it backs the priority associated with Institutions for Growth and Social Welfare. Secondly, it supports the priority of Protecting the Environment and Responding to Climate Change. The project team will make sure that the supported mechanisms designed under this project will also be fully compatible with relevant policies and sector frameworks relating to specific sectors and potential environmental benefits prioritized by the beneficiaries.

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 The TC proposes to support the strengthening of the institutional capacity of up to 3 NDBs to design and implement MRV system for their existing and new green programs, through the following activities:
- 3.2 **Component 1: Assessment of the NDBs policies, strategies and portfolio, as well as exiting green financing and MRV initiatives in the country, to identify strategic areas of operations and the requirements for the design of a results-based framework.** This component will result on a proposal for the results-based framework, including the priority sustainability interventions in which the NDB would focus and relevant intermediate results (outputs and intermediate outcomes) and the core set of critical outcomes for assessing the performance of both the Banks's strategic environmental and social priority areas as well as its performance in general.
- 3.3 **Component 2: Establishment of implementation plans.** This component will support NDBs in developing performance monitoring, training and communication plans to implement the results-based framework strategy in their institutions, including budgets, methodologies and systems for implementation. It would support NDBs not only in tracking and analyzing the impact of their portfolio in terms of environmental and social benefits, but also in defining the added value these benefits could have in the development of financing products as well as in the identification of the relevant sectors and types of clients.
- 3.4 **Component 3: Development of monitoring and verification systems of results.** Based on Activities 1 and 2 above, the NDBs would be supported in developing a results-based framework for assessing the results of their portfolio. The application of the system will allow for the identification of needed adjustments of the systems as well as the metrics and indicators specified in the diagnostic and planning phases.
- 3.5 **Component 4: Institutional capacity, outreach and training to internal and external stakeholders.** The NDBs staff will be trained and supported to implement the plans and systems developed under components 1-3 above. In addition, it is expected that dedicated

⁷ [The Landscape of Climate Finance 2012.](#)

teams and institutional capacity will be needed for the implementation of the program. In this regard, it is expected that this component will provide specific institutional recommendations. This component will develop training materials, guides and dialogue sessions for staff of commercial financial institutions to be able to better internalize new products and play a proactive role in the promotion of new financing lines with the potential to generate large environmental and social benefits.

- 3.6 **Component 5: Regional knowledge sharing, dialogue events.** The outputs of this TC and experiences built in the 3 selected NDBs supported under this regional program will be shared knowledge platforms. IFD/CMF, in collaboration with KNL, has built efficient channels to that effect: a strong and very valuable cooperation with the Association of Development Financing Institutions of Latin America and the Caribbean (ALIDE) and dedicated IDB web tools to engage the regional financial community around green development issues, such as the finanzascarbono.org and the [KNL Klave lessons learned tool](#). This component will also support the organization of 2 regional events, including technical materials.

- 3.7 In order to **implement the components**, the following activities are planned:

- a. Individual consultants or a consultancy firm with expertise development of monitoring and evaluation systems for green/environmental and social benefits and as well as of local/country priorities and markets would be hired to support each beneficiary in the implementation of activities under components 1 to 4. Consultants may be required to travel as needed to interact with local relevant stakeholders, undertake survey, and review the NDBs operating capacity and present results of analysis and proposed RBM plans and implementation steps.
- b. 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 4. The execution of this component will also entail the costs of consultants and events needed to promote dialogue and outreach, with relevant actors (such as local commercial banks, relevant policy makers) to better internalize new products and play a proactive role in the promotion of new financing lines 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.
- c. Individual consultants to support the development under component 5 of multimedia content (e.g. webinars, videos, blogs) to disseminate lessons learned through the finanzascarbono.org and the [KNL Klave lessons learned tool](#).
- d. The execution of component 5 will entail the organization of 2 events at regional level to present results and lessons learned from activities undertaken with the beneficiaries and will include also fees and travel for needed consultants to support the events and prepare technical materials.

- 3.8 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 sub-projects. The regional events will be organized in close coordination with ALIDE.

RESULTS MATRIX									
		BASELINE		YEAR 1		YEARS 2 AND 3		EXPECTED COMPLETION DATE	DATA SOURCE
	Unit	Value	Year	Planned	Actual	Planned	Actual		
Component 1 Diagnosis: Identification of key sectors, technologies and areas of intervention for promotion of social and environmental benefits	#	0	2014	1		2		03/2016	IDB Systems and survey
Results-based framework proposal	#	0	2014	1		2		05/2016	IDB Systems
Component 2 Detailed implementation plans designed integrated	#	0	2014	1		2		08/2016	IDB Systems
Component 3 Results Framework Systems integrated in NDBs portfolios	#	0	2014	0		3		10/2016	IDB Systems
Component 4 - Counterparts (NDBs) staff, their clients / first tier banks and relevant stakeholders (i.e. policy makers) trained	#	0	2014	0		80		12/2016	IDB Systems
Componentes 1-4: the development of result-based assessments by the beneficiaries	#	0	2014	0		3		01/2017	IDB Systems
Components 5 – # of new content / webinars / forums created by participants (i.e. active participants that create new discussions through forums, webinars and/or posting of new content in finanzascarbono.org and the KNL Klave lessons learned tool)	#	0	2013	20		60		12/2016	Statistics finanzascarbono.org and the KNL Klave lessons learned tool)
Components 5 – # IDB operations / projects with NDBs that make use of lessons learned from dialogues promoted by this TC.	#	0	2013	0		3		04/2017	IDB Systems & Survey

3.9 The total amount of this operation is US\$540,000, with US\$450,000 from Institutional Capacity Strengthening Fund and resources and US\$90,000 in kind from beneficiary entities. These resources will be used to hire the services of experts to implement components 1 to 5 above as well as to pay for logistics of consultative events and related consultants' travel needs.

3.10 As required by the Criteria for appraising Bank programs eligibility for funding from the Special Programs/Grants of OC resources, other resources available for the financing were seek and it was concluded that as of today, there were no other resources available for the financing of these technical cooperation projects dedicated to the promotion of energy efficiency and sustainability via the capacity building of National Development Banks.

Indicative Budget

Activity/ Component	Description	IDB/Fund Funding* (thousands of US\$)	Counterpart Funding** (thousands of US\$)	Total Funding (thousands of US\$)
Component 1	Activity 1.1: Diagnosis and identification of priority areas of interventions and environmental and social benefits	90,000	20,000	110,000
	Activity 1.2: Proposal of Results-based framework	60,000	5,000	65,000

Component 2	Establishment of the Plans for Implementation of the results based framework (including budgets, methodologies and systems for implementation)	100,000	20,000	120,000
Component 3	Design of system for monitoring and implementation of results framework	100,000	20,000	120,000
Component 4	Staff and key stakeholders training and outreach	45,000	20,000	70,000
Component 5	Development of dissemination content	5,000	-	5,000
Component 5	Regional dialogues and knowledge sharing	30,000	5,000	35,000
Quality review of project products and results		20,000	-	15,000
TOTAL		450,000	90,000	540,000

* The amounts correspond to support to 3 banks. ** Each NDB should provide co-financing or in kind support of 20% of the support by this TC.

** In the case of Component 5, the support corresponds to in kind resources from ALIDE over 3 years, institution with which IDB has a MOU.

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of IFD/CMF.
- 4.2 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 firm consulting 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 services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policies (GN-2303-20).
- 4.3 The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of IFD/CMF. Given the diversity of actors that this TC aims at supporting and its regional scope, it is appropriate for the IDB to directly execute it in order to provide a centralized coordination of the various studies and ensure their dissemination to all countries in the region. The Capital Markets and Financial Institutions Division (IFD/CMF) will have technical responsibility, coordination, direction and supervision of this TC, with support of the Learning & Knowledge Management Division (KNL/KNM). Moreover, the fact that the IDB will be the executing agency of this TC ensures independence and transparency regarding the elaboration of studies and assessments to be carried out within the activities of this TC.
- 4.4 The support will be provided upon demand. This initiative will be promoted through regional events that have been and are being organized with ALIDE. However, several NDBs have already expressed their interest in working with the Bank in this area. FIRA (Mexico), for instance, has already formally requested support (including its execution by the IDB), and expressions of interest have already been received from Bancoldex, Findeter and Banco Agrario (Colombia), Bandesal (El Salvador) and the Fund Agency of Amazonas (AFEAM – Brazil). The selection of beneficiaries will take into account the need for regional balance (i.e. representation of NDBs from different LAC sub-regions). Potential different sizes of Banks and levels of institutional capacity will also be

considered to develop and implement MRV systems – so that supported NDBs provide for a more representative sample of cases.

- 4.5 The Bank will make sure each of the beneficiaries have formally asked for its support and expressly requested Bank's execution of the TC and that no-objection letters are provided from the countries in which activities of this TC will be carried out.. After the identification of each of the beneficiaries, the Bank will request a commitment letter from the beneficiary confirming its local in-kind contribution.

V. MAJOR ISSUES

- 5.1 Given that the work proposed in this TC is highly technical, there is a risk of not obtaining good quality results if the work carried out by consultants is not properly monitored. The TC will ensure that the materials developed are peer reviewed. Ensuring close technical follow up and quality control of the support provided is also one of the reasons why the TC is executed by IDB (IDF/CMF) with methodological support from KNL, in particular through the compilation of lessons learned through mechanisms such as the KNL/CMF Klave database on green financing. A budget of US\$20,000 has been put aside to develop a methodology for supporting the project outputs evaluation and quality control / peer review of technical products developed.
- 5.2 This technical cooperation requires a strong counterpart and ownership of the beneficiary banks. It is expected that the NDBs benefitting will make staff and resources available for its implementation. CMF will ensure that beneficiaries agree to provide counter-part resources in kind as a condition to receive support from this initiative, being the most important one the allocation of dedicated staff to implement and follow up the TC results.

VI. EXCEPTIONS TO BANK POLICY

- 6.1 No exceptions to Bank policy are envisioned.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 According to the Environment and Safeguards Compliance Policy (OP-703), the TC has been classified as category C. No potential negative environmental and/or social impacts of the TC were identified and therefore no mitigation strategy is required to address any impact. See [Safeguard Policy Filter Report \(SPF\)](#) and [Safeguard Screening Form \(SSF\)](#).

Required Annexes:

- Letter of Request
- Terms of Reference for activities/components to be procured
- Procurement Plan

DGAPN 032/2013

México, Distrito Federal, 11 de abril 2013

MERCEDES ROSALBA ARAOZ FERNÁNDEZ

Representante del BID en México

Avenida Paseo de la Reforma N° 222 Piso 11

Colonia Juárez, Delegación Cuauhtémoc

México, D.F. 6600

Asunto: Solicitud de asistencia técnica para el desarrollo de estrategia de gestión de resultados para programas de sostenibilidad ambiental y social.

Como es de su conocimiento, el Banco Interamericano de Desarrollo (BID) por conducto de la División de Mercados de Capitales e Instituciones Financieras y los Fideicomisos Instituidos en Relación con la Agricultura (FIRA) han establecido un marco de Colaboración para la implementación de un sistema de gestión de riesgos sociales y ambientales (SARAS) y la detección de oportunidades de inversión en proyectos de eficiencia energética y uso racional del agua en el campo Mexicano.

En este contexto, FIRA ha sido enterada de la posibilidad de que se provea una nueva asistencia técnica para el desarrollo de una estrategia de gestión de monitoreo y evaluación de resultados de programas de sostenibilidad ambiental y social.

Al respecto, solicitamos atentamente su valiosa gestión para la obtención de la asistencia técnica mencionada ante las instancias correspondientes del Banco.

Sin otro particular quedo a sus órdenes y aprovecho la ocasión para enviarle un cordial saludo.

Atentamente

LUIS ROBERTO LLANOS MIRANDA
Director General Adjunto de Promoción de Negocios

C.c.p Maria Netto, Especialista Líder de Mercados Financieros y Cambio Climático (IFD/CMF);
José Juan Gomes Lorenzo, Especialista Líder de Mercados Financieros (IFD/CMF)
Leticia Riquelme, Especialista Líder de Mercados Financieros (IFD/CMF)
Rafael Gamboa González, Director General (FIRA)
Ángel Manuel O Dogherty Madrazo, Director General Adjunto de Inteligencia Sectorial (FIRA)
Enrique Soto Guerra, Director de Banca Corporativa y de Inversión (FIRA)
Ana Paulina Marín Castillo, Subdirectora de Banca de Inversión y Nuevos Productos. (FIRA)

FIRA, más que un buen crédito

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**TERMS OF REFERENCE – COMPONENTS 1 TO 4 – SUPPORT OF DEVELOPMENT AND IMPLEMENTATION OF
RESULTS BASED FRAMEWORK FOR EVALUATION OF ENVIRONMENTAL AND SOCIAL BENEFITS**

I. BACKGROUND

Sustainability result metrics has received particular attention in recent years due to the potential cash flow impact and its risks and returns for investors of promoting environmental and socially friendly programs. Recently, several local financial institutions in LAC, recognizing this trend, have actively sought to integrate sustainability metrics into their portfolios and develop green financing programs, with some having been included in the Dow Jones Sustainability Index.

Developing monitoring and evaluating systems of environmental benefits from National development banks (NDBs) financing lines are also key to ensure that environmental benefits can be monetized and integrated in financing programs as “cash flows”. Ensuring proper monitoring, reporting and verification (MRV) systems should provide for more certainty about the benefits of this type of investment projects and hence become an important element of investment risk mitigation.

Supporting NDB’s capacity to develop and implement appropriate MRV systems helps to better evaluate impacts of IDB “green finance” operations with NDBs and their alignment to GCI 9 environmental goals. In fact, the MRV system has been a very important part of both incentives and impact evaluation of green finance operations that IFD/CMF is designing with NDBs. However, many of the NDBs still lack technical expertise and experience in designing and implementing results-based frameworks. Increased capacity of NDBs to designing and developing such frameworks in a systematized manner would allow that NDBs to apply such monitoring systems throughout their green operations (new and ongoing) in a continuous manner.

In order to support NDBs to fully systematized and integrated framework allowing for ongoing and overall evaluation practices by the NDBs for all their green financing initiatives, IDB requires specific expertise to support NDBs in identifying priority sectors and type of environmental and social benefits they can promote and to develop capacity in the banks to design and implement such results based frameworks.

II. OBJECTIVE

A consultant with particular expertise on development of monitoring and evaluation systems for green/environmental and social benefits as well as of local/country priorities and markets is required to support the IFD/CMF in assisting beneficiary NDBs in (i) identifying priority sectors with environmental and social benefits they can be promote, and (ii) in developing capacity of these banks to design and implement results based frameworks to evaluate environmental and social benefits from their financing programs.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the project RG-T2340, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

- Support in the identification of priority sectors with environmental benefits for

intervention, including:

- Assessment of country's priorities in both the areas of economic development and green economy transition, including specific stakeholders and initiatives already underway;
- Assessments of strategic priorities of the beneficiary entity;
- Analysis of exiting financial instruments and project / loan portfolios, including classification of current or potential client activities;
- Identification and estimation of the key environmental and social benefits that could be promoted by the entity;
- Identification and estimation of the key social benefits that could be promoted by a social program (poverty alleviation, labor creation, social inclusion, etc.) defining the added value these benefits could have in the development of financing products as well as in the identification of the relevant sectors and types of clients.
- Based on the analysis above, develop a proposal for designing of a results-based framework, including:
 - Priority sustainability interventions that the NDB could promote;
 - Definition of relevant intermediate results (outputs and intermediate outcomes) and core set of critical outcomes for assessing the performance of both the Banks's strategic environmental and social priority areas;
 - Methodological approach to assess, implement and the results based framework on an ongoing basis.
- Develop a proposal for a detailed implementation plan for results-based framework, including developing performance monitoring, training and communication plans;
- Support the NDB to develop a full-fledged system to assess results of the NDB portfolio (including the through the NDB portfolio classification and banking system management) and to report on social and environmental benefits. The application of the system will allow for the identification of needed adjustments of the systems as well as the metrics and indicators specified in the diagnostic and planning phases.
- Prepare recommendations regarding institutional capacity will be needed for the implementation of the program, including type of training and stakeholders to be involved.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultant shall begin. During this period the consultant will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.

2. **Place of work:** Offices of the selected consultant.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultant will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected consultant will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The person must have:
 - University and Post graduate degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
 - At least five years relevant working experience with development of results based approaches for social and environmental benefits;
 - Excellent knowledge and relevant work experience with financial institutions, development of financial instruments and project development and management.
 - 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 team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
 - Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The lump sum payment for this work will adhere to the following installments:

- 25% upon contract signing
- 35% upon delivery and approval by the IDB Team of an interim report.
- 40% upon delivery and approval by the IDB Team of the final report.

V. COORDINATION

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

TERMS OF REFERENCE – COMPONENT 4 – CAPACITY DEVELOPMENT AND TRAINING

I. BACKGROUND

Sustainability result metrics has received particular attention in recent years due to the potential cash flow impact and its risks and returns for investors of promoting environmental and socially friendly programs. Recently, several local financial institutions in LAC, recognizing this trend, have actively sought to integrate sustainability metrics into their portfolios and develop green financing programs, with some having been included in the Dow Jones Sustainability Index.

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Supporting NDB’s capacity to develop and implement appropriate MRV systems helps to better evaluate impacts of IDB “green finance” operations with NDBs and their alignment to GCI 9 environmental goals. In fact, the MRV system has been a very important part of both incentives and impact evaluation of green finance operations that IFD/CMF is designing with NDBs. However, many of the NDBs still lack technical expertise and experience in designing and implementing results-based frameworks. Increased capacity of NDBs to designing and developing such frameworks in a systematized manner would allow that NDBs to apply such monitoring systems throughout their green operations (new and ongoing) in a continuous manner.

In order to support NDBs to fully systematized and integrated framework allowing for ongoing and overall evaluation practices by the NDBs for all their green financing initiatives, IDB requires specific expertise to support NDBs developing internal capacity to promote results based frameworks to assess and report on environmental and social benefits.

II. OBJECTIVE

A consultant with particular expertise in providing capacity building and training and on monitoring and reporting of environment and social benefits is required to support the IFD/CMF team in developing and coordinating knowledge sharing mechanisms and dialogues / workshops for its clients. In addition to technical skills, it will be critical that the consultant has good understanding of financial institutions operations, climate change and environmental policy issues.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Undertaking a diagnosis of specific capacity needs of the supported NDB under project RG-T2340 and developing tailored capacity development plans and training programs for

the counterparts' staff and for their clients (i.e. potentially commercial banks if the counterpart is a second tier bank and potential end users of the financing mechanisms).

2. Developing dedicated training and information materials for the NDB and other local relevant stakeholders and reviewing materials prepared by other technical experts for quality control and drafting tailored content for clients in Spanish and English.
3. Preparing agendas, reports and technical materials and supporting the overall coordination / organization of training and internal NDB technical workshops/ sessions.
4. Support in the development and implementation of outreach plans to promote the result framework mechanism developed, including using the [KNL Klave lessons learned tool](#) and the dedicated communities of practice for financial institutions under the [finanzascarbono.org](#) to exchange experiences and information on climate and green finance, financial mechanisms structuring, green projects development, methodological issues, specific financial instruments and events.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultant shall begin. During this period the consultant will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Offices of the selected consultant.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultant will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected consultant will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The person must have:
 - University and Post graduate degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
 - At least five years relevant working experience in training and capacity development, particularly on how to implement monitoring and evaluation systems to assess environmental and social impacts;
 - Excellent knowledge and relevant work experience with financial institutions, development of financial instruments and project development and management.
 - 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 team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
- Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

The lump sum payment for this work will adhere to the following installments:

- 25% upon contract signing
- 35% upon delivery and approval by the IDB Team of an interim report.
- 40% upon delivery and approval by the IDB Team of the final report.

V. COORDINATION

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

TERMS OF REFERENCE – COMPONENT 5 – CAPACITY DEVELOPMENT AND TRAINING

I. BACKGROUND

Sustainability result metrics has received particular attention in recent years due to the potential cash flow impact and its risks and returns for investors of promoting environmental and socially friendly programs. Recently, several local financial institutions in LAC, recognizing this trend, have actively sought to integrate sustainability metrics into their portfolios and develop green financing programs, with some having been included in the Dow Jones Sustainability Index.

Developing monitoring and evaluating systems of environmental benefits from National development banks (NDBs) financing lines are also key to ensure that environmental benefits can be monetized and integrated in financing programs as “cash flows”. Ensuring proper monitoring, reporting and verification (MRV) systems should provide for more certainty about the benefits of this type of investment projects and hence become an important element of investment risk mitigation.

Supporting NDB’s capacity to develop and implement appropriate MRV systems helps to better evaluate impacts of IDB “green finance” operations with NDBs and their alignment to GCI 9 environmental goals. In fact, the MRV system has been a very important part of both incentives and impact evaluation of green finance operations that IFD/CMF is designing with NDBs. However, many of the NDBs still lack technical expertise and experience in designing and implementing results-based frameworks. Increased capacity of NDBs to designing and developing such frameworks in a systematized manner would allow that NDBs to apply such monitoring systems throughout their green operations (new and ongoing) in a continuous manner.

In order to support NDBs to fully systematized and integrated framework allowing for ongoing and overall evaluation practices by the NDBs for all their green financing initiatives, IDB requires specific expertise to support NDBs in identifying priority sectors and type of environmental and social benefits they can promote and to develop capacity in the banks to design and implement such results based frameworks. In this context IDB is also seeking to compile lessons learned and develop dedicated content management materials to promote further exchanges of experiences and replication in the LAC region.

II. OBJECTIVE

A consultant with particular expertise on assessing lessons learned and development of multi-media content information and outreach is required to support the IFD/CMF team in developing content to be shared under knowledge sharing mechanisms and dialogues for NDBs on results based framework for monitoring and reporting environmental and social benefits.

III. FUNCTIONS, ACTIVITIES AND PRODUCTS

In keeping with the principles and the objectives set for the Program, the consultant will support the IFD/CMF in the following actions, but will not be limited to:

1. Collecting information and undertaking interviews about lessons learned in developing and implementing results based frameworks with NDBs in the LAC region
2. Developing dedicated training and information materials for NDBs and reviewing materials prepared by other technical experts for quality control and drafting tailored content for clients in Spanish and English.
3. Undertaking content management, moderation and administration of knowledge sharing mechanisms, including the development and maintenance of content using the KNL Klave tool and the dedicated communities of practice for financial institutions under the finanzascarbono.org to exchange experiences and information on climate and green finance, financial mechanisms structuring, green projects development, methodological issues, specific financial instruments and events.
4. Preparing agendas, reports and technical materials and supporting the overall coordination / organization of training and technical regional workshops/ sessions.
5. Support in the development and implementation of outreach plans to promote the financing line / mechanism developed with IDB counterparts, including capacitation of staff, local financial institutions and potential clients.

IV. CONSULTANCY CHARACTERISTICS AND QUALIFICATIONS:

1. **Starting date and duration:** The contract will be for 12 months from the date on which the IDB indicates through a written notification when the work on the consultant shall begin. During this period the consultant will have to execute the tasks identified above, the ones agreed under the contract and those that would be agreed in the process of the project implementation. The work of the consultant will be evaluated after four (4) months and continuation of the work and terms may be reviewed as result of the evaluation.
2. **Place of work:** Offices of the selected consultant.
3. **Travel costs:** At the request of the IDB, when needed to Travel for attending events organized under the project, IDB will cover only Travel and daily subsistence allowances in accordance with IDB rates.
4. **Monitoring and Evaluation:** The consultant will be requested to prepare quarterly reports of its activities.
5. **Conflict of interest:** The selected consultant will undertake this contract will refrain from using the contract for promotion of its own services or products.
6. **Qualifications:** The person must have:
 - University and Post graduate degrees in economics, energy, finance, engineering, environmental sciences or a related discipline.
 - At least five years relevant working experience with assessing lessons learned and development of web based content management;
 - Excellent knowledge and relevant work experience with green finance, financial institutions, development of financial instruments and project development and management.

- 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 team player, self-starter, has ability to work under minimum supervision and maintain good relationships.
- Fluency in English and Spanish. Working knowledge of other IADB languages highly desirable.

IV. PAYMENT SCHEDULE

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PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS								
Country: Regional			Executing agency: IFD/CMF					Public or private sector: (indicate which applies)
Project number: RG-T2340			Title of Project: Program for Enhancing the Institutional Capacity of Public and National Development Banks to Design					
Period covered by the plan: Apr 2014 - Apr 2017								
Threshold for ex-post review of procurements:					Consulting services(in US\$):_____			
Item N°	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (ex-ante or	Estimated date of the procurement notice or start of the	Technical review by the PTL (4)	Comments
1		Components 1 to 4: design and support implementation of a results framework system for envirnontmental and social benefits						
		Non consulting services						
		Travel (for assessments and technical support to each beneficiary)	20,000					
		Logistics for consultation meetings with key stakeholder's for each beneficiary (including travel, rental of rooms, interpretation services when needed, sound and video systems, preparation of materials, etc)	20,000	PC or DC		Q2 2014 Q2 2015 Q2 2016	Q4 2014 Q4 2015 Q4 2016	
		Individual consultants						
		Consultants (at least one per beneficiary supported) to undertake assements, prepare proposed frameworks and implementation plans, prepare recommendations and provide technical support to client	310,000	IICQ or CQS		Q2 2014 Q2 2015 Q1 2016	Q4 2014 Q4 2015 Q1 2017	
2		Component 4: Staff and key stakeholders training and outreach						
		Non consulting services						
		Travel (for technical support)	9,000					
		Logistics for consultation meetings with key stakeholder's (including travel, (rental of rooms, interpretation services when needed, sound and viedo systems, preparation of materials, etc)	15,000	PC or DC		Q1 2015 Q4 2015 Q2 2016	Q3 2015 Q1 2016 Q4 2016	
		Individual consultants						
		Consultants (at least one per bank supported) to support development of trainning materials and strategies	21,000	IICQ or CQS		Q2 2015 Q2 2016 Q4 2016	Q4 2015 Q4 2016 Q2 2017	
3		Components 5: Regional knowledge sharing, dialogue events						
		Logistics for consultation meetings / web interface with key stakeholder's (including travel, rental of rooms, web materials, interpretation services when needed, sound and viedo systems, preparation of materials, etc)	30,000	PC or DC		Q4 2014 Q3 2015 Q3 2016	Q1 2015 Q1 2016 Q1 2017	

		Individual consultants						
		Consultants to support development of content for multi-media dissemination of lessons learned (webinars, video, blogs, etc).	5,000	IICQ		Q4 2014 Q3 2015 Q3 2016	Q1 2015 Q1 2016 Q1 2017	
5		Quality review of projects and results						
		Consultants to peer review / provide quality control to products and results	20,000	IICQ		Q2 2014 Q2 2015 Q1 2016	Q4 2014 Q4 2015 Q1 2017	
Total			450,000		Date: 03/21/2014			
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value of US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years Y and Y+1"								
(2) Goods and works: CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.								
(2) Consulting firms: CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection under a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.								
(2) Individual consultants: IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.								
(3) Ex-ante/ex-post review: In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex procurements.								
(4) Technical review: The PTL will use this column to define those procurement he/she considers "critical" or "complex" that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other deliverables.								

Note: this plan includes only the amounts of funds for procurement by IDB. The local counterparts will provide additional 20% of contributions in-kind.