

“ARMSWISSBANK” CJSC

READINESS AND PREPARATORY SUPPORT PROGRAMME

**“SCALING UP GREEN FINANCE PRACTICES IN THE REPUBLIC OF ARMENIA”
PROJECT**

TERMS OF REFERENCE

Engagement of expert (international) for designing model green finance guidelines and tools (including Environmental and Social Safeguards and gender) focusing on mitigation sector for advancing “green finance” in Armenia

Background

Within its strategy to promote enabling framework for introducing environment resilient practices, the Government of Armenia plans to significantly scale up the utilization level of green finance instruments and to secure a more pro-active participation of the private sector in implementing interventions in climate adaptation and mitigation domains.

Within that overall strategy, the Government of Armenia through the Ministry of Environment (Designated National Authority) has requested support of Green Climate Fund (GCF) within the framework of “Readiness and Preparatory Support Programme” to implement comprehensive assessment of the constraints for further expansion of “green finance” practices, mapping of available instruments and to come up with comprehensive set of methodological, awareness raising and capacity building interventions. The Readiness Project will design a Green Finance Roadmap, as key political document outlining current state, existing impediments for green finance development and establishing comprehensive vision for green finance strategy contributing to implementation of Armenia’s NDCs and Paris Agreement. The Roadmap and further activities aimed at implementation of the activities proposed will benefit from Repository of “Green Finance Instruments” that will be compiled during project execution stage and further handed over to Central Bank for maintenance and updates upon completion of the Project. The main objective of the Readiness Project is to achieve paradigm shift in design and utilization of “green finance” instruments through incorporating into policies, operational modalities of national banks and non-banking financial institutions the climate-resilient approaches and guidelines, as well as regulatory simplification and introduction of policy incentives for designing respective on-lending facilities. To achieve this objective, interrelated chain of activity clusters, including assessment of baseline, regulatory review and simplification, assessment of best international practices, design of methodological baseline and further capacity building activities will be implemented.

The “ARMSWISSBANK” CJSC one of the leading Armenian banks that also seek accreditation with GCF (under direct access modality) has been awarded the contract for implementation of “Scaling up Green Finance Practices in the Republic of Armenia” Project.

Assignment Background

During the first two phases of the Project¹ the following activities were carried out with the involvement of international and national consultants, as well as professional consulting companies:

- Mapping of current practices and capacities of all existing commercial banks (17) and major non-banking financial institutions (5) aimed at identification of existing “green finance instruments” (including sources, requirements and conditions), understanding of regulatory practices and key constraints, as well as collecting and systemizing suggestions of beneficiaries on policy measures and instruments on how to further promote “green finance practices” in Armenia;
- Mapping of key “green finance instruments” deployed by key MDBs operating in Armenia understanding their vision of regulatory practices and key constraints, as well as collecting and systemizing suggestions of MDBs on best international practices (based on their experience of operations in other countries) facilitative towards further promotion of “green finance practices” in Armenia;
- Implementing quantitative survey of 282 beneficiaries of “green finance” instruments (119 SMEs and 163 households) aimed at establishment of the baseline for assessment of the responsiveness of the products and identification avenues for improvement;
- Conducting 2 webinars with key stakeholders to present results and discuss recommendations of the activities carried out within the framework of this phase.
- Review international best practices in “green finance instruments”, identification of recommended ones and provision of recommendations for their adaptation to Armenian realities,
- Delivery of a tailor made training programme (9 sessions throughout 8th to 26th of April) on key methodological aspects of international best practices proposed for utilization in Armenia.

In the mid of April 2021 the final component of the second phase of the project will commence commenced, where one international consultant and consulting firm (both legal) will work closely with the Project stakeholders to carry out consultations deriving from Compendium of best practices and subsequent recommendations on the ones to be adopted in Armenia, as well as provide drafting services of necessary legal and regulatory acts. Also, the IT company will be selected to design the knowledge sharing portal where all best practices reviewed, recommendations and other learning materials will be deposited.

¹**Note:** Deliverables/results of the activities described above will be made public closer to the commencement of services described in this RFP and respectively shared with the successful incumbent.

Objectives of the Assignment

The objectives of the assignment are threefold:

- 1) Provide methodological guidance on advancing green finance guidelines and tools based on the standards applied by climate funds and other sources of green finance for partner banking institutions;
- 2) Design model guidelines and tools (including Environmental and Social Safeguards and Gender) that could be utilised by local financial institutions;
- 3) Increase awareness of local banks and non-banking financial institutions on the requirements for such policies and advice on potential avenues for advancing respective regulatory framework;

Scope of Work

Most of the banks and non-banking financial institutions have clear regulatory frameworks, including Environmental and Social Standards and Gender Policies, for implementation of the investment projects. However, thorough review of some of the documents suggests that: 1) not all aspects of Environmental and Social Safeguards are being addressed by these documents, 2) in most of the cases they are relevant to the ones categorised as environmental Category C, 3) policies and instruments for mainstreaming gender policies either absent or incomplete, 4) number of important mechanisms (e.g. Grievance Reporting Mechanism) are absent.

While such situation at the current stage of development of green finance practices does not create significant obstacles for the local financial institutions (simple financing schemes with MDBs under tailor-made on-lending facilities foresees internal requirements and standards), at the meantime, further expansion of the operations and more proactive direct communication with IFIs will bring to the point where internal capacities to comply with ESS standards of the banks and non-banking financial institutions might be evaluated as inadequate.

With the purpose of addressing mentioned constraints through development of model guidelines and tools, the services of international consultant are being sought through this RFP.

More specifically, the Consultant will:

- With on the ground support of (separately contracted) consultancy firm carry out comprehensive review of requirements of MDBs and climate funds with regard to green finance guidelines (Including Environmental and Social Standards & Gender) and design recommended list of minimum compliance requirements;
- With on the ground support of (separately contracted) consultancy firm design model green finance guidelines (in accordance with the recommended list

mentioned in the point above) that could be utilized by local banks and non-banking financial institutions;

- Lead consultations with key stakeholders, including Central Bank of Armenia, Union of Banks of Armenia, commercial banks and non-banking financial institutions, as well as MDBs aimed at discussion of the deliverables produced at potential for recommending them as model templates.
- Deliver 3 training sessions for the project beneficiaries for discussing key requirements of the MDBs and climate funds, as well as presentation of the deliverables produced and the ways on how to incorporate them within internal procedures of the beneficiaries;

Selection Criteria

I. Technical Proposal – 70%

1. Experience of the Consultant – 60%

- Preferably with degree in law, environmental sciences or any other relevant field and at least 12-15 years of professional experience in/with MDBs and climate funds on designing, assessing or implementing large scale projects with utilisation of the ESS;
- Track record on successful delivery of high-level expert advice to banks, governments and/or international organizations in the relevant fields gained in at least 5 different countries;
- Experience related to the intersection of energy efficiency and renewable energy finance and the financial sector in emerging economies.

2. Description of approach, methodology and work-plan – 40%

II. Financial Proposal - 30%

Financial proposals should be submitted with clear indication of: 1) daily charge out rates multiplied by number of working days (identified in the RFP), 2) total sum for the assignment, and 3) containing the statement that all applicable taxes are included.

Evaluation of proposals

Only financial proposals of bidders received 70 and more points for their technical proposal will be considered.

The procedure for evaluation of Financial Proposals is the following - the lowest Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as follows: $Sf = 100 * Fm/F$, where Sf is the financial score, Fm is the lowest price, and F is the price of the relevant Financial Proposal.

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet:

$$S = St \times T\% + Sf \times P\%$$

The Consultant that achieved the highest combined technical and financial score will be invited for negotiations.

Timeframe, deliverables and reporting

The overall duration of the “Scaling up Green Finance Practices in the Republic of Armenia” Project is 24 months.

Required services will have to be delivered during May – September 2021 (30 working days).

Submission Requirements

Technical Proposal comprised from CV and description of approach, methodology and workplan should be submitted by 10/05/2021 at 18:00 Yerevan time to the following e-mail address: procurement.gcf@armswissbank.am. Financial Proposal should be submitted by 10/05/2021 at 18:00 Yerevan time to the following e-mail address: priceoffer.gcf@armswissbank.am.

Financial proposal should include fee component only, which should be all inclusive. Type of the contract is lump-sum. Financial proposals should include timeline of payments against deliverables.

Financial proposal should include fee component only, which should be **all inclusive**. Services of the International Expert will have to be delivered in on-line modality.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of this RFP.

The Proposal that complies with all of the requirements meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Consulting companies can nominate individual experts, however, only relevant experience and expertise of candidate proposed will be evaluated. Submission of multiple experts by consulting companies is prohibited.

Please Note: “ARMSWISSBANK” CJSC will not provide feedback on the evaluation process to unsuccessful candidates.