

**“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 carrying out a scoping study on private sector engagement 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 Project<sup>1</sup> 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 8<sup>th</sup> to 26<sup>th</sup> 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.

---

<sup>1</sup>**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) Increase awareness of private sector entities operating in climate adaptation and mitigation on the NDC framework, priority sectors of the “GCF Armenia Country Cooperation Programme” and financing opportunities made available by climate funds;
- 2) Carry out comprehensive screening and identify potential projects in climate change mitigation and adaptation domains for inclusion into the “GCF – Armenia Country Cooperation Programme”;
- 3) Design recommendations to the Ministry of Environment of the Republic of Armenia on updating “GCF – Armenia Country Cooperation Programme” with the new private sector opportunities.

## **Scope of Work**

Engagement of private sector is crucial for combating climate challenges. Leveraging financing from business entities for implementation of investment projects in climate adaptation and mitigation domain is one of the most important requirements for provision of climate finance from funds, MDBs and international development partners. Another important selection criteria is proposals structured in the manner to solicit climate funds for financing “incremental costs” of climate compliance and securing maximum level of additionality.

In 2018, within the Ministry of Environment of Armenia through “Environmental Project Implementation Unit” SNCO (operating under its aegis) implemented Readiness and Preparatory Support Project aimed at development of “GCF – Armenia Country Cooperation Programme”. The rounds of consultations with private sector has been carried out then to inform the process of identification of national priorities and nomination of the priority projects.

The “GCF – Armenia Country Cooperation Programme” has not been approved yet and currently is in the process of final editing. Taking into account the necessity to update the section related to the priorities and proposed project, it has been decided to include the component in the Current readiness Proposal to carry out comprehensive consultations with the private sector for updating respective part of the Country Programme.

With the purpose of implementing the activity batches described above, the services of international consultant are being sought through this RFP.

More specifically, the Consultant, with on the ground support of (separately contracted) consultancy firm will:

- Implement 5 round table discussions aimed at increasing awareness of private sector entities operating in climate adaptation and mitigation on the NDC framework, priority sectors of the “GCF Armenia Country Cooperation Programme” and financing opportunities made available by climate funds;

- Design methodology and checklist, on-going mentorship and final per-review of scoping study on private sector engagement (exploring interest, assessing capacity, bankability and readiness etc. for activity)
- Implement of scoping study on private sector engagement (exploring interest, assessing capacity, bankability and readiness for activity)
- Design special screening templates for preselection of (minimum 50) potential projects, finalization of selection for recommended investment projects (minimum 10), as well as provision of justification for their selection, including compliance with GCF Investment Criteria;
- Draft recommendations to the Ministry of Environment of the Republic of Armenia on updating “GCF – Armenia Country Cooperation Programme” with the new private sector opportunities and implement series of consultations with the Ministry and other relevant stakeholders;

## **Selection Criteria**

### **I. Technical Proposal – 70%**

#### **1. Experience of the Consultant – 60%**

- Preferably with degree in law, environmental sciences, economics or any other relevant field and at least 12-15 years of professional experience in/with MDBs and climate funds in implementation of consultations with private sector and identification of funding priorities and/or design policy/regulatory documents;
- 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 organisation and/or participation to the high level PPP frameworks.

#### **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,  $F_m$  is the lowest price, and  $F$  is the price of the relevant Financial Proposal.

Proposals will be ranked according to their combined technical ( $S_t$ ) and financial ( $S_f$ ) 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:

$$S = S_t \times T\% + S_f \times P\%$$

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 – October 2021 (20 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](mailto: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](mailto: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.