

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

REGIONAL

**LAC GREEN FINANCE PROGRAM TO MOBILIZE PRIVATE INVESTMENT IN
MITIGATION ACTIONS AND LOW-CARBON AND SUSTAINABLE BUSINESS
MODELS THROUGH NATIONAL DEVELOPMENT BANKS (PHASE II)**

(RG-T3612)

TECHNICAL COOPERATION DOCUMENT

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TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	LAC Green Finance Program to Mobilize Private Investment in Mitigation Actions and Low-Carbon and Sustainable Business Models through National Development Banks (Phase II)
▪ TC Number:	RG-T3612
▪ Team Leader/Members:	Netto De A. C. Schneider, Maria E. (IFD/CMF) Team Leader; Demichelis, Jose Francisco (IFD/CMF) Alternate Team Leader; Aiello, Roberto Gabriel (INE/ENE); Alarcon, Arturo (INE/ENE); Andrade, Sylvia Gabriela (IFD/CMF); Bernedo, Cecilia (IFD/CMF); Brakarz, Barbara (CSD/CCS); Cabrita Felix, Carolina Cristina (SCL/LMK); Cavazzoni Lima, Rafael (IFD/CMF); Frisari, Giovanni Leo (CSD/CCS); Gallardo Sirito, Luis Matias (CSD/CCS); Garcia Huitron, Manuel Enrique (SCL/LMK); Hincapie Salazar, Daniel (ORP/REM); Isabel Williamson, David Alejandro (ORP/GCM); Marquez, Claudia M (IFD/CMF); Martinez Lopez, Cynthia Guadalupe (IFD/CMF); Negret Garrido, Cesar Andres (LEG/SGO); Oglialoro, Claudia (ORP/GCM); Pereira Porto, Rodrigo (IFD/CMF); Ramirez Ramirez, Gmelina Juliana (CSD/CCS); Riquelme Arriola, Leticia (IFD/CMF); Salas Parra, Cristian (CSD/CCS); Sierra Gonzalez, Eduardo (IFD/CMF); Urteaga Dufour, Jose Antonio (INE/ENE); Valencia Marin, Veronica (IFD/CMF); Vasa, Alexander (IFD/CMF)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	N/A
▪ Beneficiary:	National Development Banks, public financial sector beneficiaries on green finance instruments and best reporting and disclosure practices in the LAC region
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Cofinancing Special Grants(COF) - International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of Germany (BMU)
▪ IDB Funding Requested:	Total: US\$3,309,300.00 ¹
▪ Local counterpart funding, if any:	US\$622,148.00 (In-Kind)
▪ Disbursement period:	66 months (execution period: 60 months)
▪ Required start date:	May 15th, 2020
▪ Types of consultants:	Firms and/or individual consultants
▪ Prepared by Unit:	IFD/CMF-Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	IFD-Institutions for Development Sector
▪ TC included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability

II. Objectives and Justification of the TC

¹ These funds will be administered by the IDB through a Project-Specific grant (PSG). International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of Germany (BMU) will contribute EUR3,000,000.00, which is equivalent to US\$3,309,300.00 at the exchange rate of 1.10 as of March 01st, 2020.

- 2.1 **Background and Justification.** The public sector alone cannot finance the Nationally Determined Contributions (NDCs). Their effective implementation requires private capital. Capital requirements to address infrastructure needs in Latin America and the Caribbean (LAC) exceed US\$250 billion per year, almost double the share of GDP currently spent by the public sector in the LAC region on infrastructure.² Achieving the NDCs in LAC requires at least US\$27 billion annually until 2030.³ Despite great potential for green investments in LAC, demand for green finance and available supply of finance has to-date remained marginal compared to the ambitious national climate and energy goals set out in countries NDCs.
- 2.2 The financial and capital market plays a key enabling role to match demand and supply with involvement from private sector actors. However, current activities do not systematically address financial and non-financial barriers that impede large-scale investment, including: (i) lack of technical capacity of private sector actors and borrowers to develop pipelines of bankable green projects; (ii) standardized methods within the financial sector to assess the risks of projects; (iii) scalable and replicable suitable business models; (iv) a suitable regulatory and policy environment; and (v) long-term finance and risk-sharing instruments to demonstrate the performance of green finance projects.
- 2.3 Since 2017, financial regulators and supervisors have increasingly focused their work on the risks posed by climate change for the stability of the financial system. In 2017, eight central banks (including Banco de Mexico) founded the Central Banks and Supervisors' Network for Greening the Financial System (NGFS), that now counts more than 50 members, including LAC institutions,⁴ and leads the dialogue and knowledge dissemination on the possible financial impacts from climate change, and on the prudential and supervisory instruments. This work can support regulators in their mandate to preserve financial stability through adequate policy responses and signals and foster sustainable economic growth.
- 2.4 National Development Banks (NDBs) are in a unique position to engage Local Financial Institutions (LFIs) and private investors, align development financing with national priority mitigation actions, and canalize international climate funding to promote scale up investments in Energy Efficiency (EE) and Renewable Energy (RE) projects, and other green investments.
- 2.5 Since 2014, the annual green bonds issuance volume in LAC grew 18-fold to more than US\$6 billion in 2019,⁵ and cumulatively more than US\$15 billion was issued through almost 70 issuances. Nevertheless, of the issuances surveyed by Climate Bonds Initiative, approximately only half reported on their use of proceeds and environmental impacts, only about a quarter were independently certified through the climate bonds standard, and only 1% of green bonds supplied external assurance on the use of proceeds and impact metrics reported.⁶ As the green bond market expands, investors are demanding greater transparency and comparability in evaluating green

² The additional financing needs to transition to a low-carbon economy are about 2.8% of LAC's regional GDP including the spending on infrastructure renewal, expansion and renewal (Estache et al., 2015 [Financing infrastructure in developing countries](#); Vergara et al., 2013 [The climate and development challenge for Latin America and the Caribbean](#); IMF, 2019 [GDP Data](#); InfraLatAm, 2018 [Infrastructure in Latin America and the Caribbean](#)).

³ Cabré et al., 2018 [Renewable Energy: The Trillion Dollar Opportunity for Chinese Overseas Investment](#); IFC, 2016 [Climate-Smart Investment Potential in Latin America: A Trillion Dollar Opportunity](#).

⁴ NGFS, 2020 [NGFS Membership](#).

⁵ CBI, 2019 [Latin America & Caribbean: Green finance state of the market 2019](#); CBI, 2020. Data received from Climate Bonds Initiative to update the numbers of the State of the Market Report.

⁶ Idem.

bonds. Transparency regarding the use of proceeds from green bonds and their environmental impact is a core differentiating element to traditional bonds that is valued by investors. The lack of transparent, comparable and verifiable impact data and transaction costs hinder the high-quality market expansion.

- 2.6 In this context, in 2016, the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of Germany (BMU) contributed €5,000,000.00 (approximately US\$5,495,000.00) for the technical cooperation “LAC Green Finance Program to Mobilize Private Investment in Mitigation Actions and Low-Carbon and Sustainable Business Models through National Development Banks” ([RG- X1244](#)), which is currently in execution. The TC RG-X1244, considered Phase I of this program, benefits countries (Brazil, Colombia, Paraguay and Mexico) and supports a program that has been structured in three lines of work to scale up innovative public-private green financial instruments: (i) Tailored support for NDBs⁷ to design and promote green financial instruments according to their niches (SMEs, agrobusiness, housing, PPPs) to mobilize private sector investments in EE and RE and other green investments; (ii) Financial Innovation Labs to promote dialogue with regulators, capital markets and financial sector stakeholders;⁸ and (iii) Scaling up the LAC Green Bonds Market.
- 2.7 Given the positive results of the program in its three lines of work in the aforementioned executing countries, and the interest of the Government of Chile to receive support to promote and implement a green finance public policy roadmap in the context of its Green Agreement,⁹ the BMU has agreed to contribute with additional €3,000,000.00 to replicate the aforementioned activities in Chile, and promote further regional replication and scale-up of the program.¹⁰ This new contribution embodies the Phase II of the program, which will focus primarily on beneficiaries in Brazil, Colombia, Mexico, Paraguay, Uruguay¹¹ and Chile.¹² Notwithstanding, all LAC countries can be potential beneficiaries of the knowledge sharing dialogues and the Green Bond Transparency Platform (Component 3 and 4 of this TC).

⁷ NDBs supported by TC RG-X1244 include: In Brasil: Banco do Brasil, BDMG, BRDE, Desenvolve São Paulo, and Fomento, Parana. In Colombia: Finagro. In Mexico: BANCOMEEXT, BANOBRAS, FIFOMI, FIRA, NAFIN, Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero (FND) and, Sociedad Hipotecaria Federal. In Paraguay: Agencia Financiera de Desarrollo (AFD). The TC RG-X1244 aims to develop financial strategies based on market assessments that result in dedicated NDB and public sector capacity and green finance operations. It was successful in enhancing the demand and implementation for this capacity and has resulted in concrete examples including, among others, the first green bond issued for protected agriculture in Mexico, an energy efficiency credit line with AFD Paraguay with external climate finance from the Green Climate Fund, and sector wide financial sector dialogues reflected below (see [“Summary of the Green Finance Facility”](#) for results of the projects supported by the TC RG-X1244).

⁸ Financial Innovation Labs gather different sectors (financial, consumer, provider, regulatory) for an intersectoral discussion forum on how financial and capital markets can be stimulated to promote scalable investments in green and sustainable business (see [LAB](#)).

⁹ The IDB (IFD/CMF and CSD/CCS) supported the Ministry of Finance in the promotion of the dialogue with the private sector, in the assessment of the awareness on climate change in the financial sector (see [MFV](#) for details). The TC will support the Government of Chile to implement the Green Agreement as a long-term commitment between the private sector and the public sector. The dialogue working groups will bring together public and private financial sector actors from Banking, Insurance Sector, General Fund and Pension Fund Administrators, and financial intermediaries to enhance green finance regulation and best practices.

¹⁰ This proposal is in line with the Green Bonds Partnership on green finance for LAC countries and the Joint Declaration of Intent, which the Federal Ministry of Development Cooperation, BMZ, and IDB signed in December 2019.

¹¹ Uruguay had been endorsed by the donor for Phase I, however it was not included as beneficiary of TC RG-X1244 because, due to changes in priorities at the moment of TC approval (2016), it did not formalize its interest in participating in the program. For phase II, in line with original endorsement, Uruguay keeps being considered a beneficiary (See Required Links: Request from client).

¹² Prioritized by the donor to ensure continuation of activities under Phase I.

- 2.8 **Objective.** Based on the proposed program, the objective of this operation is given continuity to the support granted to NDBs through the Technical Cooperation RG-X1244 in the promotion of financing strategies aimed at mobilizing the private sector investments in Energy Efficiency (EE) and Renewable Energy (RE).
- 2.9 **Strategic Alignment.** This TC is consistent with the Second Update to the Institutional Strategy (AB-3190-2) and is aligned with the development challenge of Productivity and Innovation as it is aimed at supporting the design of innovative green financial instruments, the promotion of innovation in business models, and laboratories of financial innovation. The TC is also aligned with the cross-cutting theme of: (i) Institutional Capacity and Rule of Law as regards enhanced transparency and aims to enhance the capacity of National Development Banks (NDBs) and public sector agencies; and (ii) Climate Change and Environmental Sustainability as it supports the design of financial instruments that facilitate investments in productive and environmentally sustainable activities and the mobilization of capital to support effective public-private synergies that contribute to the achievement of countries' NDCs.

III. Description of activities/components and budget

- 3.1. **Component 1. Tailored support to public entities for the development of green finance instruments.** This component will finance the scale-up of activities to support NDBs and other types of public entities, such as utilities and other public companies¹³ (Phase I of the program was focused exclusively on NDBs) to design and promote green financial instruments, mobilize private sector investments in EE and RE and other green investments. Beneficiary entities will receive capacity development and support to develop ready-to-use tailored financial strategies consisting of a combination of financial instruments and non-financial instruments through activities such as: (i) feasibility analysis; (ii) market assessments; (iii) support in the design of a financing strategies for developing scaled green portfolio, which provides support to structure both the supply of and the demand for financing; and (iv) support the development of monitoring and verification systems of expected impacts of the financing strategies. This component will also finance scale-up of green bond issuance support, which will cover the whole issuance process –portfolio identification, preparation of the framework, support to financial structuring (including assessment of credit enhancement, covert bonds structure, co-finance/anchor investment, and guarantee opportunities), second-party review, green rating, and certification, and reporting (see Component 4) as applicable, as well as promotion and roadshow¹⁴ (see [Green Finance LAC](#)).
- 3.2. **Component 2. Labs and green finance roadmap in Chile.** This component will support knowledge sharing and development of lessons learned which enable deepening of replication efforts in the LAC region by replicating the experience of the Financial Innovation Labs in Chile, Colombia, Paraguay, and Uruguay. In Chile, it will finance the implementation of its green finance public policy roadmap.¹⁵

¹³ Beneficiaries will be selected based on client demand and on a first-come, first-serve basis.

¹⁴ The Inter-American Development Bank Group (IDBG) has been supporting the development of new financial instruments via initiatives complementary to this TC such as: technical assistance programs to support the issuance of thematic bonds in LAC (RG-T3554 for thematic bonds, and RG-T2720 and RG-T3368 for green and sustainable bonds); and an IDB Invest "Regional Green Bond Facility" (RG-X1250).

¹⁵ See footnote 9.

- 3.3. **Component 3. Regional regulatory dialogue to replicate best practices from Chile and other leading countries.** This component will support national and regional regulatory and supervisory authorities in increasing understanding and implementation of sustainable finance instruments and practices available in the region, as well as in promoting dialogues within the financial sector to replicate best practices from Chile and other leading countries, including international initiatives like the NGFS, IOSCO Sustainable Finance Network (SFN) and the Task Force on Climate-Related Financial Disclosures (TCFD). It will include the following activities: (i) promotion of countries' best practices for enabling a conducive sustainable finance environment via knowledge exchange and sharing programs to improve and adapt capabilities on climate risks and opportunities stemming from climate change, environmental degradation and social issues; (ii) seminars and workshops for central banks, regulators and any other related government agencies; and (iii) preparation of analysis and training material for the implementation of sustainable finance practices and products.
- 3.4. **Component 4. Regional Green Bond Transparency Platform.** This component will promote transparency and enhance the reporting quality of the green bonds in LAC Region by implementing the Green Bond Transparency Platform. The component is complementary to green bond activities conducted during Phase I (RG-X1244), in particular: (i) developing green bond portfolios and frameworks for NDBs; (ii) supporting due diligence and quality review of external revision of frameworks and certifications; (iii) developing new climate bond methodologies for sectors relevant for LAC (e.g. protected agriculture); and (iv) reviewing market and reporting tendencies. The Component supports the engagement and inclusion of all green bond issuance's impact and use of proceeds data from LAC in the platform. This activity supports the standardization efforts to enhance LAC issuer's adherence to existing and evolving green bond reporting standards. It encompasses the: (i) operational management development of the full-scale technical features of the platform; (ii) definition and implementation of consistent data templates to facilitate transparent data monitoring, reporting, and verification; (iii) the provision of technical support and capacity building for all qualified users (issuers, external verifiers, investors) and other market stakeholders via virtual and in-person guidance; (iv) the creation of a dedicated operational execution team; (v) establishment of market expert advisory working groups and participation in events and roundtables to ensure the provision of relevant data through the platform; and (vi) establishment of collaborations and partnerships with other suitable data and platform partners. The effect of impact data provision on investors and green bond characteristics will be analyzed with an Economic and Sector Work (RG-E1640), and lessons learned will be shared via greenbondtransparency.com and greenfinancelac.org.
- 3.5. The proposed program assumes that each NDB client provides financing (through credit lines, guarantees and other financial instruments) to the private sector (directly or through LFIs) of an average of US\$50 million or issues green bonds and that this finance would be expected to mobilize/leverage private sector financing for low-carbon investments. It is expected that, on average, by November 2024 for every dollar financed by an NDB, at least US\$1 in private sector financing would be leveraged to promote the aforementioned investments.
- 3.6. **Budget.** The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of Germany (BMU), under the International Climate Initiative (IKI), expect to commit EUR3,000,000.00 to this project, which is equivalent to US\$3,309,300.00

based on the exchange rate EUR/USD 1.1031, as of March 1st, 2020. Final resources in US Dollars will be dependent on the exchange rate of the date when the resources are received by the Bank and converted into US Dollars. Beneficiaries will provide in-kind counterpart resources, including staff time, facilities for events, and office space for consultants for an equivalent of 20% of the services received.¹⁶ The total amount of this TC is thus approximately US\$3,931,449. Table 1 details this budget.

Table 1. Indicative Budget (US\$)*

Component	IDB/IKI	Counterpart Funding**	Total Funding
Component 1	518,457	103,691	622,148
Component 2	1,036,914	207,383	1,244,297
Component 3	518,457	103,691	622,148
Component 4	1,036,914	207,383	1,244,297
Contingency	33,093	0	33,093
Administration fee 5%	165,465	0	165,465
Total	3,309,300	622,148	3,931,449

* Based on the exchange rate of Euros in Dollars of 1.1031 (March 1st, 2020 – Source: IDB FIN).

** In-kind resources will be reported by the beneficiaries, where applicable. Also, see footnote 16.

- 3.7. Resources of this project will be received from the BMU through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)” (Document SC-114). As contemplated in these procedures, the commitment by BMU will be established through a separate Administration Agreement.¹⁷ Under such agreement, the resources for this project will be administered by the Bank, and the Bank will charge a non-refundable administration fee of 5% of the contribution, which is identified in the budget of this project. The 5% administration fee will be charged upon the Bank’s receipt of the contribution. Such administration fee will be distributed to the Bank’s offices involved in the origination and execution of the grant to make-up for the costs associated with the administration and the execution of the contribution.
- 3.8. Once the TC is in execution, the project team will be able to establish partnerships with other private partners interested in contributing to the initiative. To the extent that a new donor is willing to make a contribution to the project in the form of a Project Specific Grant (PSG), the IDB will establish a commitment from the donor through an administration agreement, without the requirement to prepare a new TC operation. Under this arrangement, each new PSG agreed with the donors will increase the activities and budget of this operation, and this increase will have to be approved by the Board of Executives Directors of the Bank.
- 3.9. Within six months after the completion of the Project, the Bank will submit to the Donor a final Project report, comprising an overview of the expenditure incurred by the implementation of the Project and of the funds allocated to cover this expenditure (financial report) as well as a written report on the operation and progress of the funded Project (narrative report). The Donor may also request a non-audited financial expense report of the Contribution. In addition, the Donor may request an "agreed upon procedures" report issued by the Bank’s external auditor on the use of the

¹⁶ In-kind counterpart contribution will be required when there is support for activities and events that benefit an individual entity.

¹⁷ The PSG will be funded by the donation of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety under the International Climate Initiative (IKI). The IKI is a key element of Germany’s climate financing and places clear emphasis on climate change mitigation, adaption to the impacts of climate change and the protection of biological diversity. The TC is aligned with these objectives.

Contribution resources. The cost of such auditor's report will be borne by the Donor and will not be deducted from the Contribution. The Donor will reimburse the Bank for the cost of this report promptly after receiving a written request from the Bank. The Bank will not provide audited financial statements for the Account.

- 3.10. Further, the Bank will submit to the Donor an annual narrative report of project progress for the duration of the Agreement and a non-audited financial report of the Contribution as of December 31st every year. Both the annual narrative report and the non-audited annual financial report shall be submitted not later than April 30th of the following year. The annual report shall describe how the Donor's program fits into the business policies of the respective National Development Banks ("NDBs") and which mechanisms they provide for guaranteeing the sustainable implementation of the financing strategies (including the provision of staff resources). The annual report shall include reporting on emissions reductions as well as the mobilization of additional capital (leverage effect) with regard to the financing of renewable energies and energy efficiency in the relevant countries.

IV. Executing agency and execution structure

- 4.1. Given its ample experience, the technical expertise in the identified field for this TC, and the regional nature of this TC, the IDB will be the executing agency for this TC through the Connectivity, Markets and Finance Division (IFD/CMF). IFD/CMF has ample experience and proving record of successfully executing the Phase I of this program. The Bank is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the "Operational Guidelines for Technical Cooperation Products" (GN-2629-1). Likewise, the TC team has the necessary experience to ensure compliance with the relevant procurement policies and procedures.
- 4.2. In the same line, the proposed TC will support counterparts from at least six (06) different countries, and given the diversity of actors that this TC aims at supporting and its regional scope, it is appropriate for the IDB, through the IFD/CMF Division, to directly execute it in order to provide a centralized coordination of the various studies and ensure their proper dissemination in the countries and the region. The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of IFD/CMF. The work proposed in this TC is highly technical and requires proper quality review and monitoring of expert consultant work. The TC will ensure that the materials developed by consultants are peer-reviewed by the IDB and where applicable by market experts. The team ensures close technical follow up and quality control and methodological support from CSD/CCS, INE/ENE, ORP, and KIC.
- 4.3. The Bank will be responsible for the selection and hire of the consulting services. All activities to be executed under this TC have been included in the Procurement Plan (see Annex II) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-20 for logistics and other related services. The funding for this operation will be used to hire consultancy services, as well as to pay for travel costs of consultants and the organization of dissemination and capacitation events (non-consultancy services). All products from this TC will be the intellectual property of the Bank.

- 4.4. As this TC requires a strong ownership of the beneficiaries and continuous involvement of NDBs¹⁸ and LFI's investment officers to keep promoting the green finance lines, and senior officers in regulatory and supervisory institutions, the program will ensure, continuous training of those officers. It is also expected that the counterparts will dedicate the appropriate staff time and the necessary logistical resources for the implementation of the TC. The Bank will obtain, where applicable, a letter of non-objection from the official liaison entity of the beneficiary countries, as a precondition to receive support direct client from this initiative.
- 4.5. 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.
- 4.6. The project team will be responsible for the preparation and submission to the donor of the project reporting, in compliance with the stipulations of the Administration Agreement. If at the end of project execution, the project was closed with a positive uncommitted and unspent balance, the project team will be responsible for requesting ORP/GCM to transfer the unspent balance to the donor, pursuant to the terms of the PSG Administration Agreement.

V. Major issues

- 5.1. Final resources in US dollars will be subject to the exchange rate of the date when the contribution in euros (EUR3,000,000.00) is disbursed to the Bank and converted into US dollars. If a significant adverse fluctuation in the exchange rate (event) reduces the amount of US dollars for any cause in this budget and such amount cannot be covered by the contingency line, the project activities will be decreased appropriately, and the budget will be adjusted accordingly by the project team. The expected impact on the results of this TC is expected to be low.

VI. Exceptions to Bank policy

- 6.1. There are no exemptions to the Bank policies present in this TC.

VII. Environmental and Social Strategy

- 7.1. There are no environmental or social risks associated with the activities outlined in this TC. Per the Environment and Safeguards Compliance Policy of the IDB (OP-703), the operation has been classified as 'Category C' (see [Safeguards Policy Filter \(SPF\)](#) and [Safeguard Screening Form \(SSF\)](#)).

Required Annexes:

- **Annex I:** Result Matrix
- **Annex II:** Procurement Plan

Required Electronic Links:

- [Request from client.](#)
- [Terms of Reference.](#)

¹⁸ In Phase II, work with NDBs will focus in dissemination at regional level of lessons learned from phase I. See footnote 7 for a list of NDBs supported during phase I.

Results Matrix

Outcomes

Outcome: 1 Strengthen NDB's and public authorities capacity to design and implement ready-to-use green financing strategies in selected target countries in Latin America and thereby mobilizing private investments in RE and EE

Indicators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification	2020	2021	2022	2023	2024	2025	EOP
1.1 Leverage of private investments per NDB credit line dollar by the end of the project		Million USD	700.00	2020	NDBs/Implementing partners + consultancy report	P 0.00 P(a) 0.00 A	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	300.00 300.00	300.00 300.00
1.2 Number of EE and RE projects financed		#Projects	1,400.00	2020	NDBs/Implementing partners + consultancy report	P 0.00 P(a) 0.00 A	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	400.00 400.00	400.00 400.00
1.3 t CO2 eq reduced		tCO2	0.00	2018	NDBs/Implementing partners + consultancy report	P 0.00 P(a) 0.00 A	0.00 0.00	0.00 0.00	0.00 0.00	350,000.00 350,000.00	0.00 0.00	350,000.00 350,000.00

* CRF Indicator

Outputs: Annual Physical and Financial Progress

1 Tailored support to public entities for the development of green finance instruments						Physical Progress							Financial Progress					Theme	Fund	Flags	
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2020	2021	2022	2023	2024	EOP	2020	2021	2022	2023	2024	EOP				
1.1 Diagnostics and assessments completed	Complete Diagnostics and assessments identifying RE/EE sectors to be prioritized / supported by the financial strategy developed	Diagnostics (#)	14	2018	IDB information repository / Ezshare	P 3 P(a) 3 A	0	0	0	0	3	P 49577.55 P(a) 49577.55 A 0	0	0	0	0	0	49577.55	Sustainable Energy and Climate Change	COF	🚩
1.2 Feasibility study completed	Feasibility study completed	Studies (#)	11	2018	IDB information repository / Ezshare	P 3 P(a) 3 A	0	0	0	0	3	P 49577.55 P(a) 49577.55 A 0	0	0	0	0	0	49577.55	Sustainable Energy and Climate Change	COF	🚩
1.3 Strategies designed	Number of strategies designed (PID)	Strategies (#)	18	2018	NDBs/Implementing partners + IDB information repository / Ezshare	P 0 P(a) 0 A	2	0	0	0	2	P 0 P(a) 0 A 0	143774.9	0	0	0	0	143774.9	Sustainable Energy and Climate Change	COF	🚩
1.4 Institutions trained	Number of institutions reached	Institutions (#)	8	2018	NDBs/Implementing partners	P 0 P(a) 0 A	2	0	0	0	2	P 0 P(a) 0 A 0	99155.1	0	0	0	0	99155.1	Sustainable Energy and Climate Change	COF	🚩
1.5 Management information systems (MIS) implemented	Number of fully-fledged operating systems for monitoring and evaluating the outcome of financing strategies developed	Systems (#)	7	2020	NDBs/Implementing partners	P 0 P(a) 0 A	3	0	0	0	3	P 0 P(a) 0 A 0	176372.13	0	0	0	0	176372.13	Sustainable Energy and Climate Change	COF	🚩
2 Labs and green finance roadmap in Chile						Physical Progress							Financial Progress					Theme	Fund	Flags	
2.1 Regulatory frameworks implemented	Chileans implementing partners (government regulators) implement a green finance roadmap which improve policies regarding green finance and/or green bond	Frameworks (#)	0	2019	IFs/audits implemented NDBs/Implementing partners	P 1 P(a) 1 A	1	1	1	1	0	4	P 259786.4 P(a) 259786.4 A 0	258794.8	258794.8	259538.5	0	1036914.5	Sustainable Energy and Climate Change	COF	🚩
3 Regional regulatory dialogue to replicate best practice from Chile and other leading countries						Physical Progress							Financial Progress					Theme	Fund	Flags	
3.1 Training products developed	Number of learning products (technical reports, tools, e-learning prepared, edited and published for use of target groups)	Products (#)	30	2018	NDBs/Implementing partners + IDB information repository / Ezshare	P 0 P(a) 0 A	5	5	5	5	20	P 0 P(a) 0 A 0	72011.3	72011.3	72011.3	72011.3	28804.2	Institutional Development	COF	🚩	
3.2 Surveys conducted	Number of surveys with feedback from training events	Surveys (#)	0	2019	NDBs/Implementing partners + IDB information repository / Ezshare	P 1 P(a) 1 A	1	1	1	1	0	4	P 57609.11 P(a) 57609.11 A 0	57609.11	57609.11	57583.5	0	230410.83	Institutional Development	COF	🚩
4 Regional Green Bond Transparency Platform						Physical Progress							Financial Progress					Theme	Fund	Flags	
4.1 Strategies implemented	# of Green bonds registered on the platform of total green bonds in LAC	Strategies (#)	0	2019	Consultancy report / Greenbondtransparency.com	P 25 P(a) 25 A	35	20	0	0	80	P 172827.3 P(a) 172827.3 A 0	172827.3	172827.3	172827.3	0	0	518481.9	Institutional Development	COF	🚩
4.2 Institutions trained	# of working group members applying improved methodologies	Institutions (#)	0	2019	Consultancy report / Greenbondtransparency.com	P 20 P(a) 20 A	35	20	0	0	75	P 172827.3 P(a) 172827.3 A 0	172827.3	172777.8	0	0	0	518432.4	Institutional Development	COF	🚩

Other Cost	2019	2020	2021	2022	2023	2024	Cost
Contingency	P	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,093.01
	P(a)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,093.01
	A	\$0.00					
Cost-Sharing fee 5%	P	\$0.00	\$165,465.10	\$0.00	\$0.00	\$0.00	\$165,465.10
	P(a)	\$0.00	\$165,465.10	\$0.00	\$0.00	\$0.00	\$165,465.10
	A	\$0.00					

Total Cost	2019	2020	2021	2022	2023	2024	Total Cost
	P	\$927,670.31	\$1,153,371.94	\$734,020.31	\$389,133.30	\$105,104.31	\$3,309,300.17
	P(a)	\$927,670.31	\$1,153,371.94	\$734,020.31	\$389,133.30	\$105,104.31	\$3,309,300.17
	A						

* CRF Indicator * Standard Output Indicator

PROCUREMENT PLAN FOR IDB-EXECUTED OPERATIONS													
Country: REGIONAL						Executing Agency: IDB				UDR: IFD/CMF			
Project number: RG-T3612						Project name: LAC Green Finance Program to mobilize private investment in mitigation actions and low-carbon and sustainable business models through NDBs (Phase II)							
Period covered by the Plan: 60 months						Total Project Amount: \$ 3,309,300							

Component	Procurement Type (1) (2)	Service type (1) (2)	Description	Estimated contract cost (US\$)	Selection Method (2)	Type of Contract	Source of Financing and Percentage				Estimated date of the procurement notice	Estimated contract start date	Estimated contract length	Comments
							IDB/MIF		Other External Donor					
							Amount	%	Amount	%				
Component 1	C. Non consulting services	Corporate Procurement (GN-2303)	Logistics and material for dissemination activities and events	\$29,747		Lump Sum	\$29,747	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 1	A. Consulting services	Individual Consultant (AM-650)	Program Coordinator (3)	\$198,310	ICQ	Lump Sum	\$198,310	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 1	A. Consulting services	Individual Consultant (AM-650)	Consultancy services (3) to support NDBs in the development of green financial instruments	\$290,400	ICQ	Lump Sum	\$290,400	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 2	C. Non consulting services	Corporate Procurement (GN-2303)	Logistics and material for dissemination activities and events	\$99,155		Lump Sum	\$99,155	100%	\$0	0%		1Q21		The type of consultancy selected is only referential, once the CT is being executed, the
Component 2	A. Consulting services	Individual Consultant (AM-650)	Work group coordinator (3)	\$590,716	ICQ	Lump Sum	\$590,716	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 2	A. Consulting services	Individual Consultant (AM-650)	Consultancy services (3) to develop regulatory/analysis and proposals	\$148,733	ICQ	Lump Sum	\$148,733	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 2	A. Consulting services	Individual Consultant (AM-650)	Consultancy services (4) to develop analysis and proposals for green financial instruments	\$198,310	ICQ	Lump Sum	\$198,310	100%	\$0	0%		2Q21		The type of consultancy selected is only referential, once the CT is being executed, the
Component 3	A. Consulting services	Corporate Procurement (GN-2303)	Logistics and material for dissemination activities and events	\$99,155		Lump Sum	\$99,155	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 3	A. Consulting services	Individual Consultant (AM-650)	Consultancy services (1) for Regional Coordination	\$198,310	ICQ	Lump Sum	\$198,310	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 3	A. Consulting services	Individual Consultant (AM-650)	Consultancy services (3) to develop regulatory/analysis and proposals	\$220,992	ICQ	Lump Sum	\$220,992	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 4	A. Consulting services	Consulting Firm (GN-2765)	Operational Management - Green Bond Transparency Platform	\$991,551	ICQ	Lump Sum	\$991,551	100%	\$0	0%		2Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Component 4	C. Non consulting services	Corporate Procurement (GN-2303)	Logistics and material for dissemination activities and events	\$45,363	FCS	Lump Sum	\$45,363	100%	\$0	0%		4Q20		The type of consultancy selected is only referential, once the CT is being executed, the
Other	A. Consulting services	Goods included in Cons. Firm RFP	Contingencies	\$33,093		Lump Sum	\$33,093	100%	\$0	0%		1Q21		The type of consultancy selected is only referential, once the CT is being executed, the
Other			Project Execution - Operating expenses	\$165,465			\$165,465	100%	\$0	0%				
Prepared by:			TOTALS	\$ 3,309,300			\$ 3,309,300	100%	\$ -	0%				

(1) Grouping together of similar procurement is recommended, such as 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 X and X1".

(2) (i) Individual consultants: ICQ: Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection. Selection process to be done in accordance with AM-650.

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(2) (iii) Goods: Per GN-2765-1, par. A.2.2.c: "The procurement of goods and related services, except when such goods and related services are necessary to achieve the objectives of the Bank-executed Operational Work and are included in the consulting services contract and represent less than ten percent (10%) of the consulting services contract value."

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/20

Regional. Nonreimbursable Technical Cooperation ATN/CF-____-RG
LAC Green Finance Program to Mobilize Private Investment in
Mitigation Actions and Low-Carbon and Sustainable
Business Models through National
Development Banks (Phase II)

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank (“Bank”), or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreement or agreements as may be necessary for the purpose of granting a nonreimbursable technical cooperation for a sum of up to €3,000,000, chargeable to the resources granted by the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) of Germany, pursuant to the agreement or agreements specified in paragraph 2 below, and to adopt any other measures as may be pertinent for the execution of the project proposal contained in document AT-_____.

2. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreement or agreements with the BMU as may be necessary to receive and administer resources for the purposes described in the project proposal specified in paragraph 1 above, and to adopt any other measures as may be pertinent for the execution of said agreement or agreements.

3. That the authorization granted in paragraph 1 above will be effective once the Bank and the BMU have entered into the corresponding agreement or agreements to which reference is made in paragraph 2.

(Adopted on ____ _____ 2020)