

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments
▪ TC Number:	RG-T4213
▪ Team Leader/Members:	Vasa, Alexander (IFD/CMF) Team Leader; Frisari, Giovanni Leo (IFD/CMF) Alternate Team Leader; Alfonso, Mariana (CSD/CCS); Almeida Pamponet Moura, Andre (INO/FNP); Andrade, Sylvia Gabriela (IFD/CMF); Angela Pinzon (IFD/CMF); Azuara Herrera, Oliver (SCL/LMK); Cavazzoni Lima, Rafael (IFD/CMF); Couchet, Virginie (INO/FNP); Daniel Ricas (IFD/CMF); De Olloqui, Fernando (IFD/CMF); Demichelis, Jose Francisco (IFD/CMF); Enrique Angel Nieto Ituarte (IFD/CMF); Karina Azar (IFD/CMF); Laura Mondragon (IFD/CMF); Marquez, Claudia (IFD/CMF); Martinez Alvarez, Juan (IFD/CMF); Martinez Lopez, Cynthia (IFD/CMF); Meirovich, Hilen Gabriela (DSP/ADV); Mejia Caniz, Luis Alejandro (DSP/ADV); Mendoza Benavente, Horacio (LEG/SGO); Ninova, Goritza (ORP/GCM); Orlando De Souza Lima (IFD/CMF); Ricardo Goncalves (CSD/CCS); Riquelme Arriola, Leticia (IFD/CMF); Sanz-Paris, Carole (INO/FNP); Sierra Gonzalez, Eduardo (IFD/CMF); Sohany Flores (IFD/CMF); Us Alvarez, Hugo Amador (SCL/GDI); Visconti, Gloria (CSD/CCS)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	n/a
▪ Date of TC Abstract authorization:	n/a
▪ Beneficiary:	Financial regulators; institutional investors; public and private issuers of green and sustainable bonds with a link to energy and other low-carbon infrastructure from Brazil, Colombia, Mexico, and Peru.
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Strategic Climate Fund(SCX)
▪ IDB Funding Requested:	US\$420,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	March 15th, 2023
▪ Types of consultants:	Firms and/or individual consultants
▪ Prepared by Unit:	IFD/CMF-Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	IFD/CMF-Connectivity Markets and Finance Division
▪ TC included in Country Strategy (y/n):	n
▪ TC included in CPD (y/n):	n
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability; Gender equality; Institutional capacity and rule of law

II. Objectives and Justification of the TC

2.1 **Background.** The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC)

region can mitigate climate change and better hedge against climate risks.^{1,2,3} The expected investment gap in LAC is about US\$1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure, and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.

- 2.2 These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.^{6,7}
- 2.3 Focusing on the role of capital markets in financing sustainable energy and infrastructure projects, the LAC region has seen important progress take place: (i) Brazil's infrastructure investments are increasingly financed by capital market instruments, (ii) Colombia has enacted changes to the capital market and public private partnerships regulation over the past years focusing mainly in infrastructure projects; (iii) Mexico has developed new infrastructure-dedicated; and (iv) Peru has updated its regulation to promote capital markets.⁸ As of the first semester of 2022, cumulative issuance of labelled green bonds had reached US\$40 billion in LAC since 2014, representing over 1 percent of total global issuances of labelled green bonds (US\$2 trillion).⁹ About 52 percent of LAC issuances originated in Brazil, Colombia, Mexico, and Peru.
- 2.4 As Debt Capital Markets (DCMs) become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.¹⁰
- 2.5 **Gender considerations.** Environmental and climate challenges impact women disproportionately, further increasing existing gender disparities which have also been exacerbated by the COVID-19 pandemic.¹¹ As the benefits of gender diversity have become more widely recognized, demand for gender-smart investment opportunities have increased considerably.¹² Green bonds can seize the opportunity of mainstreaming gender, by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide

¹ Serebrisky et al. (2015). [Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?](#).

² Estache et al. (2015). [Financing infrastructure in developing countries](#).

³ Vergara et al. (2013). [The Climate and Development Challenge for Latin America and the Caribbean](#).

⁴ IIGCC. (2021). [Climate Investment Roadmap](#).

⁵ OECD. (2021). [Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#).

⁶ IDB. (2018). [Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#).

⁷ IRENA. (2020). [Mobilising Institutional Capital For Renewable Energy](#).

⁸ Reymond et al. (2020). [Raymond et al. "Financing Sustainable Infrastructure in LAC: Market Development and Recommendations](#), IADB

⁹ BNEF. (2022). [Bloomberg New Energy Finance](#).

¹⁰ Narayanaswamy et al. (2017). [The Importance Of Local Capital Markets For Financing Development](#).

¹¹ GenderSmart. (2021). [Gender & Climate Investment: A strategy for unlocking a sustainable future](#).

¹² IISD. (2021). [Integrating a Gender Lens in Sustainable Investing](#).

issuers with an opportunity to differentiate themselves in the crowded sustainable bond market. However, incorporating gender consideration into green bond frameworks can be challenging and the selection of appropriate gender criteria that are relevant and applicable across eligible projects is key, so that it is not perceived as a limiting factor.¹³

- 2.6 **Justification.** Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors¹⁴ are: (i) lack of bankable projects; (ii) inadequate experience in some regions; (iii) lack of available data to conduct full analysis; (iv) lack of acceptable credit rating; (v) lack of internal human resources; and (vi) inadequate experience in infrastructure, among others. Other barriers limiting channeling institutional investment identified by market participants globally¹⁵ are related to: (i) managing liquidity issues; (ii) institutional investor scale and direct project investment; (iii) diversification; (iv) policy barriers; and (v) investment practices of institutional investors. Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's identified countries.
- 2.7 An enabling environment targeting specific knowledge gaps and regulatory reforms of the identified jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets. First, due to the importance of top-down initiatives and innovations typically driven by regulators at the current stage of capital market development, the quality of the regulatory agencies and, more broadly, the public administration in the target countries is essential for effective planning and delivery.¹⁶ Second, borrower institutions will require awareness of the market of sustainable assets as well as knowledge and clarity on the use of green standards and labels to embed sustainability in their investment decisions. Third, it is important for regulators to clearly define the rules and functions of different financial sector actors (issuers, investors and intermediaries) and reinforce those by adequate and coherent regulation.
- 2.8 Considering the above-mentioned gender considerations, and to ensure gender mainstreaming, it is essential to include the issuer's commitment to improve gender equality in the framework's objective section and the key principles and priorities of its gender equality and inclusion strategy that are relevant to the eligible project categories.
- 2.9 Furthermore, the integration of the gender lens can be done through the four core components of ICMA's Green Bond Principles: Use of Proceeds (e.g., inclusion of gender indicators in the eligibility criteria that determine the type of projects that could be financed with the bond), the process for Project Evaluation and Selection (e.g., outlining how the project selection process integrates gender equality), Management of Proceeds (e.g., gender criteria can be applied to temporary placement of unallocated proceeds waiting to be used for green projects), and Reporting (e.g., how the issuer has complied with the gender criteria integrated throughout the framework).

¹³ Gender Smart, IISD, IMC Worldwide and EU. (2022). [Integrating Gender Considerations into Sustainable Bonds. A How-to-Guide.](#)

¹⁴ Frisari and Messervy. (2021). [Investing in Sustainable Infrastructure in Latin America: Instruments, Strategies and Partnerships for Institutional Mobilization](#), IADB.

¹⁵ Nelson and Pierpont. (2013). [The Challenge of Institutional Investment in Renewable Energy](#), CPI.

¹⁶ Demekas and Nerlich. (2020). [Creating Domestic Capital Markets in Developing Countries: Perspectives from Market Participants.](#)

- 2.10 **IDB Strategic Alignment.** This TC strengthens good governance and institutions that aim to put in place policy and institutional frameworks to crowd in private capital and ensure sustainable investments and reinforces gender equality, diversity and climate change. It is also aligned with the second-tier priority of scaling up financial capacity through efficient and increased resource mobilization.
- 2.11 Specifically, this TC is aligned with the operational areas of emphasis for the Bank's Second Update of the Institutional Strategy 2020-2023 (AB-3190-2), specifically with increasing overall resource mobilization. The operation is also aligned with the cross-cutting themes of: (i) Institutional Capacity and Rule of Law; (ii) Climate Change and Environmental Sustainability as it supports the assessment of debt capital markets and the proposal of enabling environment measures in Brazil, Colombia, Mexico, and Peru in productive and environmentally sustainable activities; and (iii) Gender Equality and Diversity, as it integrates the gender perspective in tools such as surveys, country assessments, and sustainability bonds and frameworks. Similarly, the implementation of the program is aligned with the IDBG's Climate Change Action Plan 2021-2025, contributing to the catalyzation of domestic private capital for climate investment and transition.
- 2.12 The Project is aligned with the respective country strategy of each of the countries listed as beneficiaries. With regards the Country Strategy of Brazil 2019-2022 (GN-2973), the project is aligned through the strategic objectives of promoting greater economic competitiveness, and with its cross-cutting themes of gender equality and sustainable development. Additionally, it is also aligned with IDB Strategy in Colombia 2019-2022 (GN-2972), with the strategic objective of consolidating a sustainable and inclusive pension system. The Project is also aligned with the IDB Country Strategy for Mexico 2019-2024 (GN-2982), in supporting the strengthening of public and private entities in the sector to improve their ability to respond to investment needs, particularly in underserved segments. Finally, the Project is aligned with the IDB Group Country Strategy of Peru 2017-2021 (document GN-2889) through the strategic objectives of Strengthen the business climate and improving the public management.
- 2.13 This technical assistance will complement technical cooperations and loan operations from the IADB that are on-going and in preparation. Some of these include the Regional Green Bonds Program for LAC ([ATN/AC-17318-RG](#)) and the IDB Green and Sustainable Finance Program for LAC ([ATN/CF-18899-RG](#)), both under implementation, that support the scale-up and replication of the IDBG support for green bonds, targeting new issuers (governments and municipalities) and new instruments (sustainable bonds). Additionally, this technical assistance also complements technical cooperation Scaling-Up Sustainable Debt Capital Markets Financing for Brazil's Economic Recovery ([ATN/OC-19012-BR](#)) which is under implementation and its objective is to scale-up the use of innovative debt capital market instruments such as asset-backed securitizations, bond issuances, as well as other sustainable financing alternatives, to enhance the availability of medium-to-long term financing to sustainable investments in the country. Furthermore, this operation complements the technical cooperation Strengthening financial instruments and capital markets for low carbon infrastructure in Brazil ([ATN/PI-19367-BR](#)) which is under implementation and aims to piloting innovative green financial instruments and structuring climate-related de-risking mechanisms; and developing the Brazilian capital market and enhancing legal, regulatory, and institutional systems.
- 2.14 This TC will also complement green bonds operations from IDB Invest (IDBI) – in particular the strategy to develop thematic bond in the region to mobilize private capital

– which ultimately benefits the overall thematic bonds market. IDBI encourage issuers' participation by establishing new asset classes and seek to attract investor by reducing price uncertainty (IDBI acting as anchor investor) or credit risk mitigants to match investors' risk. I could give you info on the private mobilization we achieved with other thematic bonds.

- 2.15 The [Green Bond Transparency Platform](#) (GBTP) launched in 2021 has become the key reporting tool for thematic bond issuances in the LAC green bond market, covering 80 percent of the region's market, or a total of US\$33 billion. Additionally, the [Latam Projects Hub](#) was launched in 2022 by the Brazilian Development Bank (BNDES), the Inter-American Development Bank (IDB), the National Works and Public Services Bank S.N.C. of Mexico (Banobras), and ALIDE (Latin American Association of Development Financing Institutions).
- 2.16 **Objective.** This project will support the assessment of DCMs and the proposal of enabling environment measures in the LAC Region, with a particular focus on Brazil, Colombia, Mexico, and Peru with the objective to further mobilize private financing into low-carbon investments. The project will focus on: (i) the assessment of DCM development; and (ii) the proposal of enabling environment measures to foster participation in DCM¹⁷.

III. Description of activities/components and budget

- 3.1 The program aims to address above mentioned barriers and challenges and contribute toward the development of sustainable finance and low-carbon investments in LAC, focusing on Brazil, Colombia, Mexico, and Peru. To this end, it proposes two components as described below:
- 3.2 **Component 1. Assessment of Debt Capital Market Development Investor Base and Limitations (US\$220,000).** This component will support the identification and classification of the identified countries' investor base and market participants as well as the constraints that limit their participation in green and sustainable bond markets¹⁸, including gender considerations. Two outputs are expected for this component: (i) investor base and market participants identified; and (ii) constraints, bottlenecks, and potential issues identified. This includes specific activities necessary for the implementation of the project.
- 3.3 **Activity 1.1 Identification and classification of the investor base and market participants in local DCM overall and green or sustainable bond markets.** To assess market participants who have participated in concrete deals and understand what made these deals work. This activity will consist of a comprehensive survey of domestic and international institutional investors (pension funds and insurance companies), banks, asset managers, together with local stock-exchanges, regulators, project developers and academics. When considering credible gender integration in green investment, it is paramount to start with an analysis of the need and opportunities of women. In this sense, the survey will ensure gender balance of

¹⁷ Debt capital markets, in particular thematic bonds, have great potential still to be unwrapped in the LAC region. Brazil, Colombia, Mexico, and Peru, with deeper and deepening financial markets, present an attractive opportunity for investors seeking sustainable investments.

¹⁸ The green and sustainable bond market faces several challenges to realize this potential including institutional capacity, project pipeline identification, upfront costs, investment grade ratings, need for harmonized standards and transparency, as well as the lack of institutional knowledge.

participants and will include gender related issues on the identification of investor base and market participants through a specific module on gender to gather a basic preliminary diagnosis. Also, the survey will be complemented with available investment data.

- 3.4 **Activity 1.2** Identification of emerging solutions and under which conditions these solutions would work to increase institutional investor participation in green or sustainable bonds. With a multi-stakeholder approach, this activity will consist of country-specific assessments to understand national contexts and needs. The diagnosis will initially be carried out from a general perspective and will move towards a more detail evaluation of the identified issues limiting further participation and finally pilots will be included based on the obtained results. The activity would also include an assessment of the level of just transition that can be attained by the different stakeholders under the scope of this project (e.g. narrow transition, systems change, incremental reform, top-down transition). Furthermore, under this activity opportunities challenges for integrating gender considerations into social and/or sustainable bonds will be explored. In the same line, identification of complementarities and escalated impact for the interconnection of sustainable development goals will be explored within the context of institutional investors missions as a way to trigger gender perspective.
- 3.5 **Component 2. Development of Enabling Environment Measures (US\$200,000).** The second component will focus on the promotion of a robust enabling environment in identified countries that encourages private participation in DCM. Two outputs are expected for this component: (i) knowledge sharing tools available for market participants; and (ii) regulatory and legal frameworks proposed. For this component the Bank will carry out specific activities.
- 3.6 **Activity 2.1** Design knowledge-sharing tools for participants This activity will consist of: (i) development of institutional strengthening tools that could support financial regulatory agencies and public administration agencies to attain effective planning, drafting, implementation and supervision of regulation; and (ii) knowledge tools and workshops on standards and labels to embed sustainability in investment decisions, including gender lens in its design with an integrated module on gender in investment decisions. A training course for Institutional Investors will be developed in partnership with key strategic partners (e.g. UN Principles of Responsible Investment). The course would focus on identified countries and would be accessible to other countries as well to facilitate replication and knowledge transfer. Furthermore, lesson learnt publications will be developed and disseminated both nationally and regionally utilizing existing IDB Knowledge and Data Platforms (e.g. Green Bond Transparency Platform, Green Finance LAC) and events with technical and senior decision-maker participation.
- 3.7 **Activity 2.2** Regulatory frameworks, institutional arrangements, and market structure proposals. To promote active, efficient, and fair markets for sustainable investments, the project will assess regulatory and supervisory frameworks, as well as market arrangements and structures, proposing eventual amendments to current practices, and/or new and innovative frameworks for the development of sustainable DCM and incorporate or further gender integration within the frameworks to boost sustainability impact. Support regulators in assessments and the implementation of specific topics for enabling markets. This will require input and coordination with exchanges, regulators, investors as well as local structuring banks and placement agents.
- 3.8 **Budget.** The total cost of this TC will be US\$420,000 which will be financed by the Strategic Climate Fund (SCX). The contribution will finance the hiring of consulting

services (individual & firms) for the development of the activities. Table 1 details this budget:

Table 1. Indicative Budget in (US\$)

Component/ Activity	Description	IDB/SXC	Total Funding
Component 1	Assessment of Debt Capital Market Development Investor Base and Limitations	220,000	220,000
	1.1 Identification and classification of the investor base and market participants	110,000	110,000
	1.2 Identification of constraints and bottlenecks as well as potential issues preventing participation	110,000	110,000
Component 2	Development of Enabling Environment Measures	200,000	200,000
	2.1 Knowledge-sharing tools for participants	120,000	120,000
	2.2 Regulatory framework proposals	80,000	80,000
TOTAL		420,000	420,000

3.9 **Stakeholder engagement and partnerships.** IDB will collaborate with the United Nations Principles for Responsible Investment (UNPRI) and its regional network of over 100 institutional investors consisting of private pension funds and insurance companies. Furthermore, the project will benefit from UNPRI’s Environmental, Social and Governance (ESG) evaluation process which assesses the performance of member institutions according to the integration of ESG aspects in their corporate governance and their investment activities.

3.10 **Monitoring arrangements.** For the proper development of the planned activities, CMF’s project team will make the preparations of terms of reference, monitoring of activities, deliverable review, and logistic support, among other tasks. The project team will prepare progress and final reports for the activities and products of this TC (see Annex II. Results Matrix), including a description of progress made, results obtained, status of execution of planned activities, and suggestions for adjustments to the remaining execution period. All those activities related to the annual and final report on the progress of the activities of the TC will be carried out in accordance with the Technical Cooperation Monitoring and Reporting System (TCM) (OP-1385-4).

IV. Executing agency and execution structure

4.1 The IDB will act as executing agency for this technical assistance. Since the scope of work of this TC encompasses the private sector, the IDB would seek IDB Invest technical collaboration with the purpose of knowledge sharing and will take into consideration lessons learned from other similar projects implemented by the Bank in the past. The intervention of this TC is the result of collaborative work between both private and public windows of the IDBG. The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of Connectivity Markets and Finance Division (IFD/CMF), considering its technical expertise in the field.

- 4.2 IDBG is already implementing various initiatives to foster private participation in the four most developed Capital Markets in the region with access to ODA-funding (Brazil, Colombia, Mexico, Peru). Since 2017, IDBG has supported the issuance of more than seventy public and private Green, Social, Sustainability and SLB (GSSS) bonds through its holistic technical assistance program, mobilizing over US\$36 billion in capital market finance.
- 4.3 **Procurement and financial management.** The IDB execution would be implemented in accordance with the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4) and its Annex II as Research and Dissemination TC. All activities to be carried out under this TC will be included in the Procurement Plan and contracted in accordance with Bank policies as follows: (i) Hiring of individual consultants, as established in the regulation AM-650; (ii) Hiring of consulting firms for services of an intellectual nature according to the Bank Policy for the Selection Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-4) and its Operational Guidelines OP-1155-4 for services of an intellectual nature; and (iii) Hiring of logistics services and other expenses related to non-consulting services, according to the Corporate Procurement Policy (GN 2303-28). These activities are scheduled for completion within 24 months of approval of the TC. The Connectivity Markets and Finance Division (IFD/CMF) of IDB will be responsible for executing the disbursements under this TC.

V. Major issues

- 5.1 The possible implementation risks are:

Type of Risk	Description	Likelihood	Impact	Mitigation measure
Capacity	Target countries lack financial depth to channel private sustainable investments through their debt capital markets	Low	Low	The selected target countries (Brazil, Colombia, Mexico, and Peru) show high-level of financial development. Furthermore, IDB is already implementing various initiatives to foster private financial participation in these countries.
Engagement / Participation	Inability to identify target institutions/organizations or generate interest to successfully engage and participate in the project's activities	Medium	Medium	IDB has strong experience and network in the target countries and has already identified preliminary demand for DCM and thematic bond technical support
Reputational	Beneficiaries' involvement in unsustainable or greenwashing practices could feed back to IDB	Low	Low	The Bank will implement its ESG policies and will thoroughly screen all beneficiaries to avoid engaging with institutions/organizations that could cause reputational harm. Furthermore, the Bank will enhance beneficiaries' awareness and capabilities for promoting sustainable financial practices.
Political	Changes in government priorities and government elections could	Medium	Medium	Target countries have made international commitments and participate in initiatives aligned with sustainable development. In addition, public opinion exerts

	hinder the implementation of climate-friendly regulation in the financial sector			pressure on governments and investors to deliver the environment required to facilitate sustainable private investment
Fiduciary	Mismanagement of the resources provided for the project	Low	Low	Funds will be managed by IDB, subject IDB internal audit and financial reviews
Implementation	Delays in project implementation due to external events such as new pandemic waves and global economic recession.	Medium	Medium	Considering the potential for external shocks to affect the short- and medium-term prospects, the IDB will manage risk through on-going comprehensive (cross-sector) engagement with beneficiaries through its country offices.

VI. Exceptions to Bank policy

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

VII. Environmental and Social Strategy

7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects nor associated environmental and social studies; therefore, it does not have applicable requirements from the Bank's Environmental and Social Policy Framework (ESPF)".

Required Annexes:

- [Results Matrix](#)
- [Terms of Reference](#)
- [Procurement Plan](#)

Results Matrix

Outcomes

Outcome: 1 Strengthened institutional capacity of financial regulators and policy makers to mobilize green and sustainable investments through DCM										
Indicators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024	2025	EOP
1.1 Number of guidelines or recommendations presented		Documents (#)	0.00	2023	IDB report to CIF	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00
1.2 Number of meetings/ conversations with counterparties relating to the project guidance.		Meetings (#)	0.00	2023	IDB report to CIF	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00
1.3 Number of positive feedbacks to increase incentives for local investors' participation to green and sustainable		Incentives (#)	0.00	2022	IDB report to CIF	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00

Outcome: 2 Increased awareness of sustainability-related investments among market participants										
Indicators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024	2025	EOP
2.1 Number of investors to participate in IDBG transactions		Beneficiaries (#)	0.00	2023	IDB report to CIF based on surveys of beneficiaries	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00
2.2 Number of investors to benefit from/signed-up to the tools designed as part of TC.		Beneficiaries (#)	0.00	2023	IDB report to CIF based on surveys of beneficiaries	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00
2.3 Number of new investors to sign to green/sustainable AM/IM principles		Beneficiaries (#)	0.00	2023	IDB report to CIF based on surveys of beneficiaries	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00
2.4 Number of new investors to joint engagement platforms		Beneficiaries (#)	0.00	2023	IDB report to CIF based on surveys of beneficiaries	P	2.00	4.00	0.00	6.00
						P(a)	2.00	4.00	0.00	6.00
						A				0.00

CRF Indicator

Outputs: Annual Physical and Financial Progress

1 Assessment of Debt Capital Market Development						Physical Progress				Financial Progress				Theme	Fund	Flags		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2023	2024	2025	EOP	2023	2024	2025	EOP					
1.1 Diagnostics and assessments completed	Identification and classification of the investor base and market participants in local DCM overall and across sustainable	Diagnostics (#)	0	2023	Assessment report submitted to CIF	P	1	0	0	1	P	110000	0	0	110000	Institutional Development	SCX	
						P(a)	1	0	0	1	P(a)	110000	0	0	110000			
						A					A							
1.2 Diagnostics and assessments completed	Assessment of country-specific issues limiting further participation in DCM.	Diagnostics (#)	0	2023	Assessment report submitted to CIF	P	1	0	0	1	P	110000	0	0	110000	Institutional Development	SCX	
						P(a)	1	0	0	1	P(a)	110000	0	0	110000			
						A					A							

2 Development of Enabling Environment Measures						Physical Progress				Financial Progress				Theme	Fund	Flags		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2023	2024	2025	EOP	2023	2024	2025	EOP					
2.1 Tools designed/strengthened	Knowledge-sharing tools to increase institutional and technical capacity to mobilize green and sustainable	Tools (#)	0	2023	IDB report to CIF based on the implementation of the tools	P	0	4	0	4	P	0	60000	0	60000	Institutional Development	SCX	
						P(a)	0	4	0	4	P(a)	0	60000	0	60000			
						A					A							
2.2 Workshops organized	Workshops on standards and labels to embed sustainability in investment decisions, including gender lens in its decision-making	Workshops (#)	0	2023	IDB report to CIF based on the workshops organized	P	0	3	1	4	P	0	40000	20000	60000	Institutional Development	SCX	
						P(a)	0	3	1	4	P(a)	0	40000	20000	60000			
						A					A							
2.3 Working Papers prepared	Assessment of regulatory and supervisory frameworks, as well as market arrangements and structures to	Papers (#)	0	2023	IDB report delivered to CIF based on the recommendations/guidelines documents developed supporting the design of regulatory	P	0	2	2	4	P	0	40000	40000	80000	Institutional Development	SCX	
						P(a)	0	2	2	4	P(a)	0	40000	40000	80000			
						A					A							

Other Cost

Total Cost

	2023	2024	2025	Total Cost
P	\$220,000.00	\$140,000.00	\$60,000.00	\$420,000.00
P(a)	\$220,000.00	\$140,000.00	\$60,000.00	\$420,000.00
A				

CRF Indicator

Standard Output Indicator

TERMS OF REFERENCE

Assessment of Brazil’s investor base and market participants in local Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/RG-T4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸
- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate

¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

² Estache et al "Financing infrastructure in developing countries" (2015)

³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

⁴ IIGCC (2021) Climate Investment Roadmap

⁵ OECD "Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries" (2021)

⁶ IDB "Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies" (2018)

⁷ IRENA "Mobilising Institutional Capital For Renewable Energy" (2020)

⁸ Narayanaswamy et al "The Importance Of Local Capital Markets For Financing Development" (2017)

experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Support the identification, classification and assessment of Brazil's investor base and market participants in DCM, overall as well as in green or sustainable bond markets, including the implementation of a comprehensive survey.

3. Key Activities

- 3.1. Outline and define specific, measurable, attainable, realistic, and timely goals to develop the survey and its scope.
- 3.2. Develop a list of domestic and international institutional investors, banks, asset managers, regulators, project developers, and academics.
- 3.3. Develop a comprehensive survey of domestic and international institutional investors (pension funds and insurance companies), banks, asset managers, together with local stock-exchanges, regulators, project developers, and academics.
- 3.4. Analyze the need and opportunities of women to ensure a gender balance of participants and include gender-related issues in the identification of investor base and market participants.
- 3.5. Implement and assessment of the survey.
- 3.6. Collect available investment data to complement the survey.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities included in item 3 (to be delivered within 15 days).
- 4.2. First draft of the survey to be implemented (to be delivered within 12 weeks).
- 4.3. First draft of the assessment of the survey (to be delivered within 24 weeks).
- 4.4. Final version of the assessment and survey in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 12 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Portuguese. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft of the survey	20%
3. First draft of the assessment	20%
4. Final version of the assessment and survey	45%
TOTAL	100%

TERMS OF REFERENCE

Assessment of Colombia’s investor base and market participants in local Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/RG-T4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸
- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate

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² Estache et al "Financing infrastructure in developing countries" (2015)

³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

⁴ IIGCC (2021) Climate Investment Roadmap

⁵ OECD "Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries" (2021)

⁶ IDB "Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies" (2018)

⁷ IRENA "Mobilising Institutional Capital For Renewable Energy" (2020)

⁸ Narayanaswamy et al "The Importance Of Local Capital Markets For Financing Development" (2017)

experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Support the identification, classification and assessment of Colombia's investor base and market participants in DCM, overall as well as in green or sustainable bond markets, including the implementation of a comprehensive survey.

3. Key Activities

- 3.1. Outline and define specific, measurable, attainable, realistic, and timely goals to develop the survey and its scope.
- 3.2. Develop a list of domestic and international institutional investors, banks, asset managers, regulators, project developers, and academics.
- 3.3. Develop a comprehensive survey of domestic and international institutional investors (pension funds and insurance companies), banks, asset managers, together with local stock-exchanges, regulators, project developers, and academics.
- 3.4. Analyze the need and opportunities of women to ensure a gender balance of participants and include gender-related issues in the identification of investor base and market participants.
- 3.5. Implement and assessment of the survey.
- 3.6. Collect available investment data to complement the survey.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities included in item 3 (to be delivered within 15 days).
- 4.2. First draft of the survey to be implemented (to be delivered within 12 weeks).
- 4.3. First draft of the assessment of the survey (to be delivered within 24 weeks).
- 4.4. Final version of the assessment and survey in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 12 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

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- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
5. Work Plan	15%
6. First draft of the survey	20%
7. First draft of the assessment	20%
8. Final version of the assessment and survey	45%
TOTAL	100%

TERMS OF REFERENCE

Assessment of Mexico’s investor base and market participants in local Debt Capital Markets (DCM)

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸
- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and

¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

² Estache et al "Financing infrastructure in developing countries" (2015)

³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

⁴ IIGCC (2021) Climate Investment Roadmap

⁵ OECD "Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries" (2021)

⁶ IDB "Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies" (2018)

⁷ IRENA "Mobilising Institutional Capital For Renewable Energy" (2020)

⁸ Narayanaswamy et al "The Importance Of Local Capital Markets For Financing Development" (2017)

(v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Support the identification, classification and assessment of Mexico's investor base and market participants in DCM, overall as well as in green or sustainable bond markets, including the implementation of a comprehensive survey.

3. Key Activities

- 3.1. Outline and define specific, measurable, attainable, realistic, and timely goals to develop the survey and its scope.
- 3.2. Develop a list of domestic and international institutional investors, banks, asset managers, regulators, project developers, and academics.
- 3.3. Develop a comprehensive survey of domestic and international institutional investors (pension funds and insurance companies), banks, asset managers, together with local stock-exchanges, regulators, project developers, and academics.
- 3.4. Analyze the need and opportunities of women to ensure a gender balance of participants and include gender-related issues in the identification of investor base and market participants.
- 3.5. Implement and assessment of the survey.
- 3.6. Collect available investment data to complement the survey.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities included in item 3 (to be delivered within 15 days).
- 4.2. First draft of the survey to be implemented (to be delivered within 12 weeks).
- 4.3. First draft of the assessment of the survey (to be delivered within 24 weeks).
- 4.4. Final version of the assessment and survey in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 12 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

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9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft of the survey	20%

3. First draft of the assessment	20%
4. Final version of the assessment and survey	45%
TOTAL	100%

TERMS OF REFERENCE

Assessment of Peru’s investor base and market participants in local Debt Capital Markets (DCM)

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸
- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and

¹ Serebrisky et al “[Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?](#)” (2015)

² Estache et al “[Financing infrastructure in developing countries](#)” (2015)

³ Vergara et al “[The Climate and Development Challenge for Latin America and the Caribbean](#)” (2013)

⁴ IIGCC (2021) [Climate Investment Roadmap](#)

⁵ OECD “[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)” (2021)

⁶ IDB “[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)” (2018)

⁷ IRENA “[Mobilising Institutional Capital For Renewable Energy](#)” (2020)

⁸ Narayanaswamy et al “[The Importance Of Local Capital Markets For Financing Development](#)” (2017)

(v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Support the identification, classification and assessment of Peru's investor base and market participants in DCM, overall as well as in green or sustainable bond markets, including the implementation of a comprehensive survey.

3. Key Activities

- 3.1. Outline and define specific, measurable, attainable, realistic, and timely goals to develop the survey and its scope.
- 3.2. Develop a list of domestic and international institutional investors, banks, asset managers, regulators, project developers, and academics.
- 3.3. Develop a comprehensive survey of domestic and international institutional investors (pension funds and insurance companies), banks, asset managers, together with local stock-exchanges, regulators, project developers, and academics.
- 3.4. Analyze the need and opportunities of women to ensure a gender balance of participants and include gender-related issues in the identification of investor base and market participants.
- 3.5. Implement and assessment of the survey.
- 3.6. Collect available investment data to complement the survey.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities included in item 3 (to be delivered within 15 days).
- 4.2. First draft of the survey to be implemented (to be delivered within 12 weeks).
- 4.3. First draft of the assessment of the survey (to be delivered within 24 weeks).
- 4.4. Final version of the assessment and survey in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 12 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft of the survey	20%
3. First draft of the assessment	20%

4. Final version of the assessment and survey	45%
TOTAL	100%

TERMS OF REFERENCE

Identification of emerging solutions to increase institutional investor participation in green or sustainable bonds.

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸
- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and

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² Estache et al "Financing infrastructure in developing countries" (2015)

³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

⁴ IIGCC (2021) Climate Investment Roadmap

⁵ OECD "Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries" (2021)

⁶ IDB "Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies" (2018)

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(v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Support the identification of constraints that limit institutional investors' participation in green and sustainable bond markets, including gender considerations and emerging solutions, assessments of country-specific issues, and identification of complementarities and escalated impacts.

3. Key Activities

- 3.1. Assess country-specific issues (Brazil, Colombia, Mexico, and Peru) limiting further participation in green or sustainable bonds.
- 3.2. Explore opportunities and challenges for integrating gender considerations into social and/or sustainable bonds.
- 3.3. Identify and analyze of complementarities and escalated impact for the interconnection of SDGs within the context of institutional investors' missions.
- 3.4. Assess emerging solutions and identify specific conditions that promote the increase of institutional investors' participation in the market.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. Progress report about country-specific analysis and barriers that limit participation in green or sustainable bonds (to be delivered within 12 weeks).
- 4.3. First draft of the assessment of emerging solutions and specific conditions (to be delivered within 24 weeks).
- 4.4. Final version of the assessment of emerging solutions and specific conditions and their background in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

- 5.1. The execution of this consultancy shall include a kickoff meeting to set up the project

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart " [Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. Progress report	20%
3. First draft of the assessment	25%

4. Final version of the assessment	40%
TOTAL	100%

Selection process #RG-T4213-P0XXX

TERMS OF REFERENCE

Design of knowledge-sharing tools to encourage participation in Debt Capital Markets (DCM).

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁵ At the same time, institutional investors can also invest directly into

¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

² Estache et al "Financing infrastructure in developing countries" (2015)

³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

⁴ IIGCC (2021) Climate Investment Roadmap

⁵ OECD "Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries" (2021)

projects.⁶⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸

- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.
- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Plan and design knowledge-sharing tools for market participants to promote a robust enabling environment in beneficiary countries that encourages private participation in DCM.

3. Key Activities

- 3.1. Development of institutional strengthening strategies targeted to financial regulatory agencies and public administration agencies to attain effective planning and delivery of regulation.
- 3.2. Design knowledge tools that enhance better inclusion of sustainability in investment decisions, considering gender lens.
- 3.3. Outline and design workshops on standards and labels to embed sustainability in investment decisions, including gender lens with an integrated module on gender in investment decisions.
- 3.4. Implementation of tools and workshops.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. knowledge sharing tools available for market participants (to be delivered within 12 weeks).

⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

- 4.3. Workshops structure on standards and labels to promote green and sustainable bond issuance delivered (to be delivered within 24 weeks).
- 4.4. Final implementation report in word and pdf (to be delivered within 48 weeks).

5. **Project Schedule and Milestones**

- 5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. **Reporting Requirements**

- 6.1. All documents shall be presented in word and pdf format.

7. **Acceptance Criteria**

- 7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:
 - Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
 - Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.
- 7.2. All deliverables will receive feedback and approval from the TC team.

8. **Other Requirements**

- 8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. **Supervision and Reporting**

- 9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. **Schedule of Payments**

- 10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary

conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. Knowledge sharing tools and workshops structure	25%
3. Final implementation report	60%
TOTAL	100%

Selection process #RG-T4213-P0XXX

TERMS OF REFERENCE

Development of proposals to promote a robust enabling environment to encourage private participation in Brazil’s Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors

¹ Serebrisky et al “[Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?](#)” (2015)

² Estache et al “[Financing infrastructure in developing countries](#)” (2015)

³ Vergara et al “[The Climate and Development Challenge for Latin America and the Caribbean](#)” (2013)

⁴ IIGCC (2021) Climate Investment [Roadmap](#)

and adequate rates.⁵ At the same time, institutional investors can also invest directly into projects.^{6,7} As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁸

- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.
- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.¹⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Assess regulatory and supervisory frameworks as well as market arrangements and structures, propose eventual amendments to current practices to promote a robust enabling environment in Brazil that encourages private participation in DCM, considering gender issues.

3. Key Activities

- 3.1. Assess regulatory and supervisory frameworks
- 3.2. Assess market arrangements and structures.
- 3.3. Incorporate gender aspects within the frameworks to boost sustainability impact.
- 3.4. Propose amendments to current practices, and/or new and innovative frameworks for the development of sustainable DCM.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. First draft of frameworks considering gender integration (to be delivered within 16 weeks).
- 4.3. Final version of regulatory or legal framework proposals to support sustainable

⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

¹⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

investments through DCM updated in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

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9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft	25%
3. Final version of regulatory or legal framework proposals	60%
TOTAL	100%

TERMS OF REFERENCE

Development of proposals to promote a robust enabling environment to encourage private participation in Colombia’s Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/RG-T4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1.** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2.** The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.¹¹¹²¹³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.¹⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3.** These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors

¹¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

¹² Estache et al "Financing infrastructure in developing countries" (2015)

¹³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

¹⁴ IIGCC (2021) Climate Investment [Roadmap](#)

and adequate rates.¹⁵ At the same time, institutional investors can also invest directly into projects.¹⁶¹⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.¹⁸

- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.¹⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.
- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.²⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Assess regulatory and supervisory frameworks as well as market arrangements and structures, propose eventual amendments to current practices to promote a robust enabling environment in Colombia that encourages private participation in DCM, considering gender issues.

3. Key Activities

- 3.1. Assess regulatory and supervisory frameworks
- 3.2. Assess market arrangements and structures.
- 3.3. Incorporate gender aspects within the frameworks to boost sustainability impact.
- 3.4. Propose amendments to current practices, and/or new and innovative frameworks for the development of sustainable DCM.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. First draft of frameworks considering gender integration (to be delivered within 16 weeks).
- 4.3. Final version of regulatory or legal framework proposals to support sustainable

¹⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

¹⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

¹⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

¹⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

¹⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

²⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

investments through DCM updated in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
4. Work Plan	15%
5. First draft	25%
6. Final version of regulatory or legal framework proposals	60%
TOTAL	100%

TERMS OF REFERENCE

Development of proposals to promote a robust enabling environment to encourage private participation in Mexico's Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/RG-T4213>

Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1. Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2. The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.²¹²²²³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.²⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3. These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors

²¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

²² Estache et al "Financing infrastructure in developing countries" (2015)

²³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

²⁴ IIGCC (2021) Climate Investment [Roadmap](#)

and adequate rates.²⁵ At the same time, institutional investors can also invest directly into projects.^{26,27} As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.²⁸

- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.²⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.
- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.³⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. **Objectives**

Assess regulatory and supervisory frameworks as well as market arrangements and structures, propose eventual amendments to current practices to promote a robust enabling environment in Mexico that encourages private participation in DCM, considering gender issues.

3. **Key Activities**

- 3.1. Assess regulatory and supervisory frameworks
- 3.2. Assess market arrangements and structures.
- 3.3. Incorporate gender aspects within the frameworks to boost sustainability impact.
- 3.4. Propose amendments to current practices, and/or new and innovative frameworks for the development of sustainable DCM.

4. **Expected Outcome and Deliverables**

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. First draft of frameworks considering gender integration (to be delivered within 16 weeks).
- 4.3. Final version of regulatory or legal framework proposals to support sustainable

²⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

²⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

²⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

²⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

²⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

³⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

investments through DCM updated in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. Reporting Requirements

6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

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9. Supervision and Reporting

9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

10.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
7. Work Plan	15%
8. First draft	25%
9. Final version of regulatory or legal framework proposals	60%
TOTAL	100%

TERMS OF REFERENCE

Development of proposals to promote a robust enabling environment to encourage private participation in Peru’s Debt Capital Markets (DCM)

REGIONAL
RG-T4213

<https://www.iadb.org/en/project/RG-T4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

1. Background and Justification

- 1.1.** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.
- 1.2.** The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.³¹³²³³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.³⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.
- 1.3.** These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to

³¹ Serebrisky et al "Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?" (2015)

³² Estache et al "Financing infrastructure in developing countries" (2015)

³³ Vergara et al "The Climate and Development Challenge for Latin America and the Caribbean" (2013)

³⁴ IIGCC (2021) Climate Investment [Roadmap](#)

bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.³⁵ At the same time, institutional investors can also invest directly into projects.^{36,37} As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.³⁸

- 1.4. Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.³⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.
- 1.5. The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.⁴⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

2. Objectives

Assess regulatory and supervisory frameworks as well as market arrangements and structures, propose eventual amendments to current practices to promote a robust enabling environment in Peru that encourages private participation in DCM, considering gender issues.

3. Key Activities

- 3.1. Assess regulatory and supervisory frameworks
- 3.2. Assess market arrangements and structures.
- 3.3. Incorporate gender aspects within the frameworks to boost sustainability impact.
- 3.4. Propose amendments to current practices, and/or new and innovative frameworks for the development of sustainable DCM.

4. Expected Outcome and Deliverables

- 4.1. Work Plan based on the key activities item 3 (to be delivered within 15 days).
- 4.2. First draft of frameworks considering gender integration (to be delivered within 16 weeks).

³⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

³⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

³⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

³⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

³⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

⁴⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

- 4.3. Final version of regulatory or legal framework proposals to support sustainable investments through DCM updated in word and pdf, including a PowerPoint presentation (to be delivered within 48 weeks).

5. Project Schedule and Milestones

- 5.1. The execution of this consultancy shall include a kickoff meeting to set up the project schedule and milestones. These terms of reference are expected to be completed 3 months after signing the contract.

6. Reporting Requirements

- 6.1. All documents shall be presented in word and pdf format.

7. Acceptance Criteria

- 7.1. In order to carry out this consultancy, the individual consultant or the consulting firm must demonstrate a proven qualification and experience in the following fields:

- Academic degree and professional work experience: economics, finance, public policy or related areas, with proven experience in the financial sector, in particular DCM, with focus on green and resilient investment.
- Languages: English and Spanish. Fluent oral and writing skills are required to undertake this consulting.

- 7.2. All deliverables will receive feedback and approval from the TC team.

8. Other Requirements

- 8.1. Intellectual property rights over any products created by the IDB using the Activity will be held by the IDB. Hereby the bank grants the Beneficiary a non-exclusive, perpetual and royalty-free license for the reproduction, translation, publication and dissemination of such products. The Bank shall be acknowledged as the owner. Furthermore, the Bank does not assume responsibility regarding the product's content and/or applicability to any particular objective.

9. Supervision and Reporting

- 9.1. The individual consultant or consulting firm providing the service will report directly to Alexander Vasa, Sector Senior Specialist (IFD/CMF) and TC team leader.

10. Schedule of Payments

- 10.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost

proposal for the services described herein.

- 10.2.** The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule	
Deliverable	%
1. Work Plan	15%
2. First draft	25%
3. Final version of regulatory or legal framework proposals	60%
TOTAL	100%

HRD Terms of Reference

ANNEX A

Technical and Project Management Support for Green Finance Programs

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments.

Location

The IDB Group is a community of diverse, versatile, and passionate people who come together on a journey to improve lives in Latin America and the Caribbean. Our people find purpose and do what they love in an inclusive, collaborative, agile, and rewarding environment.

Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean (LAC). Provides loans, grants, guarantees, policy advice, and technical assistance to the public and private sectors of their borrowing countries.

The IDB has received funding from the Climate Investment Fund (CIF) for the Project "Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments". This project will support the assessment of DCMs and the proposal of enabling environment measures in the LAC Region, with a particular focus on Brazil, Colombia, Mexico, and Peru with the objective to further mobilize private financing into low-carbon investments. The project will focus on: (i) the assessment of DCM development; and (ii) the proposal of enabling environment measures to foster participation in DCM.

The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better

hedge against climate risks.⁴¹⁴²⁴³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁴⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.

These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to diversify their sources of funding with longer-term tenors and adequate rates.⁴⁵ At the same time, institutional investors can also invest directly into projects.⁴⁶⁴⁷ As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁴⁸

Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁴⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.⁵⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

About this position

To address and support member countries in inclusive and environmentally sustainable productive development, the Connectivity, Markets and Finance Division (IFD/CMF) assists member countries to overcome the financing barriers that limit their productive development. Areas of work include financial inclusion, financial and fiscal risk management, financial transparency, housing finance, public debt management, green finance, among others. In that sense, we are looking for a professional, demonstrable depth of experience and skilled communicator consultant to work closely with the project team leader and the project team to ensure the project coordination during the implementation phase of the of the Project "Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments".

⁴¹ Serebrisky et al "[Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?](#)" (2015)

⁴² Estache et al "[Financing infrastructure in developing countries](#)" (2015)

⁴³ Vergara et al "[The Climate and Development Challenge for Latin America and the Caribbean](#)" (2013)

⁴⁴ IIGCC (2021) [Climate Investment Roadmap](#)

⁴⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

⁴⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

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⁵⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

What you'll do:

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

- Manage day to day operations of the RG-T4213 project including budgeting, planning and preparation of business plans, contracting and coordination of consultancies, constant monitoring, and reporting of outputs, planning and execution of training and knowledge dissemination activities, preparation of progress reports and follow up with donor.
- Directly support clients in the implementation of the project, ensuring clients have record keeping systems, and that planned activities are timely executed, as well as promoting client consultation, workflow and consultant management, and product review.
- Review and make technical comments on studies and background materials developed by other consultants and consultancy firms in support to clients to ensure quality of outputs before delivery.
- Assist the team in the identification of potential new clients and in the client portfolio review process.
- Support the identification of strategic complementary partnerships with external Programs.
- Recommend and execute implementation strategies; secure engagement of key Program stakeholders (IDB-CIF focal point, CIF focal point).
- Develop concrete technical reports and recommendations. Develop technical and financial prioritization criteria for meetings and events with the objective to generate interest, engagement, and participation in the Program.
- Collect data and develop knowledge and advisory content, discussion notes and briefing materials for IDB and IDB clients' internal use.
- Prepare knowledge products and review and provide inputs to knowledge dissemination tools such as the greenfinancelac.org. Maintain a technically up to date Program presentation package to represent the Program in key global, regional, and national expert fora, events, and workshops.
- Support the development of training programs and organization of events, policy dialogues, preparing presentations and draft agendas, draft reports, background papers and overseeing day to day implementation activities

What you'll need:

- **Education:** Bachelor' degree or equivalent in economics, energy, finance, environmental, or a related discipline.
- **Experience:** More than 4 years of experience in project management, bond market, sustainable finance, monitoring, and evaluation of ESG investments. Experience in service organizations with prioritization, case work planning and queuing of support
- **Languages:** Fluency in English and Spanish.

Key skills & Areas of Expertise:

- Excellent organizational and project management skills.
- Demonstrated experience in portfolio/pipeline management, including database management; monitoring and evaluation; preparation of reports; and/or use of project management tools.
- 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.
- Good understanding of the green bonds market.
- Good team player, self-starter, has ability to work under minimum supervision and maintain good relationships.

Requirements:

- **Citizenship:** You are a citizen of one of our 48-member countries.
- **Consanguinity:** You have no family members (up to the fourth degree of consanguinity and second degree of affinity, including spouse) working at the IDB, IDB Invest, or IDB Lab.
- **COVID-19 considerations:** the health and safety of our employees are our number one priority. As a condition of employment, IDB/IDB Invest requires all new hires to be fully vaccinated against COVID-19.

Type of contract and duration:

- **Type of contract:** International Consultant (CNS).
- **Length of contract:** 18 months.

What we offer

The IDB group provides benefits that respond to the different needs and moments of an employee's life. These benefits include:

- **A competitive compensation packages**
- **Leaves and vacations:** 2 days per month of contract + gender- neutral parental leave
- **Health Insurance:** the IDB Group provides a monthly allowance for the purchase of health insurance
- **Savings plan:** The IDB Group cares about your future, depending on the length of the contract, you will receive a monthly savings plan allowance.
- We offer assistance with **relocation and visa applications** for you and your family when it applies
- **Hybrid and flexible** work schedules
- **Development support:** We offer learning opportunities to boost your professional profile such as seminars, 1:1 professional counseling, and much more.
- **Health and wellbeing:** Access to our Health Services Center which provides preventive care and health education for all employees.
- **Other perks:** Lactation Room, Daycare Center, Gym, Bike Racks, Parking, and others.

Our culture

At the IDB Group we work so everyone brings their best and authentic selves to work, willing to try new approaches without fear, and where they are accountable and rewarded for their actions.

Diversity, Equity, Inclusion and Belonging (DEIB) are at the center of our organization. We celebrate all dimensions of diversity and encourage women, LGBTQ+ people, persons with disabilities, Afro-descendants, and Indigenous people to apply.

We will ensure that individuals with disabilities are provided reasonable accommodation to participate in the job interview process. If you are a qualified candidate with a disability, please e-mail us at diversity@iadb.org to request reasonable accommodation to complete this application.

Our Human Resources Team reviews carefully every application.

About the IDB Group

The IDB Group, composed of the Inter-American Development Bank (IDB), IDB Invest, and the IDB Lab offers flexible financing solutions to its member countries to finance economic and social development through lending and grants to public and private entities in Latin America and the Caribbean.

About IDB

We work to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education and advance infrastructure. Our aim is to achieve development in a sustainable, climate-friendly way. With a history dating back to 1959, today we are the leading source of development financing for Latin America and the Caribbean. We provide loans, grants, and technical assistance; and we conduct extensive research. We maintain a strong commitment to achieving measurable results and the highest standards of integrity, transparency, and accountability.

Follow us:

<https://www.linkedin.com/company/inter-american-development-bank/>

<https://www.facebook.com/IADB.org>

https://twitter.com/the_IDB

HRD Terms of Reference

ANNEX A

Climate Investment Fund Project “Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments” - Consultancy Services for Technical and Methodological Review of deliverables

REGIONAL

RG-T4213

<https://www.iadb.org/en/project/rg-t4213>

Unlocking Institutional Investors’ Participation in Local Green Bond Markets and Direct Investments.

Location

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The transition to a green economy requires substantial investments in the next decades to ensure that the Latin America and the Caribbean (LAC) Region can mitigate climate change and better hedge against climate risks.⁵¹⁵²⁵³ The expected investment gap in LAC is about US\$ 1 trillion for the period 2021-2030.⁵⁴ Low-carbon infrastructure and, in particular, renewable energy infrastructure, requires financing conditions with longer term tenors.

These conditions can be provided by institutional investors (insurance companies and pension funds) through their investments in green and sustainable bonds or direct investments. As commercial bank lending is limited to short maturities due to the short-term nature of bank deposits, bonds provide a viable long-term financing alternative to bank loans, allowing issuers to

⁵¹ Serebrisky et al “[Financing Infrastructure in Latin America and the Caribbean: How, How much and by Whom?](#)” (2015)

⁵² Estache et al “[Financing infrastructure in developing countries](#)” (2015)

⁵³ Vergara et al “[The Climate and Development Challenge for Latin America and the Caribbean](#)” (2013)

⁵⁴ IIGCC (2021) Climate Investment [Roadmap](#)

diversify their sources of funding with longer-term tenors and adequate rates.⁵⁵ At the same time, institutional investors can also invest directly into projects.^{56,57} As debt capital markets become more sophisticated, a critical mass of domestic savings and large local investors with long-term commitments are required. Local investors can provide a reliable and stable investor base, as domestic pensions, insurance and savings vehicles for individuals can nurture sustainable domestic investible asset pools.⁵⁸

Some barriers still prevent LAC from reaching its sustainable infrastructure targets. Among the barriers identified by investors are: (i) lack of bankable projects, (ii) inadequate experience in some regions, (iii) lack of acceptable credit rating, (iv) policy barriers, and (v) investment practices of institutional investors.⁵⁹ Although the research carried out to date provides a starting point, it is important to identify and classify barriers and bottlenecks specific to the context of the project's beneficiary countries. An enabling environment targeting specific knowledge gaps and regulatory reforms of the beneficiary jurisdictions would allow further progress towards channeling sustainable investments through debt capital markets.

The environmental and climate challenges of our time further increase existing gender disparities which have been further exacerbated by the COVID-19 pandemic.⁶⁰ Green bonds can seize the opportunity of mainstreaming gender by incorporating gender considerations into their frameworks, ensuring that bonds' proceeds are also meeting gender objectives. This can provide issuers with an opportunity to differentiate themselves in the crowded sustainable bond market.

About this position

To address and support member countries in inclusive and environmentally sustainable productive development, the Connectivity, Markets and Finance Division (IFD/CMF) assists member countries to overcome the financing barriers that limit their productive development. Areas of work include financial inclusion, financial and fiscal risk management, financial transparency, housing finance, public debt management, green finance, among others. In that sense, we are looking for a professional, demonstrable depth of experience and skilled consultant to services for technical and methodological review of deliverables.

The objective of this consultancy is to develop an expert review on the technical quality and the methodological approach for the deliverables received under the Project "Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments".

What you'll do:

- The individual consultant will provide a working plan proposal, including a chronogram, this working plan must be approved by IDB.
- Technical and methodological feedback for deliverables.

Deliverables and Payments timeline:

⁵⁵ OECD "[Scaling up Green, Social, Sustainability and Sustainability-linked Bond Issuances in Developing Countries](#)" (2021)

⁵⁶ IDB "[Attractors of Institutional Investment in Latin American Infrastructure: Lessons from Envision Project Case Studies](#)" (2018)

⁵⁷ IRENA "[Mobilising Institutional Capital For Renewable Energy](#)" (2020)

⁵⁸ Narayanaswamy et al "[The Importance Of Local Capital Markets For Financing Development](#)" (2017)

⁵⁹ Nelson and Pierpont, CPI "[The Challenge of Institutional Investment in Renewable Energy](#)" (2013)

⁶⁰ GenderSmart "[Gender & Climate Investment: A strategy for unlocking a sustainable future](#)" (2021).

Deliverables	Percentage	Planned Date to Submit
Deliverable 1	30%	
Deliverable 2	70%	
TOTAL	100%	

What you'll need:

- **Education:** Master's degree or equivalent in economy, international economy, environmental politics.
- **Experience:** Ten (10) years of relevant professional experience or the equivalent combination of education and experience, related to applied economic analysis, academia, and International Organizations.
- **Languages:** English and Spanish read, spoken and written.

Key skills & Areas of Expertise:

- The individual consultant will be required to develop an expert review on the technical quality and the methodological approach for the deliverables under the project.
- Define, conduct follow-up sessions with the IDB, to receive inputs regarding the findings.

Requirements:

- **Citizenship:** You are a citizen of one of our 48-member countries.
- **Consanguinity:** You have no family members (up to the fourth degree of consanguinity and second degree of affinity, including spouse) working at the IDB, IDB Invest, or IDB Lab.
- **COVID-19 considerations:** the health and safety of our employees are our number one priority. As a condition of employment, IDB/IDB Invest requires all new hires to be fully vaccinated against COVID-19.

Type of contract and duration:

- **Type of contract:** Products External Consultant (PEC) and Lump Sum.
- **Length of contract:** XX months.
- **Responsible person:** Alexander Vasa, Financial Sector Senior Specialist IFD/CMF

What we offer

The IDB group provides benefits that respond to the different needs and moments of an employee's life. These benefits include:

- A **competitive compensation** package.
- A flexible way of working. You will be evaluated by deliverable.

Our culture

At the IDB Group we work so everyone brings their best and authentic selves to work, willing to try new approaches without fear, and where they are accountable and rewarded for their actions. Diversity, Equity, Inclusion and Belonging (DEIB) are at the center of our organization. We celebrate all dimensions of diversity and encourage women, LGBTQ+ people, persons with disabilities, Afro-descendants, and Indigenous people to apply.

We will ensure that individuals with disabilities are provided reasonable accommodation to participate in the job interview process. If you are a qualified candidate with a disability, please e-mail us at diversity@iadb.org to request reasonable accommodation to complete this application.

Our Human Resources Team reviews carefully every application.

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About IDB

We work to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education and advance infrastructure. Our aim is to achieve development in a sustainable, climate-friendly way. With a history dating back to 1959, today we are the leading source of development financing for Latin America and the Caribbean. We provide loans, grants, and technical assistance; and we conduct extensive research. We maintain a strong commitment to achieving measurable results and the highest standards of integrity, transparency, and accountability.

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<https://www.facebook.com/IADB.org>

https://twitter.com/the_IDB

PROCUREMENT PLAN FOR IDB-EXECUTED OPERATIONS

Country: Regional	Executing Agency: IDB	UDR: IFD/CMF
Project number: RG-T4213	Project name: Unlocking Institutional Investors' Participation in Local Green Bond Markets and Direct Investments	
Period covered by the Plan: 24 months	Total Project Amount: USD 420,000.00	

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	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 1: Assessment of beneficiary countries' investor base and market participants in local Debt Capital Markets (DCM)	\$40,000	SCS	Lump Sum	\$0	0%	\$40,000	100%	1Q2023	1Q2023	6 months	
Component 1	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 2: Assessment of beneficiary countries' investor base and market participants in local Debt Capital Markets (DCM)	\$40,000	SCS	Lump Sum	\$0	0%	\$40,000	100%	1Q2023	2Q2023	6 months	
Component 1	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 3: Assessment of beneficiary countries' investor base and market participants in local Debt Capital Markets (DCM)	\$40,000	SCS	Lump Sum	\$0	0%	\$40,000	100%	1Q2023	3Q2023	6 months	
Component 1	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 4: Assessment of beneficiary countries' investor base and market participants in local Debt Capital Markets (DCM)	\$40,000	SCS	Lump Sum	\$0	0%	\$40,000	100%	1Q2023	4Q2023	6 months	
Component 1	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 5: Identification of emerging solutions to increase institutional investor participation in green or sustainable bonds.	\$60,000	SCS	Lump Sum	\$0	0%	\$60,000	100%	1Q2023	2Q2023	8 months	
Component 2	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 6: Design of knowledge-sharing tools to encourage participation in Debt Capital Markets (DCM).	\$50,000	SCS	Lump Sum	\$0	0%	\$50,000	100%	1Q2024	1Q2024	12 months	
Component 2	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 7: Development of proposals to promote a robust enabling environment to encourage private participation in beneficiary countries' Debt Capital Markets (DCM)	\$25,000	SCS	Lump Sum	\$0	0%	\$25,000	100%	2Q2024	2Q2024	12 months	
Component 2	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 8: Development of proposals to promote a robust enabling environment to encourage private participation in beneficiary countries' Debt Capital Markets (DCM)	\$25,000	SCS	Lump Sum	\$0	0%	\$25,000	100%	2Q2024	3Q2024	6 months	
Component 2	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 9: Development of proposals to promote a robust enabling environment to encourage private participation in beneficiary countries' Debt Capital Markets (DCM)	\$25,000	SCS	Lump Sum	\$0	0%	\$25,000	100%	2Q2024	4Q2024	6 months	
Component 2	A. Consulting services	Consulting Firm (GN-2765)	Consultancy 10: Development of proposals to promote a robust enabling environment to encourage private participation in beneficiary countries' Debt Capital Markets (DCM)	\$25,000	SCS	Lump Sum	\$0	0%	\$25,000	100%	2Q2024	4Q2024	6 months	
Component 2	A. Consulting services	Individual Consultant (AM-650)	Consultancy 11: Project management	\$30,000	ICQ	Lump Sum	\$0	0%	\$30,000	100%	1Q2023	2Q2023	18 months	
Component 2	A. Consulting services	Individual Consultant (AM-650)	Consultancy 12: Technical consultant for quality control of deliverables	\$20,000	ICQ	Lump Sum	\$0	0%	\$20,000	100%	1Q2023	2Q2023	24 months	
Prepared by:	Alexander Vasa (IFD/CMF)		TOTALS	\$ 420,000			\$ -	0%	\$ 420,000	100%				

(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.

(2) (ii) Consulting firms: Per GN-2765-4, Consulting Firm selection methods for Bank-executed Operations are: Single Source Selection (SSS); Simplified Competitive Selection (<=250K) (SCS); Fully Competitive (>250K) (FCS); and Framework Agreement Task Order (TO). All Consulting Firm selection processes under this policy must use the electronic module in Convergence.

(2) (iii) Goods: Per GN-2765-4, 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."

Use this checklist to determine if your TC operation (any amount) or Investment Grant (up to \$3 million) is aligned to the strategic priority of diversity. If all requirements are met, return to the strategic alignment tab in Convergence, check the "diversity" box, and copy and paste the justifications provided in the justification field.

	Criterion	Yes/No	Justification(s)	Instructions for justification text
Diversity	1. Issue: The diversity issue is described	No		<i>Describe the diversity issue.</i>
	2. Activities: There is a proposed activity/intervention to address issue	No		<i>List the activities/interventions that will address the diversity issue.</i>
	3. Product: There is a product related to the diversity activity/intervention	No		<i>Identify the product related to the diversity activity/intervention.</i>
	Meets requirements for alignment to diversity strategic priority?	No		

Use this checklist to determine if your TC operation (any amount) or Investment Grant (up to \$3 million) is aligned to the strategic priority of gender equality. If all requirements are met, return to the strategic alignment tab in Convergence, check the "gender equality" box, and copy and paste the justifications provided in the justification field.

	Criterion	Yes/No	Justification(s)	Instructions for justification text
Gender Equality	1. Issue: The gender equality issue is described	Yes	The TC Document integrates paragraphs 2.8, 2.9 and 2.10 which make an analysis of the gender and climate link, as well as sustainability aspects. It also mentions the importance of integrating gender in sustainability bonds and its frameworks.	<i>Describe the gender equality issue.</i>
	2. Activities: There is a proposed activity/intervention to address issue	Yes	Components 1 and 2 of the TC integrate gender related activities. Specifically, (i) the survey will include gender related issues on the identification of investor base and market participants through a specific module on gender to gather a basic preliminary diagnosis, (ii) country assessments will include opportunities and challenges for integrating gender considerations into social and/or sustainable bonds will be explored, (iii) knowledge sessions will include the gender perspective, and (iv) regulatory frameworks will contemplate gender issues.	<i>List the activities/interventions that will address the gender equality issue.</i>
	3. Product: There is a product related to the gender equality activity/intervention	Yes	Four of the TC products will include gender equality aspects: (i) survey, (ii) country assessments, (iii) knowledge sharing sessions, and (iv) regulatory frameworks.	<i>Identify the product related to the gender activity/intervention.</i>
	Meets requirements for alignment to gender equality strategic priority?	Yes		