

“ARMSWISSBANK” CJSC

READINESS AND PREPARATORY SUPPORT PROGRAMME

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

TERMS OF REFERENCE

Engagement of legal expert (international) for carrying out review of regulatory framework and designing package of recommendations for advancing “green finance” in Armenia

Background

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

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

The “ARMSWISSBANK” CJSC one of the leading Armenian banks that also seek accreditation with GCF (under direct access modality) has been awarded the contract

for implementation of “Scaling up Green Finance Practices in the Republic of Armenia” Project.

Assignment Background

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

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

In the beginning of November 2020 the second phase of the project commenced, where one international and one local consultant will: 1) review international best practices in “green finance instruments”, identify recommended ones and provide recommendations for their adaptation to Armenian realities, and 2) design and coordinate the delivery of a tailor made training programme on key methodological aspects of international best practices proposed for utilization in Armenia, the design of a learning plan and implementation of stakeholder needs assessment, carry out follow up activities derived from trainings and provide professional input for knowledge management of the repository of international best practices.

Objective of the Assignment

The objectives of the assignment are twofold:

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

- 1) reviewing regulatory framework to identify impediments, enabling conditions and introducing “green finance” principles and implementation of series of consultations with beneficiaries and the Central Bank;
- 2) designing recommendations on regulatory improvements based on the results of activities carried out within the scope of assignment, as well as implementation of consultations with stakeholders;

Scope of Work

Most of the banks and non-banking financial institutions through specifically designed mapping matrix and experience collecting questionnaire (circulated during the first phase of the project) have communicated the need for advancing environment for “green finance instruments” in Armenia through removing regulatory impediments, creating enabling conditions for “green finance” principles. MDS that has also been targeted during the previous phase of the Project has also shared their recommendations on specific interventions that are necessary for boosting “green finance” practices.

With the purpose of identifying regulatory bottlenecks and designing recommendations aiming to address them as well as to establish enabling regulatory levers that are based on international best practices, services of legal consulting firm are being sought through this RFP.

More specifically, the Consultant will:

- With on the ground support of (separately contracted) local legal firm carry out comprehensive review of regulatory framework governing the banking sector with particular focus on the findings of the first phase of the Project and identification of impeding provisions;
- With on the ground support of (separately contracted) local legal firm review of international best practices in the field of enabling legal frameworks facilitative towards advancement of “green finance” practices in the Republic of Armenia and drafting respective legislative/regulatory package containing comprehensive set of recommendations for further consideration by regulator;
- Lead consultations with key stakeholders, including Central Bank of Armenia, Union of Banks of Armenia, commercial banks and non-banking financial institutions, as well as MDBs.
- Within 6 months after completion of final draft of respective legislative/regulatory package containing comprehensive set of recommendations for further consideration by regulator, make a presentation of proposals for the beneficiaries of this program

Selection Criteria

I. Technical Proposal – 70%

1. Experience of the Consultant – 60%

- Preferably with degree in law and at least 12-15 years of professional experience in/with MDBs and climate funds on designing legal/regulatory frameworks related to advancement of “green finance” instruments at national and international levels;
- Specific experience related to drafting regulations, policies, and/or laws for the promotion of “green finance”;
- Institutional track record on successful delivery of high-level expert advice to banks, governments and/or international organizations in the relevant fields gained in at least 5 different countries;
- Experience related to the intersection of energy efficiency and renewable energy finance and the financial sector in emerging economies.

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

II. Financial Proposal - 30%

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

Evaluation of proposals

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

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

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

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

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

Timeframe, deliverables and reporting

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

Required services will have to be delivered during January – April 2021 (45 working days).

Submission Requirements

Submission Packages comprised from CV & Financial Proposal should be submitted by 07/02/2021 at 18:00 Yerevan time to the following e-mail address: procurement.gcf@armswissbank.am. Financial Proposal should be submitted by 07/02/2021 at 18:00 Yerevan time to the following e-mail address: priceoffer.gcf@armswissbank.am .

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

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

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

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

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