REQUEST FOR PROPOSAL # 16-022

A CLIMATE RISK ASSESSMENT TOOL FOR

FINANCIAL INSTITUTIONS

DATE: April 21, 2016

FOR OFFERORS USE ONLY

DUE DATE: 5:00 PM (E.S.T.), June 6, 2016
1. INTRODUCTION

1.1 Bank Overview

The Inter-American Development Bank (IDB or “Bank”) was established in December of 1959 to help accelerate economic and social development in Latin America and the Caribbean. Today, the Bank is a major catalyst in mobilizing resources for the region. The Bank is owned by its 48 member countries with headquarters in Washington, D.C., as well as Country Offices in each member country of Latin America and the Caribbean, and special offices in Madrid and Tokyo. The Bank provides loans, technical assistance and policy guidance to further its goals of poverty reduction and sustainable development in the Latin American and Caribbean regions. The four official languages of the Bank are: Spanish, English, French and Portuguese. For more information about the Bank, please refer to the Bank’s website at www.iadb.org.

1.2 Purpose of the RFP

The Bank is issuing this Request for Proposal (RFP) to request proposals from qualified firms to enter into an agreement to provide overall best value to the Bank to develop a tool to enable financial institutions to i) identify and quantify their business exposure to climate risks and ii) implement measures to reduce this exposure. To achieve this, intermediate objectives will be to i) analyze the correlation between climatic indicators and both production and financial indicators, and ii) develop a model for the appraisal of investments with the capacity to mitigate in productive and financial terms the aforementioned exposure.

1.3 Proposal Process Schedule

Listed below is the schedule for activities related to this solicitation. The following schedule reflects the expected completion dates, but the Bank reserves the right to modify the schedule below or cancel this RFP at any time, without cause, at its sole discretion.

Issuance of the Request for Proposal ............................April 21, 2016
Final day to submit questions ........................................May 12, 2016
Proposal due date .........................................................June 6, 2016
Oral presentations and Demonstrations (if required)...... ....Week of June 12, 2016
2. INSTRUCTIONS TO OFFERORS

2.1 Instructions for Proposal Submission

2.1.1 Proposals must be submitted in Microsoft Word format or PDF, via e-mail to juanbo@iadb.org, by no later than 5:00PM (E.S.T.) June 6, 2016. Please include your company name and RFP # 16-022 in the email subject line.

2.1.2 Proposals must be prepared in precisely the same format described in Section 4 of this RFP, with responses to each item in the order asked. Responses should be concise and clear. Marketing brochures provided in response to specific questions shall be considered non-responsive.

2.1.3 The “Standard Terms and Conditions of Agreement”, referenced as Annex A, and Offeror’s proposal will be incorporated into any contract, which results from this RFP. Offerors are, therefore, cautioned not to make claims or statements, which they are not prepared to commit to contractually. Subsequent modifications and counter-proposals, if applicable, shall also become an integral part of any resulting contract.

2.1.4 Offeror represents that the individual submitting the proposal is duly authorized to bind the offeror to the proposal as submitted. Offeror also affirms that it has read the RFP and has the experience, skills and resources to perform, according to conditions set forth in this RFP and Offeror’s proposal. Offeror may submit a proposal alone or in association, with the express understanding that Offeror shall be solely responsible for the offer and any Agreement with the Bank that may result from its offer under this RFP. Submission of Offeror’s proposal affirms the understandings set forth in this paragraph.

2.2 Questions and Clarification to the RFP

2.2.1 The Bank’s contact is listed below and all communication with the Bank shall be directed as follows:

Name: Juan Borga
E-Mail: juanbo@iadb.org

2.2.2 To facilitate the clarification of requirements, Offerors may submit questions in writing at any time until 3:00PM (E.S.T.) May 12, 2016, to Juan Borga, e-mail address: juanbo@iadb.org. Responses to all questions received will be distributed in writing to all Offerors after that date. The Bank makes no representation as to the timing of the responses but it will make its best efforts to issue them within a reasonable timeframe.

2.3 Validity of Proposal

All proposals shall remain valid and open for acceptance for a period of ninety (90) days after date specified for receipt of proposals.
2.4 On-Site Visit or Presentation

Offerors under consideration may be asked to make oral presentations to clarify and/or amplify their proposal. Presentations will be scheduled at the sole discretion of the Bank.

2.5 Safeguards of Information

2.5.1 All written materials prepared by the selected Offeror during the course of this RFP or under any contract award, as a result of this RFP, shall become the sole and exclusive property of the Bank.

2.5.2 By submitting a Proposal, Offeror represents that the Proposal contains no proprietary or confidential information, unless such information is specifically designated and clearly marked as "Proprietary and Confidential". A general statement claiming confidentiality for an entire Proposal shall not be sufficient. The Bank shall exercise reasonable measures to maintain the confidentiality of such information. Offeror consents to the furnishing of the Offeror's Proposal to the Bank's employees, agents, representatives, consultants and legal counsel who may be involved in this RFP process.

2.5.3 Data in the possession of the Bank may be relevant to this project, and may be made available to the successful Offeror after contract award. Any costs for acquiring other data or analyzing the data will be the responsibility of the Offeror.

2.6 Evaluation and Award

2.6.1 Technical and cost factors shall be considered in the Bank's evaluation. Offeror is to provide its best offer, both technically and financially, in its original offering.

2.6.2 Proposals shall be evaluated on the basis of Offeror's responses to the criteria set forth in Section 4. Incomplete or inadequate responses, lack of response to an item or items, or misrepresentation in responding to this RFP may result in rejection of an Offeror's proposal. Responses to this RFP are intended to provide the Bank's evaluation team with an understanding of Offeror's capabilities to determine the best overall value for the Bank.

2.6.3 Any effort by an Offeror to influence the Bank in the process of examination, clarification, evaluation and comparison of proposals, or in decisions regarding the award of a Contract, may result in the rejection of the Offeror's proposal.

2.6.4 After receipt of proposals, information relating to the evaluation process shall not be disclosed to Offerors, or to any persons.

2.6.5 The Bank reserves the right to reject any and all proposals for any reason or for no reason without recourse, to request substitution and/or clarification of any information provided, to ask for interviews with the Offeror's management staff and/or to visit the Offeror's site. The Bank does not bind itself in any way to select the Offeror submitting the lowest priced proposal or any other offering.
2.7 Term and Termination

2.7.1 It is the intent of the Bank to select one successful Offeror and award a contract as soon as practicable after receipt of, and evaluation of, proposals.

2.8 Supplier Diversity

2.8.1 The Inter-American Development Bank (IDB or Bank) supports diversity in its supplier base. Women owned or led business enterprises are encouraged to participate in its Corporate Procurement processes. The Bank considers a women’s business enterprise as one that is:

- 51% or more ownership stake and/or
- A woman top manager (CEO, COO, general manager, president, or equivalent position).
3. TERMS OF REFERENCE

A CLIMATE RISK ASSESSMENT TOOL FOR FINANCIAL INSTITUTIONS

I. INTRODUCTION

1.1 The Multilateral Investment Fund (MIF) is a member of the Inter-American Development Bank (IDB) Group and uses grants, equity and loans to foster private sector development and to reduce poverty in Latin America and the Caribbean (LAC). More recently, MIF assistance aims to build climate resiliency in the micro, small and medium sized enterprises (MSMEs), local communities, anchor firms and value chains, and to expand business opportunities and models related to the demand market for goods and services related to climate resilience.

1.2 The Nordic Development Fund (NDF) is a development finance institution representing Denmark, Finland, Iceland, Norway and Sweden. A major objective of the NDF is to facilitate climate change investments in low-income countries in Latin America, Africa and Asia.

1.3 The PROADAPT Facility is one example of the productive collaboration that has developed between the NDF and the MIF/IDB. PROADAPT, launched in 2013, aims to build private sector climate resilience and related business and investment opportunities in LAC. By climate resilience, we refer to the capacity of a socio-ecological system or organization to maintain function in the face of climate risks and stresses, and to adapt, reorganize and evolve in ways that better prepare it for future climate change impacts.1

1.4 The conceptualization of this work is led by the PROADAPT facility. PROADAPT has also benefited from the contribution of ECOMICRO, a MIF-NDF facility aimed at supporting Micro-Finance Institutions (MFIs) in LAC to develop green financial products, for both mitigation and adaptation purposes.

1.5 The IDB-MIF Donors Committee approved a PROADAPT project (BR-M1122),2 “PROADAPTA Sertão: Building Climate Resilience in the Brazilian Sertão” in 2014. The objective of this project is to support climate resilient practices and technologies for smallholder farmers in the semi-arid region of Sertão, in the Brazilian state of Bahia. The project has earned significant recognition because of its innovative approach to climate resilience and its private sector orientation.

1.6 PROADAPTA Sertão has developed and piloted tools and strategies to increase climate resilience and related opportunities for small holders in agriculture. These include a menu of 21 practical and affordable resilient technologies that are ideal for vulnerable smallholders, and the development of a credit model for smallholders wishing to

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purchase these resilience solutions. The knowledge gained in this project has broader application in other geographies and contexts. This includes strong interest among financial institutions in the development of a financial tool that quantifies the costs of FI exposure to climate risks and the benefits of greater climate resilience in portfolios.

1.7 The Capital Markets and Financial Institutions Division (CMF) of the Inter-American Development Bank has provided critical support for the development of these Terms of Reference by facilitating access to Participating Financial Institutions (PFIs), and by contributing to the early conceptualization of this work.

1.8 Additionally, the following divisions from the Inter-American Development Bank have provided valuable technical input into the development of this concept: the Climate Change and Sustainability Division (INE/CCS), the Environment, Rural Development and Disaster Risk Management Division (INE/RND), and the Inter-American Investment Corporation (IIC).

II. SCOPE OF WORK

2.1 These terms of reference outline activities for developing a tool to enable financial institutions to i) identify and quantify their business exposure to climate risks and ii) implement measures to reduce this exposure. To achieve this, intermediate objectives will be to i) analyze the correlation between climatic indicators and both agricultural production and financial indicators, and ii) develop a model for the appraisal of investments with the capacity to mitigate the aforementioned exposure in productive and financial terms.

2.2 The ultimate goal of this tool is to promote climate resilient investments in the Brazilian agricultural sector. Despite its initial regional focus, this work will produce a methodology and tools that will be replicable in other regions, sectors and countries.

2.3 For the development of this work, collaboration with two types of institutions is required: Financial institutions for the provision of financial data, and rural training institutions for the provision of data regarding agricultural production data.

2.4 Prior to the launch of this Request for Proposal two types of Letters of Intent (LOI) have been signed concerning the collaboration of relevant institutions for the provision of financial and production data in Brazil:

   a) LOI regarding access to financial data: agreement between the MIF/IDB and the Participating Financial Institutions (PFIs).
   b) LOI regarding access to agricultural production data: agreement between the MIF/IDB and the Participating Rural Training Institutions (PTIs).

3 This interest has surfaced among financial institutions in consultations with PROADAPT, and ECOMICRO, another MIF Facility in partnership with the NDF that promotes green microfinance.
2.5 The main elements of this LOI include (i) a statement of interest of individual institutions in participating in this assessment, including the development and testing of the climate resilience tool/methodology, (ii) a list of all participating institutions, (iii) identification of Focal Points within each institution for the matters related to this work; (iv) an identification of the data parameters needed for this work, (v) the confidentiality requirements for this work, and (vi) a preliminary work plan.

III. CONSULTANCY STRUCTURE

COMPONENT 1: Preliminary Analysis

3.1 The objective of this component is to define the specific types of data required from participating institutions. Based on the two types of participating institutions – financial and rural training institutions- this component will be divided in two parts:

i. Preliminary analysis of financial data that will be required from PFIs. These parameters will depend on: i) the number and type of financial institutions participating in the work; and ii) the availability of financial data within each financial institution involved. This component will consist of an analysis of the data in each PFI including, but not limited to: solvency levels, liquidity patterns, return on investment, client profile and investment levels, all disaggregated by economic sector and geographical area.

ii. Preliminary analysis of production data that will be required from PTIs. These parameters depend on: i) the number and type of PTIs that will be part of this work; and ii) the availability of productive data within each of the institutions involved. This component will consist of an analysis of the data in each of the PTIs including, but not limited to: productive unit size, location, agricultural product, production levels, and revenue.

3.2 Deliverables: i) Report identifying specific financial data required from PFIs to develop the financial tool; ii) Report identifying specific agricultural production data required from PTIs to develop the financial tool

COMPONENT 2: Planning and Coordination

3.3 The objective of this component is to devise two different work plans; one work plan between the Awarded Firm (AF) and the MIF/IDB team, and one work plan between the MIF/IDB team members, the Awarded Firm (AF) and each of the PFI and PTI focal points.

3.4 For the IDB-AF work plan a virtual project launch meeting will take place with MIF/IDB team members and the AF where the Work Plan and the outline of final report will be validated.
3.5 For the Joint work plan between all participating institutions, a workshop in Brazil will take place. The AF will present the IDB-AF work plan and a proposed joint work plan will be presented to PFI and PTIs, to be validated by all participating institutions. Critical aspects of the joint work plan will be: (a) focal points for each of the PFI and PTIs; (b) the characteristics of data required; (c) the terms of data confidentiality, and (d) the schedule of the activities.

3.6 Deliverables: (i) IDB-AF general work plan, and (ii) Joint work plan between AF, PFI and PTIs.

COMPONENT 3: Analysis of Existing Practices in the Financial Sector in Assessing Climate Risks and Availability of Climate Data

3.7 The objective of this component is two-fold: i) to compile and analyze existing approaches to the management and assessment (e.g. strategies, tools and methodologies) of climate risk impact on financial portfolios, focused on the Brazilian financial sector but also including a global perspective; and ii) to survey PFI on their views on the potential value and practicality of the proposed financial tool.

3.8 Additionally, an analysis of availability of relevant climate data will provide detail regarding the following considerations: climate data database i) availability; ii) data resolution; iii) ownership; and iv) cost of access.

3.9 Deliverables: (i) A 15-20 page review and analysis of existing initiatives, platforms and/or tools found in the Brazilian financial sector regarding the management of climate risks. An specific section will include a global analysis; (ii) A 10-15 page review and analysis of existing climate data in Brazil; and iii) A 10 page report containing survey results and specific recommendations for the development of the financial tool.

COMPONENT 4: FINANCIAL TOOL RESEARCH FOUNDATIONS

3.10 The objective of this component is to lay a rigorous foundation for the technical parameters of the proposed financial tool. This will require an investigation into two main areas: i) the correlation between climate data, financial and production data; and the ii) development of a model for the evaluation of the benefits of resilience investments.

3.11 This component will provide critical information as to the role that climate change plays on financial performance, and an assessment of the resilience value of certain investments in the face of climate risks.

3.12 A critical contribution to this model will be obtained from an analysis of the Modulo Agroclimático Inteligente e Sustentável (MAIS) product of the PROADAPTA Sertão project, containing 21 resilient technologies.

This component is therefore divided into two sub-components:
COMPONENT 4.1: QUANTITATIVE ANALYSIS BETWEEN PRODUCTION, FINANCIAL AND CLIMATE DATA.

3.13 The objective of this sub-component is to estimate the correlation between the financial performance of a PFI, production data and the movement of climate variables over a specific period. Such an estimate will raise awareness among FIs regarding the need for climate resilience, and will provide the analytical foundation to inform the development of the climate risk assessment tool.

3.14 This section will consist of the following main activities:

a) An analysis of the role of climate in current risk assessment methodologies being used by PFIs.
b) Collection of at least twenty years of financial performance data from PFIs.
c) Disaggregation of financial data based on sub-regions, economic sectors and financial products.
d) Collection of agricultural units’ production data for the same period from PTIs.
e) Disaggregation of agricultural units’ production data based on sub-regions and crop. Additionally, other economic activities and sub-sectors within the agricultural value chain may be considered.
f) Analysis of existing climate data (20 years series if available).
g) Correlation analysis of dataset using statistical and/or econometric analysis.

3.15 Additionally, an analysis of factors other than climatic ones leading to insolvency will be implemented, obtaining as a result a measure of the relative weight of climate versus non-climatic factors leading to insolvency and low access to credit within the agricultural sector in Brazil.

3.16 Deliverables: i) Report summarizing the findings of this component’s activities, including implications for the development of the tool and its sustainability. The report will contain technical annexes with full data sets and analyses; and ii) Report summarizing the findings of the analysis of non-climatic factors leading to low solvency and low access to credit.

3.17 In addition to all listed deliverables, the submission of all statistical and data software material from which conclusions are obtained, will be required.

COMPONENT 4.2: DEVELOPMENT OF A MODEL FOR THE EVALUATION OF CLIMATE SMART AGRICULTURAL SYSTEMS

3.18 The objective of this section is to define a model that attributes economic value to a list of investments with demonstrated climate resilience capacity. The result will be a cost-benefit methodology for the integration of resilient investments to inform strategic decision-making for investments and good practices that reduce the impact of climate risks in productive activities.
3.19 The development of this model will be based on the MAIS product, a set of resilient investments developed, analyzed and piloted in the semi-arid region on the Bahian Sertão. A set of agricultural producers with similar profile to those piloting MAIS will be analyzed in terms of production levels against a “non-resilient” group. The differential in terms of productivity during climate stress periods will provide a measure of the resilience capacity of the investments adopted.

3.20 Additionally, it will be required the proposal of a list of investments with the potential to be labeled as resilient, which will also be piloted within this work.

3.21 **Deliverable:** i) Report with the appraisal methodology for investments in climate resilience; and ii) list of resilient investments with an attributed resilience capacity to each of them. In addition to all listed deliverables, the submission of all statistical and data software material from which conclusions are obtained, will be required.

**COMPONENT 5: DEVELOPMENT OF A CLIMATE RISK ASSESSMENT TOOL FOR FINANCIAL INSTITUTIONS**

3.22 The objective of this component is to implement the technical development of the climate risk assessment tool. The main activities in this component are:

a) To define -based on inputs obtained in prior components- the purpose of the tool. Such purpose may range from a stand-alone tool for portfolio risk exposure monitoring, to an imbedded assessment of investments, or investment advisory services, among others.

b) To define the methodology used by the tool to process different data parameters. The main data parameters will be: (i) client/investment profile, (ii) past climate risk exposure trends adjusted to client/investment geographical location and economic activity, (ii) projected climate risk exposure based on Global Circulation Models (GCM), and (iii) the capacity of certain resilience enhancing practices and technologies proposed in the context of PROADAPTA Sertão to mitigate present and future exposure to climate risks.

c) To define a methodology for the integration of the tool into existing credit risk assessment processes and softwares within PFI.

d) To outline measures to facilitate the operation, maintenance and long-term sustainability of the tool.

e) To produce a technical and user manual for this financial tool including the institutional requirements in terms of capacities to manage it within the PFI.

3.23 **Deliverables:** (i) Report including implications and recommendations for the development of the tool and its sustainability beyond the duration of this consultancy. The report needs to be accompanied by annexes that clarify how results have been obtained and conclusions reached; (ii) A financial tool, including technical guide (codes and other technical aspects) for future technical operation and maintenance, as well as user manual (how-to-guide) of the tool for FI use.
COMPONENT 6: TESTING AND IMPLEMENTATION OF THE TOOL.

3.24 The objective of this component is three-fold: (i) to test and calibrate the tool in PFIs; (ii) to train PFIs and selected FIs in the implementation of this tool, and iii) to outline steps for replicating this tool in other sectors, regions and countries. The main activities included in this phase are: (i) testing the tool in two different pilot climate resilience projects, and making final adjustments to the tool and relevant technical guides and user manuals, and (ii) training FIs in the use of the tool and the supporting documentation.

3.25 Deliverables: (i) report summarizing the key findings of the testing period, (ii) delivery of final version of the tool, technical guide and user manual, (iii) finalized training documentation and delivery of training sessions, (iv) concise report on replication and scaling of the tool across sectors and geographical areas, and (v) finalized replicability manual.

IV. DELIVERABLES

4.1 Inception report – Report presenting a revised methodology and timetable for the execution of the consultancy, including the initial findings from a literature review and a preliminary table of contents for the final report.

4.2 Preliminary Analysis Report for Financial Data – A 5 page report containing the results of the analysis of financial data within PFIs. The report will contain i) a list of potential financial indicators to be used for the development of the financial tool; ii) an analysis of each of the identified financial indicators in terms of their consistency along PFIs, their length in terms of historical data sets, and their relevance for the development of the financial tool. A conclusion section will define and justify a specific type and a specific historical data series to be required from PFIs.

4.3 Preliminary Analysis Report for Production Data - A 5 page report containing the results of the analysis of production data within PTIs. The report will contain i) an analysis of the quality of production data within PTIs –level of agricultural unit’s profile data, disaggregation level, etc- ; ii) an analysis of data compatibility with regard to financial data for the purpose of this work. A conclusion section will define and justify a specific type and a specific historical data series to be required from PTIs.

4.4 IDB-AF work plan summarizing the proposed methodology, milestones and focal points and communication channels.

4.5 Joint work plan between the AF and all participating institutions detailing an agreed chronogram, milestones and focal points from each of the institutions involved.

4.6 Financial Market Study – A 15-20 page review and analysis of existing tools, strategies and approaches in the Brazilian financial sector with regard to the management of climate risks. Specific sections will be devoted to initiatives, platforms, documentation and/or tools
or best practices/lessons learned that are relevant for this consultancy. A section of the report will be devoted to global approaches and strategies. The report will also contain a survey on perceptions from the Brazilian financial sector regarding the management of climate risks. Most importantly, this report will present preliminary conclusions in terms of the ultimate form and purpose of the resulting tool (e.g. integration of the tool within credit screening processes, portfolio climate risk exposure monitoring, advisory services, etc.).

4.7 Analysis of climate data – A 5 page review of availability, quality, ownership and cost of access to climate data in Brazil

4.8 Quantitative Analysis Report – A 10 page report summarizing the findings of the correlation analysis between climate and financial indicators. The report will include implications for the development of the tool and its sustainability. Additionally, the report will contain technical annexes with full data sets and analyses.

4.9 Non-Climatic Risk Factors Report – A 5 page report summarizing all non-climatic factors that contribute to increased credit risk profiles. This report should assess the relative weigh of climate to non-climatic risk factors.

4.10 Resilience Economic Model Report – A 10 page report containing the results of this research and a proposed methodology for the appraisal and inclusion methodology for investments in climate resilience. This report should include a list of resilient investments with a proven capacity to mitigate the exposure of economic activity to climate risks.

4.11 Tool Development Report – A 10 page report including implications and recommendations for the development of the tool and its sustainability beyond the duration of this consultancy. The report needs to be accompanied by annexes (demonstrating the quantitative and qualitative analysis) that clarify how results have been obtained and conclusions reached; (ii) Financial tool, including technical guide (codes and other technical aspects) for future technical operation and maintenance, as well as user manual (how-to-guide) of the tool for FI use.

4.12 Tool Testing Phase – A 5 page report summarizing the key findings of the testing period, (ii) delivery of final version of the tool, technical guide and user manual, (iii) finalized training documentation and delivery of training sessions, (iv) concise report on replication and scaling of the tool across sectors and geographical areas, and (v) finalized replicability manual detailing the required methodology to implement the tool in economic and geographical contexts other than the selected.

V. CHARACTERISTICS OF THE WORK

5.1 The Awarded Firm (AF) will be supervised by the IDB/MIF’s team in Washington DC. The IDB/MIF’s team will have specific responsibilities related to the collection of information for the evaluation.

5.2 Duration and type of consultancy. The consultancy is expected to be conducted for a total of ten (10) months, with seven (7) months for the development of the tool, and three (3)
months for tool testing and adjustment. The consultancy may suggest an adjusted timeline based on their proposal methodology.

5.3 Payments. The Awarded Firm (AF) will be paid in the following manner:

- 15% after submission and approval of overall work plan for the implementation of the work.
- 15% after submission and approval of the agreed work plan between the awarded firm and participating institutions.
- 10% after submission and approval by IDB team of the deliverables from component 4.
- 40% after submission and approval by IDB team of the deliverables from component 5.
- 20% after submission and approval of all final deliverables and presentation of findings
4. **RESPONSES**

To ensure that all proposals are evaluated in an equivalent fashion, each Offeror must submit a proposal that corresponds to the sequence and format of this Section. Proposals should be carefully considered, as they are critical to the evaluation process. While the Bank appreciates a concise, straightforward reply, the Offeror must understand that its response to each item below will be the basis for Bank's understanding and evaluation of the proposal. The Offeror should ensure that its proposal clearly explains all issues addressed in this Section. In responding, it is at the discretion of the Offeror to expand upon topics.

Proposals must be no more than twenty (20) pages, excluding the financial statement, budget and consultants resumes. Proposals should be organized according to the outline below:

### 4.1 Organizational Information and Experience

4.1.1. Provide the full name of your organization, contact person, phone numbers, and office address that will support this project.

4.1.2. Provide a description of your organization, including any relevant international/global experience.

4.1.3. Provide a copy of your organization’s registration in the relevant registry of your country.

4.1.4. Provide last year’s audited financial statements.

4.1.5. Provide a statement that your company has more than one customer and that not more than 25% of your total revenue would generally derive from Bank contracts.

4.1.6. Describe your past experience with qualitative and quantitative climate risk management methods in works of a similar size and scope.

4.1.7. Provide three (3) references of the most relevant projects you have completed over the last three years. Include full contact details (name of referee, title, organization, address, email, phone number). Provision of references constitutes permission to the Bank to contact them.

4.1.8. Provide a description of experience with analytical tools based on climate data, and financial modeling.

4.1.9. Provide a description of experience related to the Brazilian financial sector. Provide a list of publications relevant to the nature of this work.

### 4.2 Proposed Methodology and Work Plan

4.2.1. Clearly describe the proposed methodology that will be used to undertake this work and how it supports best practices. Provide sources of best practices and comparators that you will use for the engagement.

4.2.2. Provide a list of analytical tools/techniques and methods you will use to conduct and complete the requirements under this RFP and explain how these will provide best results for the Bank.

4.2.3. Describe your approach to the overall project management of a resulting contract. Provide lessons learned from other engagements and how you will incorporate these for the benefit of the Bank.

4.2.4. Identify problematic issues that may be associated with:

- **Recommendations:** Offerors are requested to present a final proposal incorporating suggested modifications for the improvement of the terms of reference. Adjustments will be limited to the methodology and technical scope of the work. It is required that all adjustments are properly listed and justified in a specific section of the proposal. The quality and justification of suggested
adjustments will represent an additional criterion for the assessment of proposals.

- Management and staff buy-in to recommendations
- Implementation of recommendations

4.3 Project Timeline

a. Provide a timeline for this project with milestones/deliverables and dates. The project must be completed by ten (10) months after the signature of the contract between the Bank and the successful offeror. Periodic progress reporting throughout the project is expected. Please indicate logical points in your timeline at which you would provide interim progress reports and/or draft deliverables to management.

b. Advise if any areas of the project timeline are critical path and/or require Bank commitment to a deadline.

4.4 Personnel

Composition of team members. Offeror is to provide the resumes of team members assigned to work in this Project, including each person’s role and responsibilities and estimated number of days each team member will work on the assignment. (multi-disciplinary team, level of education achieved, years of experience, bilingual in English and Portuguese, etc.) The team assigned to the work must have at least five (5) members with the following expertise:

- Project Manager with at least 10 years of experience in related works.
- Brazilian financial sector expert based in Brazil with at least 10 years of experience in the Brazilian financial sector
- Climate risk modeling expert with at least 5 years of experience.
- Financial modeling expert with at least 10 years of experience.
- Climate-Smart Agriculture expert with at least 5 years of experience.

Please provide the resume of each of the proposed team members.

4.5 Cost Proposal

4.5.1. Provide a lump-sum fixed cost for the proposed work plan.

4.5.2. The cost estimate needs to include the number of consultant/days and daily cost for each team member as well as the cost for any indirect expenses (e.g., travel, software, subcontracts, etc.). Any specific assumptions associated with the cost estimate should be clearly stated.

4.5.3. Provide an Itemized budget including a summarized section showing the team member’s fees and budget for travel.

NOTE: The Bank is eligible for GSA pricing. If the services proposed are available under a GSA schedule that would offer the most advantageous pricing to the Bank, please so indicate.

4.6 Exceptions
The Bank’s Standard Terms and Conditions of Agreement, which are attached as Annex A, will be incorporated into the final Contract. If Offeror wishes to take exception to any of these terms and conditions, or needs to have any term clarified, it should so indicate in this section. Such items will be discussed during the Contract negotiations and any mutually acceptable modifications will be incorporated into the Contract. Offeror shall note that if the selected institution did not identify exceptions in his proposal, the Terms and Conditions will be incorporated, unchanged, into the contract agreement without opportunity for the selected organization to negotiate.
ANNEX A
INTER-AMERICAN DEVELOPMENT BANK
STANDARD TERMS AND CONDITIONS OF AGREEMENT

1. WORK

“Work” is defined as the whole of the activities, services, materials, equipment, software, matters and things required to be done, delivered or performed by the seller (“Supplier”) in accordance with the terms of the contract or purchase order (“Agreement”) with the Inter-American Development Bank (“Bank”).

2. RELATIONSHIP OF PARTIES

Nothing contained in the entire Agreement shall be construed as the establishment or creation of a relationship of employer and employee between the Supplier and the Bank, it being agreed that the position of the Supplier and anyone else performing any of the Work hereunder is that of an independent contractor. The employees of Supplier engaged in performing Work hereunder are employees of Supplier for all purposes and will under no circumstances be deemed to be employees of the Bank.

3. SUB-CONTRACTING

Supplier may not subcontract any of the Work hereunder without the prior written approval of the Bank. If sub-contracting is approved by the Bank, Supplier shall properly direct and control its sub-contractors and shall have full responsibility for all Work, whether performed by Supplier or its sub-contractors. Supplier shall ensure that any and all sub-contractors shall be bound to the terms and conditions of this Agreement.

4. TAXES and IMMUNITIES

4.1 The Bank is exempt by law from payment or collection of all taxes. The Bank shall provide the Supplier with tax exemption certificates as evidence of exemption from payment of sales and use taxes as may be required. The Supplier shall inform the Bank if any taxing authority refuses to recognize the Bank’s proof of its exemption from taxation. The Bank’s exemption from taxation does not extend to any taxes Supplier must contribute or withhold on behalf of its officers, agents or employees, including but not limited to, payroll and social security taxes or to any sales or other taxes Supplier may incur.

4.2 Nothing in this Agreement shall operate to restrict, limit or defeat any rights, privileges or immunities granted to the Bank or Bank personnel under any treaty or domestic or international law. Supplier shall promptly inform the Bank, in cases where public authorities or private concerns refuse to recognize the Bank’s privileges and immunities accorded by its constituent Treaty or local legislation so that the Bank can take the actions it deems appropriate to protect such privileges and immunities. Nothing herein shall preclude the Bank from taking whatever actions are necessary to prevent immediate, irreparable harm to its privileges and immunities.

5. CONFIDENTIALITY

5.1 The Supplier and its employees or agents are aware that in discharging their obligations pursuant to this Agreement, they may have access to privileged, confidential and/or proprietary
information of the Bank or of another but in possession of the Bank including without limitation the Bank’s financial, statistical, marketing, business and personnel information, projections, plans, forecasts, reports, service capabilities or any other data or information collected and gathered in the provision of the Work and relating to the Bank’s business and any information whether written or oral identified as confidential by the Bank, is confidential information of the Bank (“Confidential Information”). Under no circumstances, except with the Bank’s express written permission, shall Supplier and its employees or its agents copy, reproduce, sell, assign, license, market, transfer, give or otherwise disclose to any person or organization, in any manner or form, now or after the expiration of the Agreement, such Confidential Information or any part thereof.

5.2 Upon request by the Bank or upon completion of the Work, Supplier will immediately return to the Bank at Supplier’s expense all Confidential Information of the Bank and any other Bank documents or data and all copies thereof.

6. RIGHTS IN INTELLECTUAL PROPERTY

All reports, studies, plans, drawings, source code, technical data, specifications, deliverables any other material prepared by or worked upon by Supplier exclusively for the Bank under this Agreement are the sole and exclusive property of the Bank and as such the Bank has exclusive title, rights and interest in all such material including the right of dissemination, reproduction and publication. All such material shall be considered Confidential Information of the Bank.

7. WARRANTIES

7.1 Supplier represents and warrants that it is experienced in and familiar with all aspects of the Work to be provided under the terms of this Agreement. If any Work has been commenced or performed prior to the issuance of this Purchase Order Agreement, such Work shall be subject to the terms and conditions of this Agreement.

7.2 Supplier represents and warrants that each of its employees or agents performing Work under this Agreement shall abide by the confidentiality obligations established herein and in addition Supplier represents and warrants as part of its employment or contracting process that all of its employees or agents having access to Confidential Information will be advised of their obligation hereunder with respect to the Bank's Confidential Information. In addition, the Bank may request Supplier to sign a Non-Disclosure Agreement prior to performance of any Work under this Agreement.

7.3 Supplier represents and warrants that it is properly licensed, qualified, equipped, organized and financially able to perform the Work in accordance with all applicable laws, ordinances, codes and regulations.

7.4 Supplier represents and warrants it has the full legal right and corporate power and authority to enter into and perform all its obligations under this Agreement.

7.5 Supplier represents and warrants that the personnel used in the performance of the Work hereunder will have the qualifications, skills and experience necessary to perform the Work and will have the work record as represented to the Bank.

7.6 Supplier warrants that any product, equipment, software, methodology, design, device, material, process, report, trademark, documentation or information provided to the Bank or used in connection therewith does not violate or infringe upon any patent, copyright, trade secret or
other proprietary right of any third party and hereby indemnifies and holds the Bank, its officers, agents and employees harmless for any losses, damages, liabilities, causes of action, judgments, costs, or expenses, including attorneys’ fees, which may result from the breach or alleged breach of this warranty.

7.7 At no additional cost to the Bank, Supplier agrees to replace any infringing part and to provide any service necessary to maintain the level of performance thereof, provided, however, that upon notice of an infringement or alleged infringement, the Bank shall have the right to terminate this Agreement upon written notification to Supplier.

7.8 Supplier represents and warrants that its organization, any parent, any subsidiary, or any previous form of organization constituted by or with any of the same individuals as principal(s) is not currently suspended or debarred form doing business with the Bank, and that it is not currently suspended or debarred by the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the World Bank Group.

7.9 Supplier represents and warrants that it has disclosed to the Bank whether: (i) it has, at any time during the previous five (5) years, been subject to suspension or debarment by the Bank under any of its policies and procedures; and (ii) it has, at any time during the previous five (5) years, been subject to a Sanction by any other International Financial Institution.

7.10 Supplier represents and warrants that it will report to the Bank any suspected Prohibited Practices related to Bank-financed activities of which it has knowledge or of which it becomes aware, and that it will assist the Bank in investigating any allegations and in uncovering any evidence of Prohibited Practices related to Bank-financed activities as applicable.

8. PERSONNEL OF SUPPLIER

8.1 Supplier shall supervise the performance of the Work to ensure compliance with the Agreement including all specifications and schedules.

8.2 If requested by the Bank, Supplier shall submit qualifications of key personnel to perform Work under this Agreement and such qualifications shall be reviewed by the Bank prior to assignment or commencement of any Work under this Agreement. Personnel with satisfactory qualifications for the Work shall be assigned for the duration of this Agreement as required.

4 International Financial Institutions refers to financial institutions that have been established and are owned by the national governments of two or more countries (e.g., World Bank Group institutions, International Monetary Fund, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development).

5 Prohibited Practice means any corrupt practice, fraudulent practice, coercive practice, collusive practice or obstructive practice in a Bank-financed activity by parties thereto as such terms are defined below: a. A corrupt practice is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party; b. A fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; c. A coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; d. A collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; and e. An obstructive practice is (a) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (b) acts intended to materially impede the exercise of the Bank’s inspection and audit rights.
8.3 Supplier agrees to assume full responsibility for any and all liability to its employees on account of injury, disability, and death resulting from, or sustained by, said employees in the performance of the Work defined herein.

8.4 At the Bank’s request, Supplier shall remove its personnel due to nonperformance or workplace conflicts while performing Work and shall upon the Bank’s request make all reasonable efforts to assign new personnel for performance of the Work. In addition, if during this Agreement Supplier at its own initiative removes or substitutes key personnel assigned to the Bank, Supplier shall assume the cost of 5 working days to bring such newly assigned personnel to a productive status.

8.5 Supplier agrees to use commercially reasonable efforts to ensure that all key and/or onsite personnel performing Work under this Agreement are not relatives of an active Bank employee or subject to any work restrictions by virtue of his/her former employment with the Bank. If it becomes known that any of Supplier’s key and/or onsite personnel performing the Work is a Bank relative, Supplier shall promptly replace such personnel with one having equivalent skills at no additional cost to the Bank.

9. PERFORMANCE STANDARDS

Supplier shall perform the Work hereunder with care, skill and diligence in accordance with the standards of professional skill and care common to the profession. Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all Work performed under this Agreement.

10. ACCESS TO INSPECTION OF WORK AND AUDIT

10.1 The Bank shall at all times have access to the Work being performed under this Agreement wherever it may be in progress or preparation. The Bank shall have the right to comment at any time on Supplier’s performance and to request modifications in performance and in preparation of the Work within the scope of this Agreement. Supplier shall keep and maintain accurate accounts and records with respect to the services hereunder, in accordance with internationally accepted accounting principles, and in such form and detail as will clearly identify all relevant charges and costs and the bases thereof. Supplier shall permit the Bank or its designated representative to periodically inspect and audit all relevant accounts and records. Supplier shall preserve all accounts and records relating to this Agreement for a period of three (3) years after final payment under this Agreement.

10.2 Supplier hereby acknowledges and agrees that, in the event the Work hereunder requires access by Supplier and/or any of its employees or sub-contractors to internal Bank systems through real-time computer connections, Supplier will obtain the written approval of the Bank’s Information Technology Department before initiating any such connections. In addition, Supplier understands and agrees that the Bank has the right to audit the security measures in effect on any of Supplier’s connected systems at any time without prior notice and to immediately terminate any network connection with any Supplier system that is deemed by the Bank to have insufficient security measures in effect.

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6 spouse, Bank-registered domestic partner, mother, father, brother, sister, child, uncle, aunt, nephew, niece, (son-daughter-brother-sister) in law, grandparent, grandchild, first cousin, step- (parent-children-brother-sister), (parent or grandparent)-in law, and spouses of brothers-in-law or sisters-in-law, great (grandchild—uncle-aunt-nephew-niece-grandparent)
11. **ARBITRATION**

If any dispute shall arise between the Supplier and the Bank as to the performance or interpretation of this Agreement or any matter or thing in connection therewith which cannot be settled by amicable agreement, then, upon either party’s giving Notice of the difference or dispute to the other in accordance with article 16 herein, the same shall be referred to arbitration and final determination by a single arbitrator. The arbitration shall be administered by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The place of arbitration shall be Washington, D.C. The language to be used in the arbitral proceedings shall be English. The arbitrator shall have legal counsel if so desired or if one of the parties so requests. The expenses of any arbitration proceeding shall be borne equally by the Supplier and the Bank.

12. **JURISDICTION AND GOVERNING LAW**

All questions, matters or disputes including but not limited to questions of interpretation, construction, validity and performance arising from this Agreement or any part thereof shall be governed by the laws of the District of Columbia, except that nothing in this clause or this Agreement shall operate to restrict, limit or defeat any rights, privileges or immunities granted to the Bank or Bank personnel under any treaty or domestic or international law.

The United States District Court for the District of Columbia shall have jurisdiction in connection with this Agreement exclusively for the following legal actions: 1) to compel arbitration by a party that refuses to submit to arbitration after receiving notice from the other party pursuant to Article 16 herein; 2) to enforce an arbitration award issued by the arbitrators following the arbitration clause; 3) to decide if the arbitrators exceeded their authority by addressing issues not raised or issues not pertinent to the arbitration; and/or 4) to determine whether proper procedures were followed during arbitration. The United States District Court for the District of Columbia shall have no jurisdiction to review or decide on the matter under arbitration.

13. **ADVERTISING OF AWARD**

Supplier shall obtain the prior and express written consent of the Bank before using the Bank's name for any purpose.

14. **INDEMNIFICATION**

Supplier agrees to defend, indemnify, and hold the Bank, its officers, employees, agents, and invitees harmless from and against all claims, liabilities, causes of action, judgments, damages, costs and expenses, including but not limited to reasonable attorneys’ fees, each and all of them may sustain by reason of damage or injury to the extent caused by Supplier, its officers, agents and/or employees either by wrongful or negligent act or omission, including, but not limited to any unauthorized use or disclosure of confidential or proprietary information of the Bank or of another but in possession of the Bank or improper or defective Work. Supplier further agrees to defend, indemnify and hold the Bank, its officers, employees and agents harmless from and against any employment-related claims made by personnel engaged to perform Work hereunder but only to the extent the employment related claim is caused by Supplier.

15. **INSURANCE**

15.1 Supplier shall be responsible for maintaining the following insurance coverage:
• Worker’s Compensation Insurance as required by law and Employer’s Liability with a minimum limit of $1 million dollars.
• Professional Liability Insurance with limits of not less than $1,000,000/per occurrence;
• Comprehensive Automobile Liability Insurance and automobile contractual liability coverage for owned, hired and non-owned autos with a combined single limit for each accident of not less than $1,000,000.
• Commercial General Liability Insurance with primary limits of $2 million dollars and an annual aggregate of $5 million dollars and the policy shall be indorsed to include: Subcontractors, Products, Completed Operations and Contractual liability.

15.2 With the exception of Worker’s Compensation and Professional Liability Insurance, if Supplier shall be on the Bank’s premises at any time in the performance of Work, the Bank shall be named as an additional insured and such certificates of insurance shall be provided to the Bank prior to commencement of any Work. Such certificates shall be e-mailed to juanbo@iadb.org Attention: Juan Borga.

15.3 Supplier, its officers, employees and agents understand that the Bank is not responsible for life, health, and accident insurance for Supplier’s employees or agents. Supplier, its officers, employees and agents understand that the Bank is not responsible for any personal property they may bring into the Bank’s premises, agree to look to their own insurance policies for any coverage in case of damage, disappearance or destruction of such property, waive any right of subrogation and shall hold the Bank harmless from and against any liabilities, claims, damages, judgments, costs or expenses they or their insurer may have against the Bank in connection with such property damage, disappearance or destruction.

15.4 Nothing in any other provision of the entire Agreement between Supplier and the Bank shall be interpreted as diminishing legal responsibility as specified in Articles 7, 14 and 15.

16. NOTICES

Any notice or request required to be given or made under this Agreement shall have been duly made or given when delivered by hand or by certified mail to the party addressed as follows:

INTER-AMERICAN DEVELOPMENT BANK
1300 New York Avenue, NW
Washington, D.C. 20577
Attention: Chief, Procurement and Contracts

Supplier: TBD

17. MODIFICATIONS, EXTRAS AND AMENDMENTS

All amendments and/or purchase order revisions for modifications, additions, or deletions to this Agreement shall be in writing and Supplier shall provide a written proposal for such contemplated change. Such change shall not be effective until accepted in by the Corporate Procurement and Contracts Section of the Bank (ACP/PRC). In the event Supplier effects any changes at the direction of any Bank personnel other than ACP/PRC personnel, such changes shall be deemed to have been made without proper authority and no adjustment will be made in the Agreement to cover any increase in costs incurred as a result thereof.
18. ELECTRONIC SIGNATURE
An electronic signature representing the facsimile of an original signature on purchase orders, contracts, amendments, notices or any other documents under this Agreement shall be deemed an original signature of the respective duly authorized representative.

19. TERMINATION
The Bank may terminate this Agreement in whole or in part for its convenience upon five (5) days written notice to Supplier of its intent to terminate and shall pay Supplier for Work satisfactorily performed up to the date of such termination. Furthermore, the Bank may terminate this Agreement, by giving written notice to Supplier, immediately at any time if: 1) By reason of strike, war, riots, national emergency, natural catastrophe, or Acts of God, performance by the Supplier of its obligations hereunder is substantially impaired for a prolonged period of time, 2) Supplier files a petition under a bankruptcy act, is adjudicated bankrupt, or has a receiver appointed for its business; 3) Supplier makes assignment of or subcontracts any of its obligations or rights under this Agreement without the Bank’s prior written consent; or 4) Supplier makes assignment of any shipped goods for the benefit of creditors; 5) Supplier fails to correct any breach of contract within ten (10) days after receipt of written notice of such breach by the Bank; 6) Supplier and the Bank fail to reach mutual agreement regarding any modification contemplated to this Agreement; 7) Supplier has failed to maintain appropriate standards of performance as required by the terms of this Agreement and has failed to respond appropriately to a request for modification of such performance; 8) Supplier’s ability to perform is diminished due to unforeseen events.

20. PAYMENT
Supplier shall be paid upon submission of a properly documented invoice which properly reflects the rates/costs stipulated herein for products or services delivered and accepted by the Bank in accordance with the terms of this Agreement. Supplier shall provide detailed supporting information upon the Bank’s request to substantiate any charge or clarify any invoice.

21. REPORTING
Supplier and the Bank shall mutually agree to the frequency of meetings and reports required to monitor and track the activities of this Agreement, however it shall be Supplier’s responsibility for ensuring that such meetings are conducted and such reports are submitted to the Bank.

22. ASSIGNMENT
Neither party shall assign this Agreement in whole or in part, or any of its responsibilities and obligations hereunder, without the prior written consent of the other party.

23. SEVERABILITY
If any provision of this Agreement is declared invalid by an arbitrator or any court of competent jurisdiction, the remaining provisions shall not be affected thereby and shall remain in full force and effect.

24. NO WAIVER
Except as otherwise specifically provided in this Agreement, a waiver by either Party of any breach of any provision of this Agreement, or either Party’s decision not to invoke or enforce any
right under this Agreement, will not be deemed a waiver of any right or subsequent breach, and all provisions of this Agreement will remain in force.

25. NONEXCLUSIVITY

Nothing in this Agreement will be construed to restrict the Bank’s soliciting, purchasing or performing work similar or identical to the Work being performed by Supplier.

26. ORDER OF PRECEDENCE

In the event of conflict among any terms and conditions of the Agreement and the provisions contained in these Standard Terms and Conditions those of the Agreement shall govern.

27. INTEGRATION

The terms and conditions of this Agreement including any attachments incorporated herein and attached hereto, embody the whole of the Agreement. There are no promises, terms, conditions or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.