



**REPUBLIC OF GHANA/ MINISTRY OF FINANCE  
GHANA DEVELOPMENT FINANCE PROJECT - P169742**

**TERMS OF REFERENCE**

**FIRM TO DEVELOP AN ENVIRONMENTAL AND SOCIAL MANAGEMENT  
SYSTEM (ESMS) TOOLKIT FOR PARTNER FINANCIAL INSTITUTIONS**

**REFERENCE. NO - GH-GDFP-435885-CS-QCBS**

**1.0 BACKGROUND**

The Government of Ghana has received funding from the World Bank through the Ghana Development Finance Project (GDFP) to support long-term capital deployment to enhance economic growth and increase funding available for Micro, Small, and Medium Enterprises (MSMEs) and Small Corporates. Specifically, the project supported the establishment of Development Bank Ghana (DBG) to improve access to finance, particularly long-term finance, for viable MSMEs and small corporates.

DBG was established in 2020 as a limited liability company and subsequently licensed by the Bank of Ghana in November 2021 as the first Development Finance Institution under the Development Finance Institutions Act 2020 (Act 1032). DBG's target sectors are agribusiness, manufacturing, and high-value services (i.e., hospitality/tourism, health, ICT, education, and transportation).

DBG provides wholesale financing in the form of investment loans and working capital, as well as business development services to MSMEs. It is also expected to provide equity, digital finance platform (Accounts receivable finance, electronic invoicing, Cloud based accounting, etc.), and partial credit guarantees (PCG). As a wholesale institution, DBG provides its financial services through eligible participating financial institutions (PFIs), including universal banks, savings and loans companies, finance houses, microfinance companies, and rural and community banks.

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To be a qualified as a PFI, a financial institution must meet DBG's eligibility criteria. To assess eligibility, DBG undertakes comprehensive appraisal of financial institution. One of such key eligibility criteria is evidence of a functional environmental and social management system (ESMS) comprising relevant policy/procedures, dedicated and competent staff with the capacity and capability to screen the sub-loans funded by DBG for environmental and social risks and impacts. DBG has identified a gap in the ESMS policies and procedures and would like to build the capacity of financial institutions by developing an ESMS toolkits and provide training to financial institutions on the use of the toolkit.

## **2.0 OBJECTIVES OF THE ASSIGNMENT**

The objective of this assignment is to enhance the capacity of financial institutions to implement effective ESMSs, including policies and other tools, governance structures, as well as the capacity for assessing, managing, and monitoring environmental and social risks and impacts of subprojects they finance.

The specific objectives of the assignment are to:

- a) Develop the existing DBG PFI ESMS Guidelines into an ESMS Toolkit for PFIs
- b) Using the developed toolkit, build the capacity of financial institutions through appropriate training programs.
- c) Establish a framework for monitoring and evaluating the effectiveness of the ESMS toolkit post-implementation.

## **3.0 SCOPE OF SERVICES**

The consulting firm will be required to perform the following tasks:

- (a) Develop the existing DBG's PFI ESMS Guidelines into a customized Toolkit for PFIs:**

- Review DBG’s PFI ESMS Guidelines and identify gaps and recommend improvements for validation and adoption by DBG.
- Based on the review and identified gaps, develop a practical toolkit for PFIs

**(b) Develop E&S policy and Procedure manual templates to include, among others the following:**

- Environmental and Social policy that provides clear and standardised commitments aligned with the World Bank’s ESF and DBG’s E&S framework. This must include but not be limited to the following: environmental and social risk management, climate risk, Human rights and labour risk management, occupational health and safety, inclusion and non-discrimination, prevention of sexual harassment / sexual exploitation and abuse, and grievance redress mechanism and among as part of the overall ESMS design.
- Environmental and Social Procedure Manual that provides clear processes in categorizing and assessments, monitoring and reporting as part of the overall ESMS design.

**(c) Develop the following supplementary templates to accompany the ESMS toolkit for the Financial Institutions:**

- Environmental and Social Safeguards categorization tool and Templates
- Environmental and Social Assessment and Safeguard Appraisal Form with Checklist Memo on compliance with World Bank safeguards policies /requirements
- Stakeholder Engagement Framework for engaging clients Template
- E&S Grievance Redress Mechanism Guidance Note and Reporting Framework for managing external complaints with a referral pathway for handling GBV cases Template.
- End borrower site Inspection Template
- Standardization of E&S Action Plan template and monitoring and tracking register
- Standard E&S covenants/clauses Template for Loans
- Framework for E&S Safeguards Tool for monitoring of covenants (environmental and social action plans), and strategies for integrating the framework into the existing risk framework of the financial Institutions.
- Standardized Reporting Templates including E&S risk reporting toolkits.

**(d) Capacity Building/Training for Financial Institutions (23 Banks, 25 Savings and Loans Companies and 40 Rural and Community Banks)**

- Develop training materials (participants manual, facilitators manual, PowerPoint presentations, case studies, exercises, training plan, etc.
- Train the targeted financial institutions on the developed ESMS Toolkit

#### **4.0 TEAM COMPOSITION & QUALIFICATION REQUIREMENTS**

##### **A. Qualification of the Consulting Firm**

The assignment will be delivered by a firm with the following experience:

- a) Minimum of 5 years' experience in the provision of capacity-building and development and strengthening of financial institutions' ESMSs, products, policies and processes.
- b) Experience in conducting ESMS institutional reviews and developing ESMS for financial institutions.
- c) Familiarity with E&S Standards of the World Bank
- d) Ability to deliver high-quality training and technical assistance, employing participatory and interactive methodologies for financial institutions.
- e) A proven track record in monitoring and evaluation, with the ability to measure the impact of capacity-building interventions.

##### **B. The Firm must have the following composition of key Experts:**

###### **Team Leader**

- Must have a degree in environmental science, social science, management, economics, finance, Banking, development studies, public or any other related field. Professional qualifications will be an added advantage.
- At least 8 years of working experience in the provision of ESMS solutions to financial sector clients.
- Knowledge of operations of development finance institutions/banks in Africa is preferred.
- Must have demonstrated competency in managing teams and relationships with clients.
- Demonstrable track record of successfully managing similar assignments in donor-funded projects
- Experience in developing training materials and delivering training workshops.
- Previous work in Sub-Saharan Africa will be an advantage.

###### **Environmental and Social Safeguards Expert (2 Experts)**

- Must have a degree in environmental or social sciences and a minimum of 5 years of professional experience in sustainability, environmental and social management, preferably in Financial Intermediary (FI) operations; -
- Experience in environmental and social management, familiarity with Financial Intermediaries, the World Bank’s Safeguards Policies and Environmental and Social Framework (ESF), Financial Intermediaries and ESMS.
- Experience in the broad areas of Environmental and Social assessment and environmental management and monitoring is an advantage.
- Experience in preparing and managing the implementation of ESIA’s, ESMP’s, and RAP’s financed by Development partners
- Experience in developing training materials and delivering training workshops.
- Previous work in Sub-Saharan Africa will be an advantage.

**Training Coordinator and Capacity Building Expert**

- Must possess a relevant degree
- Minimum of 8 years of experience in developing and delivering institutional training programs, including business process management, change management, and organisational capacity development to financial sector clients.
- Proven experience in developing and delivering training on ESMS topics.
- Experience in coordinating Capacity building assignments and tracking supported corporate/financial institutions’ progress in the achievement of training objectives, outcomes and established Key Performance Indicators (KPIs).
- Experience in developing quality training materials and delivering training workshops.
- Previous work in Sub-Saharan Africa will be an advantage.

**5.0 REPORTING REQUIREMENT AND TIME SCHEDULE FOR DELIVERABLES**

The Consultant (Firm) will report directly to the Project Coordinator, GDFP, Ministry of Finance and the CEO of DBG. The Consultant will work closely with DBG to execute the assignment. The deliverables schedule is as follows:

S/n	Deliverables	Timelines	Payment (%)
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1	Inception Report detailing Consultant understanding of the assignment, methodology and approach as well as work plan	Two (2) weeks after commencement of assignment	10% after acceptance of inception report
2	Submit PFI Environmental and Social Management Toolkit	Six (6) weeks after commencement	20% after acceptance of PFI Environmental and Social Management Tool Kit
3	Develop E&S policy and Procedure manual templates	Four (4) weeks after acceptance of PFI Environmental and Social Management Tool Kit	20% after acceptance of E&S Policy and Procedure templates
4	Develop supplementary templates to accompany the ESMS toolkit for the Financial Institutions	Four (4) weeks after acceptance of E&S policy and Procedure manual templates	20% after acceptance of supplementary templates for the ESMS Toolkit
5	Submit Training Materials (participants manual, facilitators manual, PowerPoint presentations, case studies, exercises, training plan)	Four (4) weeks after acceptance of supplementary templates to accompany the ESMS toolkit for the Financial Institutions	20% after acceptance of Training Materials and reports
6	Carry out capacity building and submit training reports	Two (2) weeks after submitting Training Materials (participants manual, facilitators manual, PowerPoint presentations, case studies, exercises, training plan)	
7	Submit completion report	Two (2) weeks submission of Training Reports	10% after acceptance of completion report

## 6.0 CLIENTS INPUT AND COUNTERPART PERSONNEL

The Client will provide the Consultant with DBG ESMS Policy, DBG ESMS Procedure Manual , DBG Environmental and Social Risk Management Guidelines for PFI , and venues for workshops.

## 7.0 DURATION AND LOCATION OF ASSIGNMENT

The duration of the assignment is six (6) months, and it will be located at DBG