



REPUBLIC OF GHANA/ MINISTRY OF FINANCE

TERMS OF REFERENCE

GHANA DEVELOPMENT FINANCE PROJECT - P169742

**FIRM TO SUPPORT INDIVIDUAL PFIs IMPLEMENT ENVIRONMENTAL AND
SOCIAL MANAGEMENT SYSTEMS**

REF: LOT – 1 & 2

1.0 BACKGROUND

The Government of Ghana has received funding from the World Bank through the Ghana Development Finance Project (GDFF) 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.

To be qualified as a PFI, a financial institution must meet DBG's eligibility criteria. To assess eligibility, DBG undertakes comprehensive appraisal of financial institutions. The appraisal has identified capacity gaps in areas of Environmental and Social Management Systems (ESMS). Addressing these gaps through technical assistance is critical to enhancing the ability of PFIs to support the growth of MSMEs in Ghana.

The Ministry of Finance (MoF) intends to establish a framework agreement with a reputable consulting firm, including terms and conditions that will govern any contract awarded during the term of the Framework Agreement (a call-off contract). The Framework Agreement shall set out the terms and conditions under which the services (call-off contracts) will be provided. The establishment of the Framework Agreement and subsequent call off contracts shall be per the provisions of the World Bank Procurement Regulation.

In line with the scope of work below, for each PFI there will be two call-offs for the selected firm to: (i) complete institutional assessment of a PFI and formulate a costed technical assistance and capacity building program; and (ii) implement the technical assistance and capacity building program. The budget of each call-off/assignment will be determined using the pre-agreed unit rates of key experts (to be indicated by the consultant in the financial proposal) and the level of effort proposed by the consultant, to be discussed and agreed with the DBG and MoF.

2.0 OBJECTIVES OF THE ASSIGNMENT

The main objective of the assignment is to support PFIs to establish effective ESMSs with associated tools, governance structures, and 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) Assess and upgrade the effectiveness of a PFI's ESMS
- b) Formulate a targeted training and capacity building program to strengthen PFIs' E&S adoption
- c) Provide technical assistance to onboarded partner financial institutions to refine and implement institutional development plans that address gaps in their ESMS system identified during the appraisal/onboarding of the institution by DBG.

3.0 SCOPE OF SERVICES

The consultant will be expected to complete the following activities:

(a) 1st call-off: Institutional Assessment and Formulation of a Costed Technical Assistance and Capacity Building Program

- Conduct a review of any existing Sustainability and ESG units within each PFI to determine specific strength, weaknesses, technical short-comings, and gaps, including dedicated E&S staffing level and capacity.
- Review the PFI Onboarding Due Diligence and Appraisal Reports completed by DBG and identify the capacity building needs recommended.
- Engage and discuss the identified gaps with PFIs and develop a detailed institutional development plan for each PFI. The specific Institutional areas should cover include (but not limited to) the following:
 - State of Integration of E&S integrated into strategic and operational objectives

- Scope and coverage of Environmental and Social Management Policy and Procedure Manual
 - Level of management and Board commitment and sponsorship of ESMS
 - State of operationalisation of Environmental and Social Management Assessment Process of portfolios
 - Quality of Environmental and Social Assessment and development of reports.
 - Adoption of E&S covenants in loan agreements
 - Integration of E&S Monitoring Portfolio and Reviews and closure of ESAPs
 - Operationalisation of Grievance Redress Mechanisms and management
 - Internal and External Environmental and Social Indicators and reporting data including World Bank ESF and Internationally adopted standards such as IFC, IFRS S1 and S2
 - Evaluation of climate risk in portfolio and climate mainstreaming
 - Support in the design of green finance and sustainability-linked products and reporting
- Submit an assessment report, which would include an institutional development plan for DBG's review and approval. This report should include an institutional capacity building plan for the PFI and results framework specifying KPIs for the measurement of performance outcome for the PFI.
 - Draft Capacity Building Cooperation Agreement to be signed between each PFI and DBG, outlining agreed services to be provided, the PFIs' obligations under the technical assistance program, and envisaged reporting of outcomes (for monitoring and evaluation purposes).
 - Identify and map out strategies, structures, policies, manuals, systems, procedures, training programs that need to be developed to address the identified capacity gaps.

(b) 2nd call-off: Implementation of the approved Technical Assistance and Capacity Building Program

- Develop and test tailored strategies, structures, policies, systems, manuals, and procedures to address gaps identified, ensuring that the content is relevant, practical, and aligned with DBG's ESMS policies and procedures as well as best practices and industry standards.
- Organize and deliver training sessions, workshops, and seminars for relevant financial institution staff, using a combination of in-person and remote learning modalities.

- Provide backstopping and coaching to target PFI's staff to reinforce the knowledge and skills gained during the training programs, assisting with the implementation of new practices and procedures.
- Conduct periodic assessments and evaluations to measure the effectiveness and impact of the capacity-building interventions, making recommendations for continuous improvement.

4.0 TEAM COMPOSITION & QUALIFICATION REQUIREMENTS

(a) Qualification of the Firm

Interested consultants (firm) should demonstrate the following qualifications:

- 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 REQUIRMENT 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 (%)
1st call-off	Inception Report outlining the methodology and overall detailed timeline for the delivery of outputs	Two weeks from contract signature	20% of the 1 st call-off contract amount upon submission and acceptance of the Inception Report
	Detailed institutional development plan with description of specific deliverables planned: policies, strategies, procedures, training programs, etc and clear timeline for delivery each deliverable	6 weeks from the acceptance of the inception report	80% of the 1 st call-off contract amount upon submission and acceptance of the detailed institutional development plan.
	Detailed costing/budget for the delivery of each output.		
2nd call-off	Inception Report outlining the methodology and overall detailed timeline for the delivery of outputs	Two weeks from 2 nd call off contract signature	20% of the 1 st call-off contract amount upon submission and acceptance of the Inception Report
	Implementation of the institutional development plan Progress reports on the implementation of the institutional development plan	To start immediately after the approval of the institutional development plan and budget	60% of the amount of the second call-off contract during the implementation of the institutional development plan and based on the submission of acceptable progress reports (detailed timing to be agreed during contract negotiations).
	Submission of Final project completion assignment report	6 months after the start of the assignment	20% the amount of the second call-off contract

6.0 CLIENTS INPUT AND COUNTERPART PERSONNEL

The Client will provide the necessary documents including appraisal reports.

7.0 DURATION AND LOCATION OF ASSIGNMENT

The duration of the framework agreement shall be 24 months and each assignment under the established framework (call-off per PFI) is expected to be implemented over a period of 6 months. The detailed timeline, milestones, and budget will be agreed and approved by DBG in the institutional development plan.