



## **Banco Nacional de Costa Rica**

### **Consulting services**

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### **Request for Expressions of Interest**

**Purpose:** Long-term technical assistance program to assist the Banco Nacional de Costa Rica (BNCR) in its efforts to catalyse the financing of the low carbon and climate resilient transition in Costa Rica

**Client:** Banco Nacional de Costa Rica (BNCR)

**Funding Partner:** French Development Agency (AFD) through delegated funds from the European Union (EU)

**Location:** Costa Rica

**Contract duration:** Four years (mid-2021 to mid-2025)

**In partnership with:**



**With the financial support of:**



## **Description of BNCR**

Founded in 1914, **BNCR** is the leading Costa Rican financial institution in terms of loans and deposits with respectively a 20% and a 30% market share. BNCR has around 2 million Costa Rican clients over a population of 5 million. BNCR employs 5,200 people through 165 branches over the 7 Costa Rican provinces. BNCR is a public autonomous Costa Rican

financial institution, which enjoys full administrative autonomy from the State. The SUGEF (National Bank Superintendence) considers BCNR as a systemic bank.

BNCR offers a wide range of banking products to private and public companies, and individuals: short, medium and long-term loans, consumer loans, mortgages, deposits, credit cards etc. SMEs represent 42% of its clientele, followed by individuals (28%), large companies (24%) and infrastructure projects (6%).

## Background and rationale

Costa Rica is committed to pushing further the climate agenda and going beyond the objectives set in its 2015 National Determined Contribution (NDC) to Climate Agreement. In 2018, Costa Rica President adopted a National Development and Public Investment Plan 2018-2022 (PNDIP) with 5 priorities including the decarbonization of the country. That same year, Costa Rica also released a National Policy on Adaptation to Climate Change.

In early 2019, the President Alvarado validated an ambitious and transformative National Plan for Decarbonization 2018-2050 (*Plan Nacional de Decarbonización*, PND), in line with the 2018 PNDIP, setting an objective of carbon neutrality by 2050. Ten pillars and eight cross-cutting strategies are defined in this plan, which implementation would rank Costa Rica as the first decarbonized economy in 2050 and make Costa Rica a leader in the fight against climate change.

The PND is ambitious and implies significant changes for the country, as illustrated below for the transport sector (first pillar of the PND), which is the most GHG emissive sector representing half of national emissions. Indeed, while electricity is almost entirely produced by renewable energy, the national energy mix is still very dependent on fossil energy, in particular in the transport sector. The main constraint identified today for operationalizing and accelerating e-mobility is the provision of adequate financing solutions, and a global support to the (bus) operators who will invest in this new technology.

Funding for actions that will enable the objectives set by the PND to be achieved cannot only come from the public sector, which currently faces a significant deficit in public. **The involvement of the banking sector, and in particular of the public banks, is essential for achieving the carbon neutrality objectives set by the country.** Supporting the banking sector to take a proactive stance towards the achievement of the PND is thus essential to catalyze changes in practices and channel financing towards projects compatible with the PND's trajectory (electric mobility, green housing, sustainable agricultural sectors, etc.).

As the main public development bank in Costa Rica and showing a strong interest in building a more structured approach in terms of climate financing, **BNCR is a strategic financial partner for this purpose.**

## Implementation scheme of the project

The Project will combine the following:

- **A non-sovereign credit line of maximum 65 MUSD extended by AFD to BNCR** in order to finance climate mitigation and adaptation investments in Costa Rica,
- **A technical assistance facility (hereinafter the “TA Programme”), with funds delegated by the European Union**, in order to:

- (i) support the design, ownership and implementation of a dedicated climate strategy by BNCR.
- (ii) improve BNCR's climate investments' lending capacities through customized technical, commercial and risk-analysis support and the design/improvement of climate mitigation and adaptation related banking products (e-vehicles financing offers, green housing finance, etc.).
- (iii) provide transport clients and prospects (mainly bus operators) with technical and financial assistance, in order to structure and develop their e-vehicles purchase and operation projects.

Both the credit line and the TA Programme have been approved by AFD and EU relevant bodies in December 2020.

### Objective of the Request for Expressions of Interest and scope of work

The services of the consultant shall assist the bank i/ in defining and implementing a fit for purpose climate finance strategy and ii/ in financing climate-related investments consistent with Costa Rican climate objectives (in particular, public e-mobility solutions)

Within a period of four years (mid-2021 to mid-2025), the TA program will include the followings:

#### Activity 1 - Supporting BNCR in defining and implementing a fit for purpose climate finance strategy

##### *1.a. Design of BNCR's climate finance strategic plan and guidelines*

- (i) Initial diagnosis of BNCR's practices and initiatives to deal with Costa Rican climate finance issues;
- (ii) Demand forecast for climate finance instruments in Costa Rica focusing especially on e-mobility and climate change adaptation.
- (iii) Definition of an investment strategy for key sectors of intervention and prospective benefits for BNCR,
- (iv) Drafting of a detailed and articulated strategy with the support of the TA Facility; and
- (v) Detailed pathway from the development of the climate finance strategy to implementation (supported by timelines and key milestones to be achieved).

##### *1.b. Implementation of BNCR's climate finance strategy*

- (i) Proposition of process/systems to be incorporated in the Bank to measure its climate finance activities ;
- (ii) Methodology to evaluate BNCR's exposure to climate risks (transition and physical risks);
- (iii) Recommendation on how to incorporate the climate change risks into BNCR's policies and programmes;
- (iv) Conception of a strategic and disclosure framework and monitoring of the Bank's climate finance activities, risks, results and impacts;

- (v) Prepare a capacity building programme aimed at enhancing the Bank's internal technical expertise in climate finance.; and
- (vi) Experience sharing (workshops, webinars) with local and international financial institutions.

Activity 2 - Supporting the financing of climate-related investments (supporting, in particular, e-mobility solutions)

*2.a. Support to BNCR's clients and prospects in the transport sector to convert to electrical vehicles*

The TA Facility will support e-transport operators in structuring, developing and securing over time their e-vehicles purchase and/or leasing projects (including batteries issues) as well as operation and maintenance activities. It may also include identifying solutions for the scrapping of current emissive and polluting vehicles.

It is indeed necessary for each new e-vehicles operator to be supported in the following steps:

- (i) Setting up and improvement of efficient and sustainable business models for e-mobility, including e-vehicles, batteries and charging points;
- (ii) Ensuring the technical and financial strength of each project;
- (iii) Ensuring the technical criteria for vehicles are consistent;
- (iv) Providing capacity building and training; and
- (v) Optimizing fleet management in operation.

*2.b. Building up of a climate finance portfolio consistent with the PND objectives*

- (i) Diagnostic of existing financial tools / instruments marketed by BNCR;
- (ii) Marketing and promoting dedicated financial products;
- (iii) Capacity building of commercial and credit teams on key technical, financial and risk metrics associated with e-transport sector;
- (iv) Detailed screening of BNCR's pipeline and portfolio against the credit line eligibility criteria; and
- (v) Analysing the creditworthiness of specific investments on an as-needed basis, and assessing investments proposals against the Credit Line eligibility criteria.

Besides those two main activities, consultants will be asked to improve BNCR's E&S risk management system and gender policies and practices.

BNCR hereby invites consultants to show their interest in delivering the Services described above.

The consultants will be hired by Banco Nacional de Costa Rica following the norms established by the AFD. Payments to the consultants will be made by AFD directly to the consultants after receipt of payment request from Banco Nacional de Costa Rica.

## Expressions of Interest's selection

Interested consultants must provide information evidencing that they are qualified and experienced to perform those Services. For that purpose, documented evidence of recent and similar services shall be submitted.

If the consultant is a Joint Venture (JV), the Expression of Interest shall include a copy of the JV Agreement entered into by all members. Alternatively, a letter of intent to execute a JV Agreement in the event of a successful proposal shall be signed by all members and submitted with the Expression of Interest, together with a copy of the proposed Agreement.

Determination of the similarity of the experiences will be based on:

- The contracts size;
- The nature of the Services (long-term technical assistance programs in the banking sector, business consulting services for a multilateral bank, detailed technical studies)
- The technical area and expertise (green/climate finance, financial sector, multilateral);
- The technical and managerial skills of experts;
- The location (Central America, or at least Latin America).

The Client will also take into account for the evaluation of the applications the following items:

- Availability of in-house technical back-up experts provided to the on-site experts;
- Regional representatives and partners;
- Quality assurance procedures and certifications of the consultant.

Among the submitted applications, BNCR will shortlist a maximum of six consultants, to whom the Request for Proposals to carry out the Services shall be sent. The language of the Proposal and the Service will be English<sup>1</sup> or Spanish.

Eligibility criteria to AFD's financing are specified in sub-clause 1.3 of the "Procurement Guidelines for AFD-Financed Contracts in Foreign Countries", available online on AFD's website ([www.afd.fr](http://www.afd.fr)).

## Expressions of Interest's submission

Expressions of Interest (including appendix 1) must be submitted to the email address below no later than June 30, 2021 at 12:00 (San José, Costa Rica, Time).

Silvia Chaves Herra, email: [schavesh@bncr.fi.cr](mailto:schavesh@bncr.fi.cr)  
Guillermo Rodriguez Vasquez, email: [grodriguezva@bncr.fi.cr](mailto:grodriguezva@bncr.fi.cr)

## Contacts

Interested consultants may obtain further information at the email addresses below:

Silvia Chaves Herra, email: [schavesh@bncr.fi.cr](mailto:schavesh@bncr.fi.cr)

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<sup>1</sup> During the implementation, progress reports will have to be written in English.

Guillermo Rodriguez Vasquez, email: [grodriguezva@bncr.fi.cr](mailto:grodriguezva@bncr.fi.cr)  
Karine Pinget, email: [pingetk@afd.fr](mailto:pingetk@afd.fr)  
Baptiste Mesa, email: [mesab@afd.fr](mailto:mesab@afd.fr)

<p style="text-align: center;"><b>Appendix to the Request for Expressions of Interest</b> <b>(to be submitted with the Expressions of Interest, signed and unaltered)</b></p>
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**Statement of Integrity, Eligibility and Social and Environmental Responsibility**

Reference name of the bid or proposal: \_\_\_\_\_ (The "Contract")

To: \_\_\_\_\_ (The "Contracting Authority")

- 1) We recognise and accept that *Agence Française de Développement* ("AFD") only finances projects of the Contracting Authority subject to its own conditions which are set out in the Financing Agreement which benefits directly or indirectly to the Contracting Authority. As a matter of consequence, no legal relationship exists between AFD and our company, our joint venture or our suppliers, contractors, subcontractors, consultants or subconsultants. The Contracting Authority retains exclusive responsibility for the preparation and implementation of the procurement process and performance of the contract. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.
- 2) We hereby certify that neither we nor any other member of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations:
  - 2.1) Being bankrupt, wound up or ceasing our activities, having our activities administered by the courts, having entered into receivership, reorganisation or being in any analogous situation arising from any similar procedure;
  - 2.2) Having been:
    - a. convicted within the past five years by a court decision, which has the force of *res judicata* in the country where the Contract is implemented, of fraud, corruption or of any other offense committed during a procurement process or performance of a contract (in the event of such conviction, you may attach to this Statement of Integrity supporting information showing that this conviction is not relevant in the context of this Contract);
    - b. subject to an administrative sanction within the past five years by the European Union or by the competent authorities of the country where we are constituted, for fraud, corruption or for any other offense committed during a procurement process or performance of a contract (in the event of such sanction, you may attach to this Statement of Integrity supporting information showing that this sanction is not relevant in the context of this Contract);
    - c. convicted within the past five years by a court decision, which has the force of *res judicata*, of fraud, corruption or of any other offense committed during the procurement process or performance of an AFD-financed contract;

- 2.3) Being listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight-against-terrorist financing or threat to international peace and security;
- 2.4) Having been subject within the past five years to a contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;
- 2.5) Not having fulfilled our fiscal obligations regarding payments of taxes in accordance with the legal provisions of either the country where we are constituted or the Contracting Authority's country;
- 2.6) Being subject to an exclusion decision of the World Bank and being listed on the website <http://www.worldbank.org/debarr> (in the event of such exclusion, you may attach to this Statement of Integrity supporting information showing that this exclusion is not relevant in the context of this Contract);
- 2.7) Having created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of this Contract.
- 3) We hereby certify that neither we, nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations of conflict of interest:
- 3.1) Being an affiliate controlled by the Contracting Authority or a shareholder controlling the Contracting Authority, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
- 3.2) Having a business or family relationship with a Contracting Authority's staff involved in the procurement process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
- 3.3) Being controlled by or controlling another bidder or consultant, or being under common control with another bidder or consultant, or receiving from or granting subsidies directly or indirectly to another bidder or consultant, having the same legal representative as another bidder or consultant, maintaining direct or indirect contacts with another bidder or consultant which allows us to have or give access to information contained in the respective applications, bids or proposals, influencing them or influencing decisions of the Contracting Authority;
- 3.4) Being engaged in a consulting services activity, which, by its nature, may be in conflict with the assignments that we would carry out for the Contracting Authority;
- 3.5) In the case of procurement of goods, works or plants:
- i. Having prepared or having been associated with a consultant who prepared specifications, drawings, calculations and other documentation to be used in the procurement process of this Contract;



- ii. Having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for this Contract;
- 4) If we are a state-owned entity, and to compete in a procurement process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
- 5) We undertake to bring to the attention of the Contracting Authority, which will inform AFD, any change in situation with regard to points 2 to 4 here above.
- 6) In the context of the procurement process and performance of the corresponding contract:
  - 6.1) We have not and we will not engage in any dishonest conduct (act or omission) deliberately intended to deceive others, to intentionally conceal items, to violate or vitiate someone's consent, to make them circumvent legal or regulatory requirements and/or to violate their internal rules in order to obtain illegitimate profit;
  - 6.2) We have not and we will not engage in any dishonest conduct (act or omission) contrary to our legal or regulatory obligations or our internal rules in order to obtain illegitimate profit;
  - 6.3) We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to (i) any Person who holds a legislative, executive, administrative or judicial mandate within the State of the Contracting Authority regardless of whether that Person was nominated or elected, regardless of the permanent or temporary, paid or unpaid nature of the position and regardless of the hierarchical level the Person occupies, (ii) any other Person who performs a public function, including for a State institution or a State-owned company, or who provides a public service, or (iii) any other person defined as a Public Officer by the national laws of the Contracting Authority's country, an undue advantage of any kind, for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity;
  - 6.4) We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to any Person who occupies an executive position in a private sector entity or works for such an entity, regardless of the nature of his/her capacity, any undue advantage of any kind, for himself or another Person or entity for such Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations;
  - 6.5) We have not and we will not engage in any practice likely to influence the contract award process to the detriment of the Contracting Authority and, in particular, in any anti-competitive practice having for object or for effect to prevent, restrict or distort competition, namely by limiting access to the market or the free exercise of competition by other undertakings;
  - 6.6) Neither we nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or France;
  - 6.7) We commit ourselves to comply with and ensure that all of our suppliers, contractors, subcontractors, consultants or subconsultants comply with international environmental and labour standards, consistent with laws and

regulations applicable in the country of implementation of the Contract, including the fundamental conventions of the International Labour Organisation (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the environmental and social commitment plan (ESCP) provided by the Contracting Authority.

- 7) We, as well as members of our joint venture and our suppliers, contractors, subcontractors, consultants or subconsultants authorise AFD to inspect accounts, records and other documents relating to the procurement process and performance of the contract and to have them audited by auditors appointed by AFD.

Name: \_\_\_\_\_ In the capacity of: \_\_\_\_\_

Duly empowered to sign in the name and on behalf of<sup>2</sup>: \_\_\_\_\_

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

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<sup>2</sup> In case of joint venture, insert the name of the joint venture. The person who will sign the application, bid or proposal on behalf of the applicant, bidder or consultant shall attach a power of attorney from the applicant, bidder or consultant.