

# **Selection of Consultants**

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# **Request for Expressions of Interest**

**Agence Française de Développement**



**July 2022**

**SAINT KITTS AND NEVIS****RECRUITMENT OF A TECHNICAL ASSISTANCE FOR  
“INTEGRATING CLIMATE-RELATED FINANCIAL RISKS IN FINANCIAL SUPERVISION”**

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**PHASE 1**

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**EASTERN CARIBBEAN CENTRAL BANK (ECCB)  
SINGLE REGULATORY UNITS (SRU)  
EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION (ECSRC)**

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**CONSULTING SERVICES****Expressions of Interest**

The EASTERN CARIBBEAN CENTRAL BANK (ECCB) has received a financing from Agence Française de Développement (“**AFD**”), and intends the funds thereof for payments under the “INTEGRATING CLIMATE-RELATED FINANCIAL RISKS IN FINANCIAL SUPERVISION” project:

**1) Context**

Caribbean countries are already facing a wide range of natural hazards, both acute and chronic climate risks, including tropical cyclones, excess rainfall, earthquakes, flooding, landslides, storm surges and wave impacts, droughts and sea level rising. Single catastrophes such as hurricanes, have caused significant damages both in terms human lives and economic losses, affecting key activities like tourism and agriculture, which are critical in terms of food security, economic activity, and providing a livelihood for thousands.

The outlook is even more challenging, since climate disasters are likely to become more frequent and disruptive, with most physical risks to materialize after 2050, and serious implications for human health and safety, economic activities, and basic food security. Since the financial sector supports different real economy segments, it is in a sensitive position of exposure to climate risks its portfolio and opportunities to leverage more sustainable practices through its investments.

There is an urgent need for strengthening capacity to address climate change while reducing vulnerability issues in these countries to be better prepared for these natural hazards. Despite that, current prudential regulations and supervisory review processes in the Caribbean region are not including, or properly addressing, climate related risks.

Central banks and financial regulators are increasingly acknowledging this fact and verifying that the intensification of the climate change effects represent a material risk for the financial sector, and it could eventually derive into systemic financial risks. Significant efforts are being made at a global level to integrate climate and environmental considerations into regulatory and risk frameworks.

There is an urgent need for strengthening capacity to address climate change while reducing vulnerability issues in these countries to be better prepared for these natural hazards. Despite that, current prudential regulations and supervisory review processes in the Caribbean region are not including, or properly addressing, climate related risks.

Although the impacts of climate change are still somewhat unpredictable, central banks need to have a better understanding of the potential consequences of climate change on companies and financial agents applying economy-wide stress tests and promoting better disclosures of climate related risks and

opportunities. The threat posed by climate change requires financial regulators and supervisors to act without further delays and contribute to the fight against climate change, by enabling mitigating measures and facilitating that financing flows efficiently to where is needed to improve resilience in potentially most affected countries.

By sponsoring an awareness-training program in favor of its Caribbean partners in 2021<sup>1</sup>, AFD Group reaffirmed its strong commitment to Green Finance and its alignment with the Paris Agreement and has started its support to greening the Eastern Caribbean financial system.

Based on the nature of the risks involved, it is evident that action is needed now, and that the main risk is inaction. Central banks have a key role in the process of integrating sustainability and climate-related aspects in their tasks and responsibilities, not only for their own investment portfolios, but also in their role as regulators and supervisors, leading by example and becoming true agents of change in the transition road to a more sustainable and low carbon economy.

As part of the results of awareness sessions, representatives of ECCB and SRUs have worked on different roadmaps for their own jurisdictions, including strategic plans to integrate climate-related risks into stability monitoring and micro-supervision. This includes addressing the data collection challenges and the building of awareness and intellectual capacity among supervised financial entities to promote further disclosure of climate-related risks and opportunities.

AFD is now proposing the finance a two-steps program to support the ECCB, SRUs, and the ECSRC:

- **Phase 1:** a 100,000 EUR grant from AFD, expected duration: 12 months, expected from September 2022 to September 2023.
- **Phase 2:** a [300 to 500k] EUR grant from the European Union's Caribbean Investment Facility "CIF", subject to EU consent. Expected duration (36 months), expected from January 2024 to January 2027.

**The Scope of Services of this present Request for Expressions of Interest is only related to Phase 1**

**The consultant will have the possibility to bid for Phase 2 as long as all the information he will have access to will also be available for all candidates.**

## **2) Scope of Services**

The Services of the consultant for Phase 1 shall mainly consist of :

- Reviewing the different road maps from the SRUs and ECSRC and build one consolidated roadmap / framework for the whole project,
- mapping the OECS (Organization of the Eastern Caribbean State) non-banking financial system and climate-related risks transmission channels (physical and transition risks),
- coordinating with the World Bank, which provides a similar support to the ECCB related to the banking financial system, to capitalise and harmonise methodologies and frameworks,
- conducting a diagnostic of the SRUs and ECSRUs human resources and IT capacities,
- continuing to create capacity building and awareness on climate-related risks in supervision in favor of the SRUs and ECSRC,
- assessing the existing regulatory framework in the different countries for future execution of climate stress test regime and establish recommendations for proper execution,
- preparing a plan to collect data
- designing the terms of reference of the activities to be realized during Phase 2.

Phase 2 activities shall include (indicatively) : collecting data; developing a data base; establishing climate-related risks transmission channels to the economy; building scenario; conducting and

<sup>1</sup> <https://www.unepfi.org/events/integrating-climate-related-financial-risks-in-the-eastern-caribbean/>

executing a climate stress test; determining supervisory responses & recommendations in terms of public policies.

### 3) **Estimated Budget**

The estimated budget for Phase 1 is 100,000 EUR.

This budget can include a maximum of ten percent (10%) for eventual travels & accommodation to enable on-site missions.

### 4) **Documents to be transmitted**

- Presentation letter, including human and material resources.
- Opinion on tax and social fulfillments.
- Insurance certificate.
- Main extracts from Financial Sstatements (last 3 years);
- Presentation of references and experiences.
- A duly signed Statement of Integrity, Eligibility and Environmental and Social Responsibility letter, according to the model attachd to this document.

The EASTERN CARIBBEAN CENTRAL BANK hereby invites Applicants to show their interest in delivering the Services described above.

This Request for Expressions of Interest is open to:

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| <input checked="" type="checkbox"/> Consulting firms | <input type="checkbox"/> Individual consultants                              |
| <input type="checkbox"/> NGOs                        | <input type="checkbox"/> Joint Venture between NGO(s) and consulting firm(s) |

Eligibility criteria to AFD 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: <http://www.afd.fr>.

The Applicant shall submit only one application, either in its own name or as a member of a Joint Venture (JV). If an Applicant (including any JV member) submits or participates in more than one application, those applications shall be all rejected. However, the same Subconsultant may participate in several applications.

If the Applicant is a JV, the expression of interest shall include:

- a copy of the JV Agreement entered into by all members,

or

- a letter of intent to execute a JV Agreement, signed by all members together with a copy of the Agreement proposal,

In the absence of this document, the other members will be considered as Subconsultants.

Experiences and qualifications of Subconsultants are not taken into account in the evaluation of the applications.

Interested Applicants 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.

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

- The contract size.
- The technical area and expertise :
  - master's degree in finance, or economics;
  - at least 15 years of relevant professional experience in the relevant field – climate change, financial and economic modelling;
  - experience in stress testing more specifically climate stress testing and scenario analysis and climate risk management;
  - advanced knowledge of climate change risk issues and climate change policy;
  - strong quantitative and econometric skills;
  - proven international and national experience of working in similar geographies, preferably in Caribbean countries;
  - strong English writing and speaking skills.

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

- Capacity to work remotely, due to the various countries of interventions, and the difficulties to make on-site visits (few airlines connections, COVID restrictions).

Among the submitted applications, the EASTERN CARIBBEAN CENTRAL BANK will shortlist a maximum of six (6) Applicants, to whom the Request for Proposals to carry out the Services shall be sent.

The Expressions of Interest must be submitted to the address below no later than August 12<sup>th</sup>, 2022:

ECCB: Karen Williams: [Karen.Williams@eccb-centralbank.org](mailto:Karen.Williams@eccb-centralbank.org)

AFD:

- Mylène Lerigab : [lerigabm@afd.fr](mailto:lerigabm@afd.fr)
- Lionel Lecrinier : [lecrinierl@afd.fr](mailto:lecrinierl@afd.fr)

**Appendix to The Request for Expressions of Interest  
(To be submitted with the application, signed and unaltered)**

**Statement of Integrity, Eligibility and Environmental and Social Responsibility**

Reference 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:
    - a) 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;
    - b) 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: \_\_\_\_\_

<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.