

Readiness Proposal

**with Bancóldex
for Republic of Colombia**

12 March 2019 | Entity Support



**GREEN
CLIMATE
FUND**

Readiness and Preparatory Support Proposal

How to complete this document?

- A [Readiness Guidebook](#) is available to provide information on how to access funding under the GCF Readiness and Preparatory Support programme. It should be consulted to assist in the completion of this proposal template.
- This document should be completed by National Designated Authorities (NDAs) or focal points with support from their delivery partners where relevant.
- Please be concise. If you need to include any additional information, please attach it to the proposal.
- Information on the indicative list of activities eligible for readiness and preparatory support and the process for the submission, review and approval of this proposal can be found on pages 11-13 of the guidebook.
- For the final version submitted to GCF Secretariat, please delete all instructions indicated in italics in this template and provide information in regular text (not italics).

Where to get support?

- If you are not sure how to complete this document, or require support, please send an e-mail to countries@gcfund.org. We will aim to get back to you within 48 hours.
- You can also complete as much of this document as you can and then send it to countries@gcfund.org. We will get back to you within 5 working days to discuss your submission and the way forward.

Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult page 7 of the readiness guidebook for more information.

	<p>processes. A summary of the gap analysis, actions undertaken by Bancóldex to overcome them, and additional actions needed is provided in Annex 3.</p> <p>Based on PwC’s findings, Bancóldex needs to develop a gender policy -in line with GCF’s requirements- that serves as a guideline for the Bank to promote gender equality within the institution and in its investments. In addition, at the time when PwC performed its assessment, project management was not being considered as an accreditation goal. Since then, the Bancóldex team has recognized that developing capacities in project management is pivotal towards successful implementation of GCF projects. Due to its traditional intervention mechanism as a second-tier bank, Bancóldex has customarily had the support of third parties who backed project management actions. Bancóldex has therefore been acquainted with project management but has not yet established the required procedures and monitoring tools within the institutions.</p> <p>Besides, if through the revision of Bancóldex’s application during the accreditation process, the Fund considers that other gaps should be filled, the NDA expects that through this Readiness request the institution will have the resources to develop an action plan regarding those findings.</p> <p>As a parallel task, this readiness proposal will build sufficient information to structure a Funding Proposal and evaluate the feasibility of the planned interventions aimed at promoting sustainable adaptation practices of small-scale rural producers in Colombia through microfinancing (see Annex 1 for additional background information, proposed project components, preparatory activities and stakeholder engagement thus far). Through its definition of the country portfolio, the collegiate body has endorsed this project and classified it as a national priority.</p> <p>The work developed thus far has had the full support of Bancóldex as a major contributor to microfinancing in Colombia. However, to avoid any possible conflicts of interest deriving from its readiness delivery partner’s role and as a potential implementing entity, the outcome of the feasibility studies and project structure will be socialized with relevant stakeholders, including other potential accredited entities. This will allow the NDA to identify the best entity to present the proposal to the GCF Board and implement the project. The final validation of the proposed interventions and selection of the Accredited Entity will be carried under the leadership of the NDA to the GCF. This process will be open but not limited to Bancoldex though the NDA acknowledges that Bancóldex due to its leadership and capacities can play a relevant role in the development of the project. As such, no conflict of interest will arise from this readiness support.</p> <p>A consultation process will be carried out to include inputs from representatives of the civil society and private sector, to ensure chosen activities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.</p> <p>Hence, this readiness proposal encompasses two major components to address identified needs, namely:</p> <ol style="list-style-type: none"> 1. Strengthening Bancóldex internal processes and capacities regarding gender equality and project management capacities, whilst being attentive for the Fund’s observations after analysing the bank’s accreditation application. 2. As part of the country programming prioritized by Colombia’s NDA, a project about adaptation through microfinancing has been included, for which it is necessary to develop feasibility studies to prepare a robust project. It is recognized that Bancóldex, due to its experience on microfinancing, is the indicated partner to perform the feasibility studies.
<p>8. Total requested amount and currency</p>	<p><i>USD 300,000.</i></p>
<p>9. Anticipated duration</p>	<p><i>12 months</i></p>

SECTION 2: LOGICAL FRAMEWORK

Please complete the table below by including proposed outcomes, baseline situations, the targets for implementation period, and the activities to be undertaken, including key outputs or deliverables. Please add rows for additional outcomes as needed. For further guidance on completing the table, please refer to the guidebook "Accessing the GCF Readiness and Preparatory Support Programme", including specific Outcomes to select from.

Background

1. The GCF readiness process in Colombia

Colombia, under the National Climate Change System (SISCLIMA) and its Climate Finance Committee has set up a collegiate body¹ as the coordination mechanism aimed at securing and effectively accessing GCF funding. The collegiate body has decided on a Country Strategy for accessing GCF financing, including the methodologies and procedures for the selection of the GCF country portfolio and the selection of readiness initiatives. Prior to submission to the GCF, this readiness proposal received technical inputs and a non-objection from the collegiate body members. Detailed information on readiness support received thus far is provided in section 5.2.

It is therefore considered that this readiness proposal will decisively prepare the Colombian government for the implementation of sustainable adaptation actions in the rural sector, as outlined in the NDC and the National Adaptation Plan (PNACC), through the mobilization of adaptation investments from the private sector, namely microfinance institutions. In that sense, Bancoldex wide network and long-term partnership with microfinance institutions is a solid foundation for the achievement of the expected outcomes of the readiness project. Through this process, the Colombian Government – and Bancóldex as delivery partner – will address important knowledge gaps and build capacities to plan, prioritize, finance and implement sustainable adaptation interventions for small rural producers, and to monitor and evaluate their effectiveness and impact.

Furthermore, this initiative has been prioritized in the Colombian Country programming document based on its potential to deliver transformational change to the practices of Colombian small rural producers to enhance their resilience and adaptation capacities.

2. Bancóldex readiness process and needs

Within its accreditation process, Bancóldex received support to identify possible gaps in meeting GCF requirements for accreditation. In 2015 PwC analysed the fiduciary standards, policies, procedures, monitoring systems, as well as gender and Environmental and Social Safeguards (ESS) policies². Based on PwC's assessment and Bancóldex self-assessment while gathering the supporting documentation for the accreditation process, the Bank realized that certain procedures may require strengthening for better use of resources. In particular, those regarding gender actions and project management, as initially raised by PwC and later analysed in Bancoldex application template. Both are areas in which Bancóldex should start from an assessment point, and design processes and procedures to implement afterwards. It is important to mention that after the application submission in February, 2018 and to this date, Bancóldex has only received comments from the GCF on its accreditation application regarding the intended size of projects and financial instruments. Therefore, this readiness proposal is set forth based

¹ This collegiate body is composed of representatives from the National Planning Department as NDA, the Environment Ministry, the Finance Ministry, the Presidential Agency for International Cooperation and the Foreign Affairs Ministry.

² More information regarding PwC's assessment and recommendations may be revised under Annex 3.

on PWCs inputs and Bancóldex's self-evaluation, without prior knowledge of the Fund's additional findings or recommendations regarding the accreditation application. In other words, if after reviewing Bancóldex application the GCF Secretariat considers that other gaps should be addressed, an action plan regarding those findings would be developed.

3. Scaling up a successful pilot on adaptation finance

Based on a successful pilot experience implemented in Colombia since 2012 (The Microfinance for Ecosystem-based Adaptation (MEbA) project)³, the NDA deemed necessary to prepare a funding proposal and access GCF financing to scale up this pilot. It was thus identified as crucial to gather sufficient background and feasibility information to structure a robust proposal that fully encompasses the context of the beneficiary population and establishes a solid business case for the identified interventions. In a multi-stakeholder workshop held in November 2017 the information gaps were identified. A few priority studies – such as i) defining the financial mechanism, ii) assessing green product development needs in financial intermediaries and target populations, iii) establishing the environmental and social safeguard strategy for the interventions and iv) valuating sustainable production chains – are underway. Others – such as i) the feasibility of micro-insurance as an accompanying service to micro-lending, ii) the feasibility of information gathered by financial intermediaries to be placed in exchange platforms for private sector engagement and early advice to small scale farmers, and iii) defining indicators for the monitoring and evaluation of the impacts of interventions on the economy of small scale producers and the ecosystems that surround them – will soon be carried out. Hence, the remaining feasibility studies, stakeholder engagement, vulnerability analyses and economic valuations presented below will enable – whichever accredited entity is finally designated – to structure a project that will include at least the following outputs: i) a specific credit portfolio created for financial intermediaries that promote products geared towards sustainable adaptation practices; ii) technical assistance delivered to financial intermediaries to provide small-scale rural producers access to financing for such practices via the specific credit line; iii) increased capacities in qualified government, private and civil society entities to provide technical assistance to small-scale rural producers in sustainable adaptation solutions, and iv) enabling policies and institutional arrangements established to promote private sector participation to drive the adaptation agenda.

In as much as one of the core business strategies of Bancóldex is to work with financial intermediaries to promote private sector engagement in green investments and the strengthening of microfinance in both urban and rural areas, the scheme towards structuring the proposal suggests that Bancóldex is well positioned to carry out the remaining studies as delivery partner to the NDA. However, in anticipating that Bancóldex may or may not achieve GCF accreditation, the results of this readiness component will be open to all interested stakeholders through the NDA.

It should also be mentioned that the NDA has identified UN Environment as a key partner for the structuring of the proposal because of its experience in implementing the above-mentioned pilot and its support in co-financing feasibility studies. Please refer to Annex 1 for project background information, including details on i) climate rationale, ii) potential project components, iii) preparatory activities and iv) stakeholder engagement thus far.

The logical framework below outlines two sets of activities, one for the strengthening of Bancóldex processes towards GCF accreditation and for completing relevant studies on sustainable adaptation finance.

³ Please refer to Annex 1 for background information and details on the proposed studies.

OUTCOMES	BASELINE	TARGET	ACTIVITIES <i>Please include at least one specific deliverable output for each activity, and the timeframe (month number) in which it will be delivered to GCF.</i>
3 Direct access realized			
3.2 Accreditation of direct access entities	1	2	<p>3.2.1 Developing and implementing a personalized readiness and preparatory support plan that will support the applicant institution to address identified gaps to comply with the fiduciary standards and ESS (includes the development of new policies and procedures)⁴: <u>Identification of capacities and establishment of policies, guidelines and procedures for project management</u></p> <p>Deliverables:</p> <ul style="list-style-type: none"> • Gap analysis on project management internal capacities • Benchmark of good practices in project management of other development banks or at least one success case of one DFI relevant for Bancóldex • Project identification system or program designed • Project appraisal and selection criterion tool designed • Intervention model for project structuring designed • Project feasibility methodology designed • Monitoring and evaluation intervention model designed • Operational Manual (including procurement guidelines) • Training regarding the gaps identified and the developed instruments <p>Timeframe: 6 -7 months after first disbursement</p> <p>3.2.2 Developing and implementing a personalized readiness and preparatory support plan that will support the applicant institution to address identified gaps to comply with the fiduciary standards and ESS (includes the development of new policies and procedures): <u>Development of Bancóldex gender policy and action plan</u></p> <p>Deliverables:</p> <ul style="list-style-type: none"> • Bancóldex Gender policy document • Indicators to Gender policy established • Action Plan document • Training on the new Gender Policy and Action Plan to Staff <p>Timeframe: 4-5 months after first disbursement</p>
4 Access to finance			
4.4 Funding proposal development, including for adaptation projects/programmes	0	1	<p>4.4.1 Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options.</p> <p>Deliverables:</p>

⁴ Activity included on the Readiness Guidebook under Annex I: Indicative list of activities that can be supported by the Readiness and Preparatory Support Programme, p.11

			<ul style="list-style-type: none"> • 1 assessment report on vulnerability of small-scale rural producers, including costs of climate impacts and barriers to access finance. • 1 cost-benefit analysis of adaptation options, including additionality, ecosystem benefits, business cases and/or financial viability using internal rates of return. <p><i>Timeframe: 2 months after first disbursement</i></p> <p>4.4.2 Analysis of opportunities and barriers for financial intermediaries to harness the agricultural lending market and other financial services</p> <p><i>Deliverables:</i></p> <ul style="list-style-type: none"> • 1 market study on the supply vs demand of sustainable adaptation solutions in agricultural lending products focused on small-scale rural producers 1 Stocktaking report on market opportunities and barriers relevant to agricultural lending and financing services in rural Colombia. <p><i>Timeframe: 4 months after first disbursement</i></p> <p>4.4.3 Feasibility study on technical assistance needs that complement access to finance to increase adaptive capacity of small-scale rural producers.</p> <p><i>Deliverables:</i></p> <ul style="list-style-type: none"> • 1 Report on the characterization of the technical assistance mechanism to be developed for small-scale rural producers, including costs and operational needs. <p><i>Timeframe: 3 months after first disbursement</i></p> <p>4.4.4 Gender evaluation and strategy for gender inclusion in adaptation finance</p> <p><i>Deliverables:</i></p> <ul style="list-style-type: none"> • 1 gender evaluation for proposed project interventions • 1 gender inclusion strategy for proposed project interventions <p><i>Timeframe: 4 months after first disbursement</i></p> <p>4.4.5 Stakeholder analysis and consultations</p> <p><i>Deliverables:</i></p> <ul style="list-style-type: none"> • 1 report on stakeholder analysis and engagement plan • At least 1 participatory workshop and 2 roundtables organized <p><i>Timeframe (Workshop- Month 4); Roundtables Months (3 and 5) after the first disbursement)</i></p> <ul style="list-style-type: none"> • 1 report with proposed implementation arrangements and stakeholder inputs to the proposal <p><i>Timeframe: 3 months duration</i></p>
			<p>4.4.6 Coordination of feasibility studies</p> <p><i>Deliverables:</i></p> <ul style="list-style-type: none"> • Coordination of feasibility studies <p><i>Timeframe: 6 months after first disbursement</i></p>

SECTION 3: ADDITIONAL INFORMATION

1. Strengthening Bancóldex internal processes and capacities regarding Gender Equality and Project Management.

Bancóldex manages financial assets, develops access solutions and massively mobilizes capital, leveraged on its relational capital, to deliver services for business growth.

Traditionally, the Bank has provided its products and services as a second-tier entity through financial intermediaries in Colombia that understand the needs of the entrepreneurs regardless of their size. Consequently, amongst Bancóldex partners are commercial banks, microfinance institutions and savings-and-loan cooperatives who serve as intermediaries to include financial subjects who, otherwise, would not have access to the financial system.

Bancóldex has demonstrated experience channelling international resources specially those delivered by International Development Institutions and Investment Climate Funds.

Bancóldex has understood that finance is pivotal to address climate change given that adjusting economies and adapting environments require large amounts of resources. Therefore, the Bank established an environmental strategy to implement internal actions that enhance sustainability, address environmental and social risks and develop ad-hoc products, whilst generating awareness among its staff, suppliers, financial intermediaries and business clients.

Furthermore, Bancóldex submitted its documentation for GCF accreditation to channel resources to tackle climate change and adopt methodologies that may serve this purpose according to its experience and track record.

As explained before, based on PwC's assessment carried out in 2015 and Bancóldex self-assessment while gathering the supporting documentation for the accreditation process, the Bank realized that certain procedures may require strengthening for better use of resources. In particular, those regarding project management, gender approach and GCFs processes.

2. Carrying out several assessments to prepare a robust proposal that aims at bridging the funding gap in the adaptation of vulnerable communities through partner financial intermediaries in Colombia.

The national collegiate body has prioritized the concept note submitted by Bancóldex and UN Environment for the 2017-2018 portfolio. Once approved, the project will contribute to i) five goals that are part of Colombia's NDC both in adaptation and in means of implementation; ii) sustainable development goals 2, 13 and 15; iii) the National Strategy on Climate Finance; iv) the National Plan for Climate Change Adaptation; v) the Sustainable Colombia initiative, and vi) implementation of the Peace Accords, among others. Given the alignment of the potential project with national priorities and Bancóldex's unique position to catalyse private investment, the National Planning Department decided to support the development of feasibility studies and various assessments to prepare a project that aim at bridging the funding gap in the adaptation of vulnerable communities through partner financial intermediaries (see Annex 1 for additional background information, proposed project components, preparatory activities and stakeholder engagement thus far). Outcomes of the different activities developed to that end will be available to all relevant and interested stakeholders that may be involved on the project.

SECTION 4: BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT

4.1. Budget Plan⁵

Please provide a breakdown of cost estimates and implementation schedule analysed according to the activities suggested in Section 2. Please feel free to replicate this table on Excel spreadsheet if needed.

OUTCOMES (same as in section 2)	ACTIVITIES (same as in section 2. Include at least one specific deliverable output for each activity, and the month number in which it will be delivered to GCF)	TOTAL COST (USD) (per activity)	COST CATEGORIES				EXPENDITURE AND IMPLEMENTATION SCHEDULE (add columns if >24 months)			
			Consultants	Travel	Workshops/ Trainings	Others	6m	12m	18m	24m
3.2 Accreditation of direct access entities	<p>3.2.1 Identification of capacities and establishment of policies, guidelines and procedures for project management</p> <p><i>Deliverables:</i></p> <p>3.2.1.A Gap analysis on project management internal capacities</p> <p>3.2.1.B Benchmark of good practices in project management</p> <p>3.2.1.C Project identification system or program</p> <p>3.2.1.D Project appraisal and selection criterion tool</p> <p>3.2.1.E Intervention model for project structuring</p> <p>3.2.1.F Project feasibility methodology</p> <p>3.2.1.G Monitoring and evaluation intervention model</p>	\$76,500	\$72,328	\$3,000	\$1,172		\$53,550	\$22,950		

⁵ For further information please look at Annex 2

	3.2.1.H Operational Manual (including procurement guidelines)									
	3.2.1. I Training regarding the gaps identified and the developed instruments									
	3.2.2 Development of Bancóldex gender policy and action plan Deliverables: 3.2.2.A Bancóldex Gender policy 3.2.2.B Indicators 3.2.2.C Action Plan	\$20,000	\$16,074	\$3,000	\$926		\$20,000			
TOTAL Activity 3.2.		\$96,500	\$88,402	\$6,000	\$2,098	\$0	\$73,550	\$22,950		
4.4 Funding proposal development, including for adaptation projects/programmes	4.4.1 Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options. Deliverables 4.4.1.A: 1 assessment report on vulnerability of small-scale rural producers, including costs of climate impacts and barriers to access finance. 4.4.1.B: 1 cost-benefit analysis of adaptation options, including additionality, ecosystem benefits, business cases and/or financial viability using internal rates of return. Timeline: 2 months	\$24,560	\$20,000	\$2,560	\$2,000		\$24,560			
	4.4.2 Analysis of opportunities and barriers for financial intermediaries to harness the agricultural lending market and other financial services. Deliverables: 4.4.2.A: 1 market study on the supply vs demand of sustainable adaptation solutions in agricultural lending products focused on small-scale rural producers 4.4.2.B: 1 Stocktaking report on market opportunities and barriers relevant to	\$20,000	\$20,000					\$20,000		

	<i>agricultural lending and financing services in rural Colombia. Timeline: 2 months</i>									
	4.4.3 Feasibility study on technical assistance needs that complement access to finance to increase adaptive capacity of small-scale rural producers. <i>Deliverables: 4.4.3.A: 1 Report on the characterization of the technical assistance mechanism to be developed for small-scale rural producers, including costs and operational needs. Timeline: 2 months</i>	\$20,000	\$13,000	\$5,000	\$2,000		\$20,000			
	4.4.4 Gender evaluation and strategy for gender inclusion in adaptation finance <i>Deliverables: 4.4.4.A: 1 gender evaluation for microfinance adaptation projects 4.4.4.B: 1 gender inclusion strategy for microfinance adaptation projects Timeline: 2 months</i>	\$13,000	\$13,000				\$13,000			
	4.4.5 Stakeholder analysis and consultations <i>Deliverables: 4.4.5.A: 1 report on stakeholder analysis and engagement plan 4.4.5.B: At least 1 participatory workshop and 1 roundtable organized 4.4.5.C: 1 report with proposed implementation arrangements Timeline 3 months</i>	\$22,500	\$10,500	\$5,000	\$7,000		\$22,500			
	4.4.6 Coordination of feasibility studies <i>Deliverables: 4.4.6 Coordination of feasibility studies Timeframe: 6 months</i>	46,500	39,000	6,000	1,500		\$27,900	\$18,600		
TOTAL Activity 4.4.		\$146,560	\$115,500	\$18,560	\$12,500	\$0	\$127,960	\$18,600		



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Total Outcome Budget		\$ 243,060	\$ 203,902	\$ 24,560	\$ 14,598		\$ 201,510	\$ 41,550		
PROJECT MANAGEMENT COSTS	<i>External Audit</i>	\$9,000				9,000	\$7,200	\$1,800		
CONTINGENCY	<i>Contingency</i>	\$ 3,000				3,000	\$3,000			
TAXES	<i>Taxes</i>	\$44,940				44,940	\$30,585	\$14,354		
DELIVERY PARTNER FEE *		\$0								
TOTAL		\$300.000	\$203,902	\$24,560	\$14,598	\$56,940	\$240,000	\$60,000		

* Bancóldex is assuming the Delivery Partner Fee as part of its counterpart contribution.

4.2. Procurement Plan						
For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below. Also, please feel free to replicate this table on Excel spreadsheet if needed.						
ITEM	ITEM DESCRIPTION	ESTIMATED COST (US \$)	PROCUREMENT METHOD	THRESHOLDS (Min-Max monetary value for which indicated procurement method must be used)	ESTIMATED START DATE	PROJECTED CONTRACTING DATE
Goods and Non-Consulting Services						
1	Travel expenses for activity 3.2.1 <i>Increased human resource capacity in project management</i>	\$3.000	Selective tendering	Less than 50 legal monthly minimum wage ⁶ , Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	September 1, 2019	August 20, 2019
2	Travel expenses for activity 3.2.2 <i>Increased human resource capacity in gender policy</i>	\$3.000	Selective tendering	Less than 50 legal monthly minimum wage ⁷ , Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	May 1, 2019	April 20, 2019
3	Travel expenses for activity 4.4.1 <i>Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options.</i>	\$2.560	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
4	Travel expenses for activity 4.4.3 <i>Feasibility study on technical assistance needs that complement access</i>	\$5.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3	February 1, 2019	January 25, 2019

⁶ Monthly minimum legal wage 2018 COP \$781.242 (approx. 264.150 USD depending on exchange rate)

⁷ Monthly minimum legal wage 2018 COP \$781.242 (approx. 264.150 USD depending on exchange rate)

	<i>to finance to increase adaptive capacity of small-scale rural producers</i>			proponents, more than 50 legal monthly minimum wage it must undergo an open tendering		
5	Travel expenses for activity 4.4.5 Stakeholder analysis and consultations	\$5.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
6	<i>Travel expenses for activity 4.4.6 Coordination of feasibility studies</i>	6.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	July 25, 2019
7	<i>Workshops/ training for activity 3.2.1 Project Management</i>	\$1.172	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	September 1, 2019	August 20, 2019
8	<i>Workshops/ training for activity 3.2.2 Gender policy</i>	\$926	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	May 1, 2019	April 20, 2019
9	<i>Workshops/ training for activity 4.4.1 Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options</i>	\$2.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
10	<i>Workshops/ training for activity 4.4.3 Feasibility study on technical assistance needs that complement access to finance to increase adaptive capacity of small-scale rural producers</i>	\$2.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal	February 1, 2019	January 25, 2019



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				monthly minimum wage it must undergo an open tendering		
11	<i>Workshops/ training for activity 4.4.5 Stakeholder analysis and consultations</i>	\$7.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	September 2, 2019	August 23, 2019
12	<i>Workshops/ training for activity 4.4.6 Coordination of feasibility studies.</i>	\$1.500	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
SUB-TOTAL (US \$)		\$39.158				
Consultancy Services						
1	Consultancy services for activity 3.2.1 on project management	\$72.328	Open tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
2	Consultancy services for activity 3.2.2 on gender	16.074	Open tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
3	Consultancy services for activities 4.4.1-4.4.6	115.500	Open tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering	February 1, 2019	January 25, 2019
12	External Audit	9.000	Selective tendering	Less than 50 legal monthly minimum wage, Bancóldex must undergo a	November 29, 2019	November 15, 2019



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				selective tendering to have at least 3 proponents, more than 50 legal monthly minimum wage it must undergo an open tendering		
* To promote administrative efficiency these contracts may be lumped into one or more contracts to consulting firms to be procured in selective tenders/open tendering according to the amount.						
SUB-TOTAL (US \$)		212,902				
TOTAL COST (US \$)		252,060				

4.3. Disbursement schedule		
<i>Disbursement schedule</i>	<i>Amount</i>	<i>Date</i>
<i>Disbursement 1</i>	<i>\$ 240.000,00</i>	<i>Upon signature</i>
<i>Disbursement 2</i>	<i>\$ 60.000,00</i>	<i>After the final report on activities</i>
<p>Proposed disbursement schedule based on required budget for procurement and human resources activities. Actual disbursement schedule will be adjusted once the FMCA is reviewed.</p> <p>1st Tranche: USD 240,000 (Two hundred and forty thousand US Dollars) only will be disbursed upon or after effectiveness of the Grant Agreement and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.</p> <p>Final Tranche: USD 60,000 (sixty thousand US Dollars) only, will be transferred upon submission of a project completion report and final Audit Report. Submission of a completion and audit report will be furnished no later than three (3) months after the completion of the Readiness Support.</p>		
4.4. Additional information		
<ul style="list-style-type: none"> • Budget is based on the market price in Colombia upon the proposal submission. • Bancóldex internal procedures demand that the Bank has the resources before tender publication. • Monitoring of readiness activities will be performed by Bancóldex staff on a regular basis as follows, according to the estimated implementation schedule⁸: <ol style="list-style-type: none"> 1. There will be a general manager assigned for this readiness project who will oversee timely implementation of all activities with technical and financial soundness.⁹ 2. Specific staff will be assigned to each of the two activities: one to ensure that institutional capacity is increased for accreditation purposes and one to ensure that the required technical and feasibility studies are performed in the appropriate scope, time and budget.¹⁰ 3. Activity 3.2 requires liaising with experts and consultants but also ensuring that recommendations are included in institutional procedures. Therefore, monitoring and evaluation activities will be twofold: <ol style="list-style-type: none"> a. Performing monthly checks on progress of consultants in developing the required assessments and studies via virtual and physical meetings. Evaluation of progress will be based on a detailed work plan to be developed as the first product of each consultancy. b. Holding monthly meetings with Bancóldex support staff¹¹ based on the overall work plan to assess whether internal procedures are responding to recommendations provided. In addition, training workshops will be held on the suggested changes and an evaluation will be performed in each. 4. Activities under section 4.4 requires coordination among several technical consultants. This readiness proposal includes budget for a staff or consultant position to carry out coordination activities. This coordinator will have a clear set of activities that will lead to timely delivery of the expected outputs. The coordinator will perform monthly checks on progress of consultants developing the required assessments and studies via virtual and physical meetings. Evaluation of progress will be based on a detailed work plan to be developed as the first product of each consultancy. 5. Reports from these staff will be compiled and analysed by the general manager, who will, in consultation with other staff, dictate corrective measures as needed. 6. Inputs from these reports will be used for the interim and final reports to the GCF. 7. Overall guidance on monitoring and evaluation of feasibility studies under section 4.4 could be provided by the Steering Committee conformed by Bancóldex, DNP, MADS, MINAGRI, UN Environment and members of the financial committee of SISCLIMA. 8. Once all activities are completed the external audit will ensure full compliance with GCF rules and procedures. 		

⁸ Please refer to annex 2 for the implementation schedule.

⁹ It is important to clarify that no Bancóldex personal will be assigned full time to this project.

¹⁰ It is important to clarify that no Bancóldex personal will be assigned full time to this project.

¹¹ Please refer to annex 5 for further information on Bancóldex staff involved in the proposal.

SECTION 5: IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

5.1 Please attach an “implementation map” or describe how funds will be managed by the NDA/FP or delivery partner

If the entity implementing the readiness support is not an accredited entity of the GCF, please complete the [Financial Management Capacity Assessment \(FMCA\)](#) questionnaire and submit it with this proposal.



Bancóldex will be responsible for the overall implementation of this readiness proposal, in close coordination with the National Planning Department (the NDA) and UN Environment.

Therefore, Bancóldex will be responsible for receiving, managing, monitoring and reporting the GCF Readiness' resources in accordance with the provisions of the Grant Agreement.

Procurements will be made by Bancóldex, for that its staff will draw detailed terms of reference, perform procurement and human resources duties, manage funds according to the terms established in the grant agreement, provide technical inputs, oversee that all deliverables are provided by individual consultants or consulting firms in a timely and efficient way, and report progress to the GCF.

Furthermore, UN Environment will support Bancóldex in technical aspects regarding the design of the terms of reference for procurement, provision of technical aspects, overseeing all feasibility studies and assessments under section 4.4 of the activities to ensure these are build upon experience gathered through the MEBa project. Also, UN Environment will provide co-financing for additional studies, give access to all materials and tools developed under the MEBa project and support coordination activities with human resources.

To that end, a binding agreement between parties will be signed, establishing the mutual collaboration necessary for the development of the project.

At the same time, the National Planning Department as NDA, will act as a liaison between Bancóldex and the GCF to ensure that all proposals set forth are aligned with national priorities while contributing to wider development processes. The DNP

will also support Bancóldex in liaising with relevant national stakeholders to set a common agenda for climate financing in Colombia.

The activities and products described will be provided by a combination of individual consultants and consulting firms. The most efficient option will be chosen according to the required level of information, availability of local resources and Bancóldex procurement procedures. The consulting team will liaise with partner financial intermediaries, technical partners, government stakeholders and individuals (namely small-scale rural producers) to gather the required information, ensure there is communication and participation among stakeholders and deliver the necessary inputs both for Bancóldex accreditation process, and the development of feasibility studies. Information gathered will be delivered back to Bancóldex whose staff will analyze, process and deliver final inputs to the GCF.

NDA will retain final ownership of all intellectual property, materials and/ or assets, delivered under the second component of project to ensure that the different activities developed under section 4.4 will be available to all relevant and interested stakeholders that may be involved on the project.

Besides, to that end, a steering committee will be set up to deliver relevant recommendations to the project whilst its implementation. This steering committee will be integrated by a representative of the Ministry of Trade, Industry and Tourism, a representative of the National Planning Department as NDA for the GCF, the Ministry of Environment and Sustainable Development and the Ministry of Agriculture. This committee will meet at least twice during the execution of the project. The steering committee will be operational once this readiness proposal is approved by the GCF.

5.2 Other relevant information

This box provides an opportunity to include any important information you wish to bring to the attention of the GCF Secretariat, but did not have an opportunity to provide in the sections above.

In addition, it must be informed that up to date, Colombia has received the following Readiness support

- Two national entities, while seeking GCF accreditation (Bancóldex and Fondo Acción -already accredited-), received support that consisted of a site visit done by PwC in 2015 and assessment of the fiduciary standards and Environmental and Social Safeguards (ESS) of each entity and its conformity with GCF requirements. PwC reviewed the policies, procedures and systems used by each national entity and assess how these systems are implemented in practice and integrated into the decision-making process of the organization.
- Colombia was awarded on June 2017 US\$393.000 for the readiness proposal aimed at building capacities at DNP and the agencies of the collegiate body in accessing GCF funding. The implementation of these resources will be done with the support of the Presidential Agency of International Cooperation (APC for its acronym in Spanish).
- Colombia got also the approval of the NAP readiness proposal that amounts to US\$2.683.964. The delivery partner of this proposal is Fondo Accion an NGO working on climate.
- The NAMA Waste readiness was approved by the GCF. The total amount of this proposal is US\$315.000 and the delivery partner is FINDETER a national development bank.
- To support the implementation of the Colombian Pilots of Financial Innovation – Green Protocol readiness proposal was approved by the GCF. The total amount of this proposal is US\$309.500 and the delivery partner is the Colombian Banking Association.
- In addition, for 2018 the NDA is also applying for funding to further strengthen the NDA capacities and to develop technical studies on baselines harmonization and project portfolio in the transport sector as a tool to build capacities for the implantation of the NDC

All these grants are articulated under the supervision of the National Planning Department and the Colombian GCF Collegiate Body and each of them play a specific role in building capacities and maturing a portfolio of projects aligned with the National Determined Contribution. For example, the NDA readiness will secure that the country has the capacity to plan, access, track and evaluate its access to the GCF whilst the others readiness will identify a portfolio of projects in critical areas (adaptation, waste management, financial services) aiming to establish suitable business models for private sector investments. Based on the previous points, the NDA is confident to express that all the readiness is clearly coordinated, and no overlapping will occur while implementing them.

Finally, the NDA wishes to clarify that the readiness initiatives will have a direct supervision done by Director of Environment and Sustainable Development from DNP and at least one staff member of this division. Likewise, the team of readiness consultants supporting the NDA and collegiate body agencies will also assist in the supervision and coordination tasks.

Outcome 3. Direct Access Realized

Activity 3.2 Accreditation of Direct Access Entities

Budget notes

Activity	Total cost	# consultants	Duration (mo)	Unit cost consultant 1 (\$)	Unit cost consultant 2 (\$)	Total cost consultant 1 (\$)	Total cost consultant 2 (\$)	Cost categories				Expenditure and implementation schedule		
								Consultants	Travel	Workshops	Others	First semester	Second semester	
3.2.1 Identification of capacities and establishment of policies, guidelines and procedures for project management For negotiation and procurement reasons, a single consulting firm would be hired to deliver all outcomes throughout a 7 month timeframe, further described on the table underneath.	\$ 76,500.00	2	7	\$ 6,500.00	\$ 3,832.57	\$ 45,500.00	\$ 26,828.00	\$ 72,328.00	\$ 3,000.00	\$ 1,172.00		\$ 53,550.00	\$ 22,950.00	a
a. Gap analysis	\$ 6,294.00													
b. Benchmark of good practices	\$ 6,294.00													
c. Project system or programme	\$ 10,383.00													
d. Project appraisal and selection criterion tool	\$ 10,383.00													
e. Intervention model for project structuring	\$ 10,383.00													
f. Project feasibility methodology	\$ 10,383.00													
g. Monitoring and evaluation model	\$ 10,000.00													
i. Operational Manual (including procurement guidelines)	\$ 8,208.00													
h. Training in Bancóldex headquarters and 5 regional offices •Traveling expenses for 2 consultants and 2 people from Bancóldex staff in charge of the initiative to 5 cities, and logistics (room and/or snack) for 6 cities	\$ 4,172.00								\$ 3,000.00	\$ 1,172.00				b-c
3.2.2 Development of Bancóldex gender policy and action plan For negotiation and procurement reasons, a single consulting firm would be hired to deliver all outcomes throughout a 4 month timeframe, further described on the table below.	\$ 20,000.00	1	4	\$ 4,018.50		\$ 16,074.00	\$ -	\$ 16,074.00	\$ 3,000.00	\$ 926.00		\$ 20,000.00		d
a. Bancóldex Gender policy	\$ 4,347.00													
b. Indicators set. After revising key institutional indicators that may be leveraged by the Gender policy, an indicators set will be developed. Its design will include formula, data source, person or area responsible, specific documentation, measurement periodicity, purpose of measurement.	\$ 3,035.00													
c. Action plan, training and follow up. •activities regarding the diagnosis, the scope definition, capacity building, sensitization, establishment of procedures and facilities within the institution, the incorporation to products and services and measures to monitor these amongst others, should be incorporated in this action plan that Bancóldex should implement on its own. •Training in Bancóldex headquarters and regional offices Traveling expenses for 1 consultant and 1 person from Bancóldex in charge of the initiative to 5 cities, and logistics (room and/or snack) for 5 cities •Follow up.	\$ 12,618.00								\$ 3,000.00	\$ 926.00				e
TOTAL Activity 3.2.	\$ 96,500.00								\$ 88,402.00	\$ 6,000.00	\$ 2,098.00	\$ -	\$ 73,550.00	\$ 22,950.00

Outcome 4. Access to Finance

Output 4.4 Funding proposal development

Budget notes

4.4.1 Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options	\$ 24,560.00	2	2	\$ 6,500.00	\$ 3,500.00	\$ 13,000.00	\$ 7,000.00	\$ 20,000.00	\$ 2,560.00	\$ 2,000.00		\$ 24,560.00		1-3
4.4.1.A: Assessment report on vulnerability of small-scale rural producers, including costs of climate impacts and barriers to access finance	\$ 9,500.00													
4.4.1.B: Cost-benefit analysis of adaptation options, including additionality, ecosystem benefits, business cases and/or financial viability using internal rates of return.	\$ 15,060.00													
4.4.2 Analysis of opportunities and barriers for financial intermediaries to harness the agricultural lending market and other financial services	\$ 20,000.00	2	2	\$ 6,500.00	\$ 3,500.00	\$ 13,000.00	\$ 7,000.00	\$ 20,000.00				\$ 20,000.00		4
4.4.2.A: market study on the supply vs demand of sustainable adaptation solutions in agricultural lending products focused on	\$ 13,000.00													
4.4.2.B: Stocktaking report on market opportunities and barriers relevant to agricultural lending and financing services in rural	\$ 7,000.00													
4.4.3 Feasibility study on technical assistance needs that complement access to finance to increase adaptive capacity of small-scale rural producers	\$ 20,000.00	1	2	\$ 6,500.00	\$ -	\$ 13,000.00	\$ -	\$ 13,000.00	\$ 5,000.00	\$ 2,000.00		\$ 20,000.00		5-7
4.4.3.A: Report on the characterization of the technical assistance mechanism to be developed for small-scale rural producers, including costs and operational needs.	\$ 20,000.00													
4.4.4 Gender evaluation and strategy for gender inclusion in adaptation finance	\$ 13,000.00	1	2	\$ 6,500.00	\$ -	\$ 13,000.00	\$ -	\$ 13,000.00	\$ -	\$ -		\$ 13,000.00		8
4.4.4.A: 1 gender evaluation for microfinance adaptation projects	\$ 6,500.00													
4.4.4.B: 1 gender inclusion strategy for microfinance adaptation projects	\$ 6,500.00													

4.4.5 Stakeholder analysis and consultations	\$ 22,500.00	1	3	\$ 3,500.00	\$ 10,500.00	\$ -	\$ 10,500.00	\$ 5,000.00	\$ 7,000.00	\$ 22,500.00	9-11	
4.4.5.A: stakeholder analysis and engagement plan	\$ 7,500.00											
4.4.5.B: At least 1 participatory workshop and 1 roundtable organized	\$ 11,000.00											
4.4.5.C: report with proposed implementation arrangements	\$ 3,000.00											
4.4.6 Coordination of feasibility studies	\$ 46,500.00	1	6	\$ 6,500.00	\$ 39,000.00	\$ 39,000.00	\$ 6,000.00	\$ 1,500.00	\$ 27,900.00	\$ 18,600.00	"12-14	
4.4.6: Coordination of feasibility studies	\$ 46,500.00											
TOTAL Output 4.4.	\$ 146,560.00						\$ 115,500.00	\$ 18,560.00	\$ 12,500.00	\$ -	\$ 127,960.00	\$ 18,600.00
TOTAL OUTCOME BUDGET	\$ 243,060.00						\$ 203,902.00	\$ 24,560.00	\$ 14,598.00	\$ -	\$ 201,510.00	\$ 41,550.00
PMC												
Contingency	1%	\$ 3,000.00								\$ 3,000.00	\$ 3,000.00	
External Audit	3%	\$ 9,000.00								\$ 9,000.00	\$ 7,032.00	\$ 1,968.00
Taxes* (The legal tax tariff aproved as for Dic 2018 in Colombia is of 19% for almost every activity, nonetheless the Colombian Governement is structuring a Tributary reform that could affect this percentage)	18%	\$ 44,940.00								\$ 44,940.00	\$ 31,458.00	\$ 13,482.00
		\$ 300,000.00								\$ 56,940.00	\$ 240,000.00	\$ 60,000.00

Budget notes

#	Activity	Duration (mo)	Implementation schedule (months)											
			1	2	3	4	5	6	7	8	9	10	11	12
			jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
3.2.1	Identification of capacities and establishment of policies, guidelines and procedures for project management	7												
Deliverables			2.1A, B	2.1 C,D,E	2.1 C,D,E	2.1 C,D,E,F	2.1 D,E,F,G,H	2.1 E,F,G,H	2.1 I					
3.2.2	Development of Bancoldex gender policy and action plan	4												
Deliverables			2.2A	2.2B	2.2C	2.2C								
4.4.1	Baseline assessment on climate vulnerability of small-scale rural producers, including cost of impacts, access to finance, and business valuation of adaptation options	2												
Deliverables				A, B										
4.4.2	Analysis of opportunities and barriers for financial intermediaries to harness the agricultural lending market and other financial services	2												
Deliverables					A,B									
4.4.3	Feasibility study on technical assistance needs that complement access to finance to increase adaptive capacity of small-scale rural producers	2												
Deliverables					A									
4.4.4	Gender evaluation and strategy for gender inclusion in adaptation finance	2												
Deliverables						A,B								
4.4.5	Stakeholder analysis and consultations	3												
Deliverables							A, B,C							
4.4.6	Coordination of feasibility studies.	6												
Deliverables								A						

Disbursement schedule	Amount	Date
Disbursement 1	#REF!	Upon signature
Disbursement 2	#REF!	After the final report on activities

Budget note	Detailed description	
1	60 days of Consultant on Vulnerability Assessment @ USD 217/day and 30 days of Consultant on Business scenarios of EbA interventions2 @ USD 233/d	
2	5 domestic flights between Bogota and major Colombian cities @ USD 200/flight and 13 days of DSA @ 120/d	
3	Five workshops for VA assessment @ 400 each, including refreshments and venue for 40 people	
4	60 days of Consultant for supply vs demand market studies @ USD 217/day and 30 days of Consultant for barriers and opportunities in agro-lending @ USD 234/d	
5	60 days of Consultant on technical assistance needs for EbA @ USD 217/day	
6	7 domestic flights between Bogota and major Colombian cities @ USD 200/flight and 30 days of DSA @ 120/d	
7	Five workshops for needs of TA on EbA @ 400 each, including refreshments and venue for 40 people	
8	60 days of Consultant on gender @ USD 217/day	
9	90 days of Consultant for stakeholder engagement and facilitation @ USD 117/day	
10	7 domestic flights between Bogota and major Colombian cities @ USD 200/flight and 30 days of DSA @ 120/d	
11	2 workshops @ 2000 each including venue, refreshments and lunch for 40 people, 10 domestic flights @ USD 200/flight	
12	180 days of coordination consultant @ USD 200/d,	
13	1 international flights between a capital city and Bogota @ USD 1000/flight, 9 domestic flights between Bogota and major Colombian cities @ USD 200/flight and 25 days of DSA @ 120/d	
14	1 workshop @ USD 1500 including venue, refreshments and lunch for 50 people	
15	Taxes* (The legal tax tariff approved as for Dic 2018 in Colombia is of 19% for almost every activity, nonetheless the Colombian Government is structuring a Tributary reform that could affect this percentage)	
a	210 days of Consultant on Project Management Senior @USD 217/DAY and Junior @ USD 127.75/ Day	
b	USD 300 for travel expenses for 5 local trips to major cities for 2 each person. 1,5 days aprox.	
c	6 workshops @ USD 195 Each including venue, refreshments and materials	
d	120 days of Consultant on gender @USD 133,95/day	
e	5 workshops @ USD 185,2 Each including venue, refreshments	