

DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT BANK



**TERMS OF REFERENCE
FOR CONSULTANCY SERVICES FOR THE
DEVELOPMENT OF AN ENVIRONMENTAL AND SOCIAL POLICY
AND INTEGRATION OF ENVIRONMENTAL AND SOCIAL
CONSIDERATIONS INTO
DOMINICA AGRICULTURAL INDUSTRIAL AND DEVELOPMENT
BANK'S INVESTMENT POLICIES AND PROCEDURES**

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INTRODUCTION

The Dominica Agricultural Industrial and Development Bank (AID Bank) seeks proposals from qualified individuals to improve the Bank's operational procedures to integrate appropriate environment provisions into its investment policies and procedures, and improve its environmental due diligence process, including environmental and social assessment capabilities for project appraisal. This will include training for AID Bank's staff on environmental and social assessment commensurate with the nature of the projects financed by the Bank.

The Dominica Agricultural Industrial and Development Bank (AID Bank) is a corporate body established in 1971 under the Dominica Agricultural Industrial and Development Bank Act and is regulated by the Ministry of Finance in accordance with the Financial Services Act.

The Bank's principal objectives as per its legal mandate are to promote and influence the economic development of the Commonwealth of Dominica and to mobilize funds for the purpose of such development.

The Bank's core business is to provide loans to the productive sectors of the economy which include agriculture, industry, tourism and services as well as mortgages and education.

Additional information about the AID Bank is available on the bank's website at www.aidbank.com

AID Bank's overall portfolio risk is considered to be low and carries limited adverse environmental and social impacts, given the nature and small size of the projects. These impacts can typically be mitigated with well-established environmental and social good practices.

In 2010, AID Bank drafted an Environmental Policy and Guidelines for environmental screening and review, environmental management and the monitoring of projects. However, there is a need to improve the mainstreaming of environmental and social (E&S) considerations in AID Bank's Investment Policies and Procedures, and to strengthen AID Bank's internal capacity to mainstream E&S risk assessment in its credit review process. In circumstances where it is perceived that sub-projects supported by AID Bank could result in adverse environmental and social impacts, a process for ensuring that these impacts are adequately addressed and managed, needs to be in place.

Within this context, AID Bank is seeking proposals from qualified individuals to improve the Bank's operational procedures to integrate appropriate environment provisions into its investment policies and procedures, and improve its environmental due diligence process, including environmental and social assessment capabilities for project appraisal. This will include training for AID Bank's staff on environmental and social assessment commensurate with the nature of the projects financed by the Bank.

OBJECTIVES

The objective of the technical assistance (TA) is to improve the institutional capacity of AID Bank to assess and manage Environment and Social (E&S) risks in its investment portfolio.

SCOPE OF SERVICES

The Consultant will be required to develop an Environmental and Social Policy and risk assessment tools for ensuring that E&S risks are properly screened and mitigated/managed within all AID Bank funded projects/sub-projects. The Consultant will also integrate appropriate E&S provisions in AID Bank's investment policies and procedures.

The Consultant is expected to liaise closely with AID Bank and account for AID Bank's current systems, policies, procedures and capacities for screening and assessing E&S risks, including climate risks. The Environmental and Social Policy and risk assessment procedures should conform to the context of AID Bank's investment portfolio and should enable compliance with CDB's Environmental and Social Performance Requirements – including by providing clear guidelines to be used by AID Bank when administering their projects, as well as user-friendly forms/templates for risk screening and categorization.

The scope of services includes, but is not limited to:

- a) Reviewing national legislative and administrative framework (national environmental and social policies, legislation, and related) relevant to development and application of E&S safeguards for AID Bank's operations.
- b) Reviewing AID Bank's investment portfolio and pipeline to determine the E&S issues that arise during project appraisal and implementation which are significant to the business processes and must be factored into AID Bank's policies and procedures.

- c) Reviewing and assessing the existing plans, policies and procedures guiding the operations of AID Bank, including the Strategic Development Plan.
- d) Assessing the current practice, procedures, tools and mode of operation of AID Bank with regard to E&S appraisal and supervision of credit lines, including the draft Environmental Policy and Guidelines (2010), Climate Change Policy and Climate and Disaster Risk Screening Checklist. In assessing current practice, the Consultant will review (i) CDB's Environmental and Social Performance Requirements; and (ii) CDB's Environmental Screening Checklist for Financial Institutions. CDB will make available to the Project Coordinator (PC), its Environmental and Social Review Procedures which includes (i) and (ii) above, for use by the Consultant.
- e) Identifying opportunities and making recommendations for integrating E&S considerations into AID Bank's investment policies and procedures based on the findings of (a)-(d) above.
- f) Preparing an Environmental and Social Policy for consideration and approval by AID Bank's Board of Directors.
- g) Developing training materials and delivering a training workshop to AID Bank technical staff on the application of E&S risk screening and review procedures for sub-projects (credit lines).

DURATION

The AID Bank requires that this assignment be completed no later than five (5) months from the date of execution of the contract.

QUALIFICATIONS AND EXPERIENCE

The Consultant shall possess:

- Post graduate qualifications in environment and social management or a related field.
- A minimum of ten (10) years' working experience in the areas of environmental and social risk assessment and management.
- Knowledge and experience of the application of Environmental and Social Safeguard issues in FIs.

- Excellent organizational and communication skills. Specific experience in the Caribbean context is desirable.
- Experience with training adults for professional development.
- Familiarity with current and emerging issues related to environment and social safeguard policies of development institutions, including international financial institutions.
- Good interpersonal skills.
- Excellent oral and written English language skills.

DELIVERABLES/OUTPUTS

The Consultant will be required to prepare and submit two copies (one hard copy and one electronic copy in Microsoft Word) of the following documents to AID Bank within the time periods indicated:

- a) A detailed Work Plan and Inception Report describing the proposed approaches to be taken to prepare and deliver the scope of works outlined, within two weeks of the commencement of the consultancy. AID Bank will provide comments on this report within one week of receipt of the Report and the Consultant will adjust the ongoing work, having regard to the comments received, within two weeks of receipt of comments from AID Bank.
- b) A Diagnostic Report identifying gaps and outlining recommendations for incorporating environmental and social risk assessment into AID Bank's operations, and documenting these procedures for presentation to AID Bank management and staff within three weeks following the acceptance of the Inception Report by AID Bank. AID Bank will provide comments on the Diagnostic Report within two weeks of its receipt.
- c) Draft revised policies and procedures and E&S risk screening tools for presentation to AID Bank management and staff within three weeks following acceptance of (b) above. AID Bank will provide comments on the draft policies and procedures and screening tools within two weeks of its receipt.

- d) Final revised investment policies and procedures and E&S risk screening tools within two weeks of receipt, having regard to comments by AID Bank management and staff.
- e) A Report on AID Bank staff training workshop within three weeks of acceptance of staff training plan by AID Bank. The workshop report will include the evaluation by the participants.

SUPERVISION AND REPORTING

The consultant will be under the direct supervision of the Executive Manager, Operations in coordination and collaboration with other stakeholders.

Any clarification of any matter related to the Scope of Works and submission of reports should be made in writing to:

Mathilda John-Rose, Executive Manager, Operations - telephone number 767-255-9450 or email: mathilda.john.rose@aidbank.com

and copied to:

Marie-Therese Johnson, General Manager - telephone number 767-255-9464 or email: marie-therese.johnson@aidbank.com