



REPUBLIC OF GHANA/ MINISTRY OF FINANCE

GHANA DEVELOPMENT FINANCE PROJECT (P169742)

TERMS OF REFERENCE

ENVIRONMENTAL MANAGEMENT SPECIALIST

Reference no. GH-GDFP-157543-CS-INDV

The Ministry of Finance (MoF) has received financing from the World Bank towards the cost of the preparation of the Development Finance Project (the Project), which supports the establishment of the Development Bank, Ghana (DBG) and the design of its future products and services

The proposed project will be implemented at the national level and its overall development objective is to increase access to finance for Ghanaian enterprises, particularly small and medium enterprises (SMEs). The primary beneficiaries will be creditworthy businesses, particularly SMEs, that lack access to finance to explore growth opportunities. Women-owned/led SMEs (WSMEs) will be particularly targeted by the project. The DBG will provide lines of credit and Partial Risk Guarantees to eligible Participating Financial Institutions (PFIs). The PFIs will finance eligible and creditworthy enterprises operating nationwide across sectors such as agriculture and manufacturing. In addition, the project will provide technical assistance to financial institutions that are interested in expanding their lending to businesses, particularly SMEs and WSMEs. The Project has four components as follows:

**Component 1 - Line of Credit Facility and Related Technical Assistance:** The project will provide a long-term line of credit to the DBG, which it will use to provide credit facilities to eligible PFIs. The PFIs in turn will use these funds to provide loans to eligible enterprises for investment and working capital needs. The Project will also finance technical assistance and capacity building of the MoF, DBG, and the PFIs. Technical assistance to the MOF will finance the costs of experts to support the establishment of the DBG, preparation of environmental and social instruments, and development of the regulatory framework for development finance. Technical assistance to the DBG will be to build its institutional capacity to enable it to effectively perform its role as a market-maker (as wholesale lender, guarantee provider and fintech platform owner). This will include support to design products and services; develop key operational policies, procedures, and systems (including on risk management, governance, compliance, loan underwriting, environment and social risk management, management information and reporting, and monitoring, evaluation & learning); strategic planning, and staff training. Lastly, the project will also finance technical assistance needs of PFIs to enable them to effectively use the services provided by the DBG, including strengthening their policies, procedures and systems, and staff capacity building.

**Component 2 - Partial Credit Guarantee Facility, Digital Financing Platform, and related Technical Assistance:** The Project will finance the capitalization and operationalization of a universal partial credit guarantee (PCG) facility, which in turn would provide partial credit guarantees to PFIs to reduce the risk of financing SMEs. The PCG facility will be established as part of the DBG, either as one of its business lines or a subsidiary. The Project will also finance technical assistance to develop the business plan, financial model, and operational policies and procedures of the Facility and also finance related capacity building for DBG and PFIs. The Project support will also finance the cost of establishing a Digital Financing Platform that will provide financial and non-financial services, and related technical assistance. Financial services proposed to be made available through the Platform are factoring and reverse factoring, and non-financial services would include e-invoicing and cloud-based accounting. Capital expenses expected to be financed include the development or acquisition of the factoring application, an electronic invoicing system and cloud-based accounting system. The technical assistance activities to be financed are expected to include: (i) detailed feasibility and design study; (ii) the review of the regulatory framework for factoring, payment terms, and fintech financing companies; amendment/development of new regulations, if necessary; (iii) market outreach; and (iv) technical assistance to facilitate public sector payables to SMEs to be listed and financed on the platform.

**Component 3 - Capital Market Development:** This component is expected to support the implementation of key priorities of the Capital Markets Master Plan (CMMP), including technical assistance and capacity building of the Security Exchange Commission to enhance its regulatory and oversight capacity; strengthening of the legal and regulatory framework; and market capacity building through training and accreditation programs.

**Component 4 - Project Management, Monitoring, Reporting and Evaluation:** This component will cover project implementation costs, including coordination, procurement, financial management, monitoring and evaluation, communication and outreach, and operational costs. Outreach and communication efforts will target PFIs and beneficiary enterprises to ensure their participation in the project and share lessons learned. The Project will finance a robust Monitoring Evaluation and Learning (MEL) framework to track the progress on project implementation and report on the outcomes.

The main Environment and Social (E&S) risks of this project relate to the ability of DBG to properly identify and manage the E&S risks and impacts associated with its lending activities particularly to the PFIs. The PFI's in turn need to manage the E&S risks associated with their portfolios. Environmental risks associated with enterprises in the manufacturing and agricultural sector may include deforestation, forest and land degradation, water pollution, erosion, soil contamination, threat to native biodiversity, as well as health and safety risks associated with the use of agricultural inputs such as pesticides and fertilizers. The social risks associated with the lending may include land acquisition, child labor, wage labor, gender inequalities, potential influx and community health.

The project design and implementation will be guided by the World Bank Environmental and Social Framework (ESF) and will comply with all relevant legal requirements in Ghana. Under the ESF, the Environmental and Social Risk Classification (ESRC) for the project is substantial and

the project design and implementation will particularly be governed by ESS 9 which establishes standards for Financial Intermediaries (FIs). In addition to the E&S Standards of EIB and KfW Development Bank's Sustainability Guideline, the following Environment and Social Standards (ESS) are considered relevant (but not limited to) for this project:

ESS1:	Assessment and Management of Environmental and Social Risks and Impacts
ESS2:	Labor and Working Conditions
ESS3:	Resource Efficiency and Pollution Prevention and Management
ESS4:	Community Health and Safety
ESS5:	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
ESS6:	Biodiversity Conservation and Sustainable Management of Living Natural Resources
ESS7:	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
ESS8:	Cultural Heritage
ESS9:	Financial Intermediaries
ESS10:	Stakeholder Engagement and Information Disclosure

The MoF is the responsible government counterpart and coordinating agency for this project. The existing project implementation Team of the Financial Sector Development Project (P161787) within the Ministry's Financial Sector Division will have overall project management responsibilities for the Project. However, the Team lacks expertise in the identification and management of environment risks. In view of that, the MoF is recruiting a highly motivated and qualified Environmental Specialist to join the Team **for a period of one year.**

### **OBJECTIVE OF THE ASSIGNMENT**

The Environmental Specialist will beef-up MoF's capacity to identify and manage the project's environment risks and impacts, focusing on achieving readiness for implementation.

### **DUTIES AND RESPONSIBILITIES**

The Environmental Management Specialist will be responsible for the following:

*Provide technical guidance during* project preparation:

- Lead efforts of the MoF on environmental risk and impact management to comply with the World Bank's Environmental and Social Framework EIB Environment and Social Standards and KfW's E&S requirements;
- Ensure that the project incorporates measures as may deemed to be necessary and sufficient to avoid, minimize, abate, and where appropriate, and remedy adverse impacts to people and the environment respectively;

- Ensure that environmental and social risk management compliance conditions are incorporated into project bidding documents, and a process exists for ensuring that mitigation measures will be undertaken by contractors.
- Support the design and development of a project grievance readdress mechanisms (GRM) to address and resolve grievances or complaints from affected persons promptly and fairly.
- Work with the project team to ensure that financial resources are available to support environmental risk management processes, including assessments, training programs and analytical support.
- Coordinate the process for the development of environmental and social risk management policy, procedures and reporting;
- Identify challenges, opportunities, priorities and needs for the development and implementation of the DBG's ESMS;
- Liaise with the consulting firm in charge of developing the ESMS and review outputs to ensure the technical requirements and needs of the DBG.

***Support the DBG and MoF with initial project implementation***

- Advise on strategies for strengthening implementation of environmental risk management measures.
- Provide supervisory support of consultancy works and review and assess products/services provided by consultants and experts counterparts and notify/advise the Project Coordinator on quality and recommend appropriate actions to be taken for improvement.
- Assist in the preparation of terms of reference for studies on the environment, coordinating with selected contractors or staff to ensure the studies are carried out adequately.
- Support the operationalization of the GRM.
- Develop requirements and tools for assessing PFIs in their management of environmental and social risks and impacts associated with sub-borrowers and sub-projects they finance.
- Assess PFIs E&S risk management procedures for screening, identification, assessment, mitigation, monitoring and reporting of E&S risks, level of implementation and determine their eligibility for DBG financing based on E&S criteria. Develop E&S action plans to be agreed upon with the PFIs to align their E&S risk management procedures to the relevant E&S requirements.
- Review PFI portfolio using Exclusion List.
- Examine and evaluate all activities proposed by project to assess the potential environmental risks or impacts, to determine mitigation measures needed.
- Ensure there are procedures in place for gathering adequate and up-to-date environmental documentations and records.
- Support project monitoring and reporting against the Environmental and Social Management System, highlighting environmental and social issues not addressed, and provide recommendations for corrective measures.
- Conduct field supervision, monitoring and inspection of project activities to ensure compliance with the mitigation measures required.
- Support external communication on E&S risks and to World Bank, EIB and KfW on E&S risk performance.

- Support the development of a reporting and disclosure system on climate and environment impacts (both positive and negative) aligned with good international sustainable finance practice
- As necessary, provide guidance, coaching and mentoring for lower level trainees or junior-level staff of DBG on the basic principles of environmental management.

### **QUALIFICATIONS REQUIRED FOR EFFECTIVE PERFORMANCE**

**Education:** A Master's degree with specialized course work in disciplines of environmental studies such as: Environmental Science, Environmental Engineering, Environmental Management, Environmental Policy, Environmental Modeling, Natural Resource Management, or other fields applicable to environmental compliance is required.

**Prior Work Experience:** A minimum of seven (7) years of relevant professional experience in the areas of design and management of environmental and social management systems and safeguards systems. Demonstrate experience in supporting the design and implementation of an Environmental Management System for Financial Institutions. Demonstrate skills and direct work experience with at least one or more of the following: public consultations; public hearings; participatory research methods (including observation, surveys); participatory rural and urban appraisal; participatory poverty assessments; participatory monitoring and evaluation; and grievance redress mechanisms. Demonstrate experience in mentoring and providing capacity building in developing and implementing environmental and social safeguard policies, strategies and guidelines.

**Job Knowledge:** Demonstrate knowledge of the World Bank's Groups Environmental and Social Management Framework and standards Demonstrate a good understanding of other MDB E&S Frameworks notably frameworks applying to FIs and private sector. Demonstrate well-rounded understanding of critical issues in sustainable development, sustainable finance, international environment and development policy, climate change, gender, social enhancement measures, labour, youth employment, etc.

**Skills and Abilities:** Strong analytical skills to maintain technical knowledge, provide needed advice to colleagues and monitor the progress of World Bank funded project activities. Demonstrated leadership and skill in decision-making and overseeing the implementation of complex activities. Excellent management, inter-personal and team work skills. Must have excellent written and oral communication skills in English.