Annex I: Terms of Reference Environmental and Social Safeguards (ESS) Assessment Expert – MDB Standards

Background:

Fundación Chile will implement the project " Building a Climate" Resilient Water Investment Pipeline Program to "Maximize Water Preservation and Mobilize Private Finance in Chile" (CHL-RS-014), funded by the Green Climate Fund (GCF). The project aims to develop climate-resilient investment strategies for the water sector, mobilize private financing, strengthen national capacities, and prepare a Funding Proposal for the GCF. This consultancy will contribute to achieving the project's objectives, results, and deliverables.

Scope of work:

Evaluate the environmental and social risks and impacts of the water investment line and its portfolio in accordance with the requirements of the Green Climate Fund and relevant standards of multilateral financial institutions like the IFC, World Bank, and IDB. The consultancy will conduct preliminary screening and categorization; compare international standards with the Chilean regulatory and institutional framework; identify gaps and corrective measures; and design a risk-proportionate environmental and social management system (ESMS) integrated into the investment cycle. The work will incorporate gender, Indigenous Peoples, stakeholder engagement and compliance with the GCF Updated Gender Policy, including the identification of gender-related risks, opportunities, barriers, actions, indicators, budget allocations and monitoring arrangements.

The consultancy shall also assess the environmental and social management capacity of relevant implementing partners and participating financial institutions, including governance arrangements, staffing, competencies, procedures, systems, oversight mechanisms, historical performance and resource adequacy. The assessment shall identify capacity gaps and propose time-bound strengthening measures.

A fit-for-purpose and risk-proportionate approach shall be applied, ensuring that due diligence, mitigation measures, monitoring requirements and institutional arrangements are commensurate with the scale and nature of the identified environmental and social risks and impacts.

The consultancy shall review past environmental and social performance, including available information regarding incidents, grievances, non-compliance events, corrective actions and lessons learned from comparable operations and institutions.

All ESS measures and requirements shall be appropriately costed and phased so that they can be incorporated into the project budget, financial model, and cost-benefit analysis. This shall include, as applicable, safeguard instruments and studies, mitigation and compensation measures, resettlement or land access requirements, monitoring, grievance mechanisms, staffing and capacity building, stakeholder engagement, disclosure and consultation, and other relevant ESS-related costs.

The consultancy will also provide environmental and social evidence on relevant externalities and co-benefits required for the economic analysis. Where valuation or monetization is feasible, the consultant will provide the corresponding impact data, assumptions and supporting evidence; where it is not feasible, relevant impacts shall be clearly documented and reported qualitatively.

The consultant shall coordinate directly with the Economic and Financial Analysis Expert to ensure consistency between ESS assumptions, costs, impacts and the economic and financial analyses. Cost and impact information shall be delivered using the project's shared assumptions and data framework or other agreed coordination mechanism. The assessment will be at the line and portfolio level and will not replace the specific studies required for each subproject. The consultant will coordinate with technical, legal, and financial specialists and prepare inputs for D6, D10, and the Funding Proposal to the GCF. This is an individual consultancy, primarily remote, with availability for consultations and in-person activities in Chile.

Deliverables under direct responsibility:

- ESS Screening and Risk Categorization Report: ESS screening, categorization and due diligence methodology; preliminary risk profile of areas, typologies and sample of projects; exclusion list and eligibility criteria. The risk profile shall identify risk categories with material cost and schedule implications, including additional studies, mitigation measures or works, land access or resettlement requirements, and potential delays to permitting or financial close, providing indicative cost ranges and timing where feasible. The report shall include a preliminary Environmental and Social Risk Register documenting:
- identified risks and impacts;
- risk categorization rationale;
- proposed mitigation measures;
- residual risk ratings;
- monitoring requirements; and
- responsible entities.

- ESS Gap Assessment Report: Analysis of gaps between GCF requirements, IFC Performance Standards, World Bank ESF/ESS, relevant IDB frameworks and Chilean regulations/practice, with measures, responsible parties, costs and deadlines. Costs shall be presented in constant prices of a stated base year, in CLP and USD, distinguishing one-off (CAPEX-type) and recurrent (OPEX-type) items, by subproject typology and at portfolio level, including unit costs where feasible, so that they can be directly incorporated into the financial model and cost-benefit analysis. The assessment shall include a Corrective Action Plan (CAP) identifying measures required to close identified gaps against GCF requirements and applicable multilateral development bank standards. The CAP shall define actions, responsible parties, implementation timeframes, estimated costs and verification means.
- Environmental and Social Management System (ESMS) Framework: ESMS design for the line: policy, governance, procedures, instruments, clauses, monitoring, reporting, incidents, document management, budget and capacity plan. The budget and capacity plan shall be presented as a multi-year cost schedule, including staffing requirements expressed in person-months by role, system and tool costs, and monitoring costs, so that recurrent institutional costs can be explicitly incorporated into OPEX and the programme budget. The ESMS shall include:
- risk-based screening and categorization procedures;
- exclusion lists;
- environmental and social due diligence procedures;
- stakeholder engagement requirements;
- grievance redress procedures;
- incident and accident reporting procedures;
- corrective action tracking mechanisms;
- periodic ESS reporting templates;
- supervision and monitoring protocols; and
- independent review and audit arrangements where appropriate.

The ESMS Framework shall include an Institutional Capacity Assessment evaluating organizational arrangements, staffing levels, competencies, training requirements, budget availability and oversight systems required for implementation of ESS requirements.

- Stakeholder Engagement, Gender and Inclusion Framework: Frameworks and procedures on gender, indigenous peoples, participation and disclosure, and grievance mechanism; other thematic plans according to the materiality of the risks. The framework shall identify and, where feasible, quantify relevant social and environmental externalities and co-benefits associated with the investment typologies, including beneficiary numbers disaggregated by sex, Indigenous status and vulnerability. Where relevant, the analysis may include health benefits, time savings, employment, agricultural productivity effects, ecosystem services and biodiversity benefits, as well as potential negative externalities. Where monetization is not feasible, this shall be explicitly stated and an appropriate qualitative or multi-criteria treatment shall be proposed for integration into the economic analysis.

The framework shall include:

- culturally appropriate consultation procedures;
- vulnerable group engagement approaches;
- gender-responsive stakeholder engagement measures;
- grievance uptake and resolution procedures;
- disclosure requirements; and
- monitoring indicators for participation and inclusion.

- ESS Package for GCF Funding Proposal: Final ESS package for the implementation strategy and the Funding Proposal , with action plan, indicators, budget, residual risks and tool transfer. Residual risks shall be presented with indicative likelihood and financial consequences, where feasible, so that they can be reflected in the project risk and sensitivity analysis. The ESS action plan budget shall be reconciled with the Funding Proposal budget and the economic and financial annex prior to submission.

Final ESS package for the implementation strategy and Funding Proposal, including:

- Environmental and Social Action Plan (ESAP);
- monitoring and reporting framework;
- ESS budget;
- ESS staffing plan;
- residual risk assessment;
- gender action elements;
- implementation responsibilities;
- disclosure and stakeholder engagement measures; and
- institutional capacity strengthening actions.

Deliverables for which it will provide support:

- D6.1. Selection of investment areas, incorporating ESS risks, exclusions and mitigation feasibility.
- D6.2. Portfolio specification, risk-differentiated requirements and further study needs.
- D10.1–D10.3. Design of the investment line and its implementation strategy, integrating ESS in eligibility, structuring, contracts, disbursements and monitoring. Support integration of ESS requirements into:
- eligibility criteria;
- subproject appraisal procedures;
- contracting arrangements;
- disbursement conditions;
- monitoring systems;
- supervision procedures; and
- corrective action arrangements.
- D10.4. Preparation of the Funding Proposal and environmental and social annexes required by the GCF.

Minimum requirements

- Professional degree in environmental sciences, social sciences, engineering, geography, law, anthropology, sociology or other related disciplines.
- At least 10 years of relevant professional experience and 7 years of specific experience in environmental and social risk assessment or management.
- Demonstrable experience applying environmental and social safeguard standards from the GCF and/or other multilateral development institutions, such as IFC, World Bank or IDB.
- ▪ Demonstrated experience in environmental and social due diligence for financial intermediaries, investment facilities, funds, credit lines, blended finance structures or comparable investment vehicles.
- Experience in categorization, due diligence, design, implementation or auditing of ESMS and gap analysis against national regulations.
- Experience in stakeholder engagement and grievance mechanisms, with knowledge applicable to gender and indigenous peoples.
- Ability to convert standards into operating procedures, budgets and investment conditions including demonstrated experience in costing safeguard and mitigation measures; intercultural sensitivity and interdisciplinary work.
- Experience in drafting proposals for financing by international organisations is required.

Language:

Professional Spanish and English, spoken and written.

Desirable requirements

- Postgraduate degree or specialization in environmental and social assessment, safeguards, sustainability, human rights, gender, indigenous peoples or related areas.
- Experience in water projects, infrastructure, climate adaptation, nature-based solutions or financial intermediation.
- Experience preparing or reviewing GCF Funding Proposals and ESS annexes, or working with accredited entities or multilateral banks.
- Knowledge of the Chilean environmental and social framework, territorial experience and facilitation of training.
- Familiarity with environmental valuation techniques and/or experience providing externality and co-benefit inputs to the economic analysis of donor-financed or climate-related projects.

Background information for applying

- Updated curriculum vitae, indicating months/years, functions and relevant experiences.
- Brief letter of motivation and suitability to the profile (maximum 2 pages).
- Availability and price proposal [indicate currency, taxes and format].
- Verifiable references and declaration of conflicts of interest.

Duration, level of effort and financial proposal

- The consultancy is expected to be carried out over approximately 18 months. The level of effort will be intermittent and will vary according to the project workplan, technical activities, deliverable schedule and review milestones.
- The consultant must ensure adequate availability during critical periods of analysis, preparation and integration of deliverables, coordination with the project team, preparation of the GCF Funding Proposal and related review iterations. The consultant shall remain available throughout the contractual period to respond to comments, clarification requests and reasonable revisions arising from the integration of deliverables and the preparation and review of the Funding Proposal.
- The consultancy will be contracted under a professional services arrangement. Payments will be linked to the delivery and acceptance of agreed outputs and milestones.
- Applicants must submit a financial proposal indicating the estimated total cost of the consultancy, considering the scope of work, deliverables and expected level of effort

described in these Terms of Reference. The proposal must indicate the currency and applicable taxes.

- The proposed amount must include all costs necessary to perform the consultancy. No additional travel, accommodation or per diem expenses will be reimbursed for consultants residing outside Santiago in connection with meetings or in-person activities required under the assignment. These costs must be covered by the consultant and considered in the financial proposal.