

## REQUEST FOR INFORMATION CONSULTING SERVICES

RFI # IDB Invest 24-001

Department: **Finance and Administration (FNA)**

Beneficiary Country: **Regional**

The Inter-American Investment Corporation (IDB Invest) aims to be the partner of choice for the private sector in Latin America and the Caribbean. We finance projects to advance clean energy, modernize agriculture, strengthen transportation systems, and expand access to financing. For more information about IDB Invest please refer to IDB Invest's website at [www.idbinvest.org](http://www.idbinvest.org)

### *Section 1. Purpose of this RFI*

- 1.1 IDB Invest intends to contract consulting services described in this Request for Information (RFI). The purpose of this RFI is to obtain information, data, comments, or reactions from eligible<sup>1</sup> consulting firms pertaining to state-of-the-art technology, designs, or technical literature related to products, systems, technologies, or other Services and estimated cost for budgetary purposes only. IDB Invest will evaluate the information submitted to determine which product, system, or technology should be identified in a future solicitation, typically a Request for Expression of Interest (REOI) and/or Request for Proposal (RFP). This method is commonly used as a research tool to obtain the latest industry information and to assist IDB Invest in determining the most appropriate technology for its intended application. No contracts are awarded via this process.
- 1.2 All eligible consulting firms, as defined in the [IDB Invest Procurement Manual](#) may submit a Response. Consulting firms that have the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and most experienced firms may be invited to participate in a subsequent REOI or RFP.
- 1.3 This RFI is not to be construed as either an RFP or an offer to contract and in no way obligates IDB Invest to do so. IDB Invest reserves the right to reject any or all participating consulting firms for any reason or for no reason without recourse, to request substitution and/or clarification of any information provided, to ask for interviews with the firm's management staff, and/or to visit the participating firm's site. IDB Invest does not bind itself in any way to select any participating consulting firm. No debrief will be provided to firms.

### *Section 2. Instructions to Respondents*

- 2.1 Responses must be delivered by email to [alopezlopez@iadb.org](mailto:alopezlopez@iadb.org) by no later than **May 24, 2024**
- 2.2 The act of sending information to IDB Invest in response to this RFI shall imply the Respondent affirms that the individual submitting the Response is duly authorized to release general company information and financial data.

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<sup>1</sup> The IDB Invest Procurement Manual establishes general eligibility requirements.

- 2.3 Eligible consulting firms may associate in the form of a Consortium/Joint Venture to enhance their qualifications. Such Consortium/Joint Venture shall appoint one of the firms as the representative, which will be responsible for the communications, and the submission of the corresponding documents.
- 2.4 IDB Invest now invites eligible consulting firms to respond to this request, as per the intended Terms of Reference for the consulting services. Interested consulting firms must provide information establishing that they have the experience and are qualified to perform the Services. To ensure that all responses are reviewed in an equivalent fashion, eligible consulting firms must submit a response that includes the information that clearly explains all issues addressed in the following section.

### *Section 3. Consulting Services*

- 3.1 The consulting services include performing an assessment of IDB Invest's current derivatives-related infrastructure and operating model, identifying functional gaps, and recommending an alternative future-system set-up and corresponding target operating model.
- 3.2 Eligible consulting firms must submit the EOI following the subsequent order:
- 1) Basic Information including:
    - Legal Entity Information:
      - a) Legal Entity complete name
      - b) Legal entity complete address
      - c) Legal entity phone number
    - Authorized person from the consulting firm to receive notices:
      - d) Name
      - e) Title
      - f) Phone number
      - g) E-mail address
  - 2) Background
  - 3) Experience related to the requested consulting services.
  - 4) Resources and financial capacity to carry out the requested consulting services.
  - 5) Added value that the firm could offer to IDB Invest for this project.
  - 6) For budgetary purposes only, provide the estimated cost of your consulting services as per Annex A.

Inter-American Investment Corporation  
1350 New York Ave, NW, Washington DC 20577, USA  
Web site: [www.idbinvest.org](http://www.idbinvest.org)

## *Annex A. Terms of Reference*

### **1. Overview**

IDB Invest is an international organization that was established in 1986 and began operations in 1989 with the mission of promoting the economic development of its regional developing member countries, which are located in Latin America and the Caribbean, by encouraging the establishment, expansion, and modernization of private enterprises in such a way as to supplement the activities of the IDB. As part of its mission, IDB Invest supports the private sector and state-owned enterprises (that do not benefit from a full sovereign guarantee) through financing NSG Projects and providing advisory and training services. IDB Invest is an autonomous international organization and a member of the IDB Group, which also includes the IDB and the Multilateral Investment Fund (“IDB Lab”), which is administered by the IDB.

IDB Invest uses over-the-counter (OTC) swaps for the management of interest rate and currency risks in the balance sheet. The current derivatives infrastructure and processes were established in 2019, with the first swap execution in 2020. The portfolio has consistently grown since then in terms of volume and complexity. The current derivatives portfolio has 100+ trades comprising of various currencies, interest rates, tenor, and sizes. The current derivatives portfolio is limited to OTC swaps only and mainly concentrated in G8, LATAM and Caribbean currencies. In terms of swap types, IDB Invest trades mainly vanilla, amortizing, accreting, forward starting, basis swaps, currency swaps, inflation indexed swaps, and I both deliverable and non-deliverable variations depending on the market.

The existing program has limitations in terms of scalability and product offering, especially with respect of local currencies in the region.

Additionally, the Boards of Governors of the Inter-American Development Bank (IDB) and IDB Invest recently approved transformative changes to increase the impact and scale of the IDB Group’s private sector development work in Latin America and the Caribbean, including a new Institutional Strategy and a \$3.5 billion capital increase to support a new business model for IDB Invest.

With the objective of addressing existing pain points and preparing for the further scale-up of business and complexity, IDB Invest is launching a comprehensive review of IDB Invest’s Derivative infrastructure, capabilities, and associated business flows. The first objective of this effort is to identify a versatile system set-up and target operating model that is resilient to scale, and flexible enough to accommodate the customization required to operate derivatives in frontier market currencies and conventions.

### **2. Scope of Services**

- **CURRENT GAPS:** Conduct a review of the current system set-up and operating model and identify capabilities and process gaps.
- **FUTURE NEEDS:** Assessing additional system and operating model gaps in the context of the implementation of IDB Invest’s new business model.
- **BENCHMARKING:** Benchmarking system setup and operating model to relevant peers.

- **ALTERNATIVES:** Laying out different potential system setups, vendors and target operating models, highlighting benefits, licensing costs, overhead requirements, time to market, key tradeoffs, and corresponding high-level implementation roadmaps for each alternative.
- **RECOMMENDATIONS:** Recommending Management a future-proof target operating model, including system requirements and staffing requirements.
- **DELIVERABLES:** Preparing materials for management consideration and additional information required to support management's decision-making.