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TERMS OF REFERENCE

Renewable Energy Financing Expert: Eastern Caribbean

1. BACKGROUND

The Caribbean is endowed with substantial domestic renewable energy (RE) sources consisting of solar, wind, geothermal, biomass and marine energy that can be developed as utility scale RE plants, decentralized micro-grids, and standalone systems. Domestic RE sources present significant opportunities for energy savings, which if scaled-up could help reduce fiscal vulnerability due to expensive fossil fuel imports, create local jobs, reduce energy costs, increase competitiveness, and support a more inclusive and resilient economy. Additionally, it would support countries in reducing their GHG emissions and meeting their Nationally Determined Contribution (NDC) targets.

There is recognition that substantial investment is needed to accelerate the clean energy transition in the region. There are several efforts supporting RE development in the region, however, progress has been slow overall. Multiple factors contribute to the low share of RE, including availability of financing, investor risk perception, regulatory environment, limited scale for expansion to attract private sector, market readiness, and limited local RE industry.

Given the fiscal constraints faced by countries in the region, limited amounts of concessional finance available, and scale of investments needed across the region, it is critical to remove barriers and strengthen the investment climate to attract private sector finance in clean energy. Based on the request from the Eastern Caribbean Central Bank (ECCB), the World Bank (WB) is providing grant-funded technical assistance to identify and characterise the challenges of availability and access to finance for RE projects in the countries of Eastern Caribbean Currency Union (ECCU). ECCB has started to work on developing the RE financing facility.

The ECCB plays a vital role in providing innovative and sustainable financial solutions for the ECCU and in catalyzing investment in priority sectors in the region. Through this TA, the ECCB seeks to develop a framework strategy to mobilise private capital to develop and implement clean energy investments, support creation of green jobs, create a green and resilient financial system for a sustainable and inclusive recovery.

1.1. About the NDC Partnership



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The NDC Partnership is a global coalition of countries and institutions working to mobilize support and achieve ambitious climate goals while enhancing sustainable development. Through the Partnership, members leverage their resources and expertise to provide countries with the tools they need to implement their Nationally Determined Contributions (NDCs) and combat climate change to build a better future.

1.2. About the NDC Partnership’s Readiness Support for Greening Central Banks

The NDC Partnership Support Unit is calling for international experts to support climate resilient recovery planning in response to the COVID-19 global pandemic. This support comes at a critical time when many countries are revising their commitments to the Paris Agreement in 2020, through the enhancement of their NDCs. The Central Banks have a major role to play in mobilising capital from markets and private sector for sustainable investments and helping to meet NDCs and scaling up efforts towards Paris goals.

2. OBJECTIVE OF THE ASSIGNMENT

This assignment aims to support the ECCB in the to design the RE financing strategy and implement a facility and strengthen ECCB’s capacity to facilitate private sector investments to accelerate RE development for affordable, clean and resilient energy. The proposed work would seek to address the challenges of availability of finance and access to finance for RE projects and enhance bankability of projects through risk mitigation instruments to enable access to finance.

3. SCOPE OF WORK AND TASKS

The core tasks of the RE financial expert will be organised into the following two phases:

Phase 1 will focus advising and working with the ECCB team on market sounding including country convening, market diagnostics, readiness assessment to outline the scope of the facility. This will entail advising and contributing to:

- a. Conduct market analysis to identify financial barriers and challenges for RE project development include different RE technologies at different scales (utility scale, distributed generation and off-grid), in different countries in the region.
- b. Review existing policy and regulatory provisions of RE financing.
- c. Conduct stakeholder meetings or focus group sessions with private sector developers and financiers.
- d. Analyse the RE investment/project barriers identified and categorize into three groups: (i) those that cannot be addressed by a Facility, (ii) those that can be addressed through financial intermediation and risk mitigation; and (iii) those that can be addressed through “soft measures”.



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- e. Propose relevant mechanisms to address the identified financing barriers and risks so as to catalyze the market for private sector participation.

Phase 2 will focus on providing: a) expert advice to develop the final design and structure of the facility, capitalisation strategy and linking the project pipeline to the facility to proceed with pilots, market launch and full implementation, and b) capacity building. This will entail advising and contributing to:

- a. Prepare detailed design of financing structures to be offered by the Facility— risk mitigation instruments to be deployed for the types of risks to be covered under the facility. Develop and design ‘soft measures’ to be offered by the Facility to strengthen capacity, streamline transaction processes (through PPA templates, financial assessment templates, technical standards/specifications, etc.).
- b. Contribute to development of draft operating policies and governance structure of the Facility; draft agreements of participation; draft financing templates to be adopted for deals; develop monitoring framework for implementation phase of RE investments financed by the Facility.
- c. Develop short-/medium -term project pipeline for the Facility to send market signals and help build private sector confidence in the RE market in order to attract greater levels of financing especially through linking of project pipeline with the Facility. Build on existing initiatives in the region through regional entities and development partners.
- d. Develop a strategy for capitalisation of the Facility through blending of different sources: including terms at which these sources make financing available and development of framework to enable flow of funds to the Facility. This would further help identify appropriate use/structuring of funds from different sources into instruments to minimise risk and make RE investment in the region attractive.
- e. Develop operational framework documents and legal agreements for the Facility to access these funds.
- f. Strengthen capacity of the ECCB team on RE financing

4. QUALIFICATIONS OF THE EXPERT

The specialist will have:

- a. master’s degree in finance or business or a field related to the theme of work;
- b. at least 15 years of relevant professional experience in the relevant field – RE financing, risk mitigation, capacity building, prior experience of working with different stakeholders – governments, IFIs, private sector, etc.



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- c. proven international and national experience of working in similar geographies, preferably in Caribbean countries on RE financing for governments or public or multilateral funding institutions
- d. strong project management skills;
- e. strong English writing and speaking skills.

The specialist will report to the ECCB and The World Bank.

5. DELIVERABLES

- a. Design of and contributions to: barrier diagnostics and market assessment report, and renewable energy investment readiness assessment.
- b. Advise the ECCB team on draft RE Facility design concept scope and structure.
- c. Advise the ECCB team on detailed facility structure, operational and legal framework documents.
- d. Work with the ECCB team to develop project pipeline for short-term (1-5 years) and medium-term (6-8 years).
- e. Develop strategy for raising capital and draft framework agreement templates for Facility to access identified sources.
- f. Develop plan for conduct of stakeholder consultation for inputs on facility design.
- g. Capacity building of ECCB team on RE financing through training workshops.
- h. Contribute to regular reporting on project progress and results.

6. DURATION

The work of the Renewable Energy Finance Specialist is expected to last for three (3) years and will set out as a one-year contract that will be subject to renewal. The contract can be extended to increase the scope, level of effort and/or duration, as determined by ECCB. The consultant's performance will be assessed regularly, based on progress made towards achieving the project development objective as measured by set up of RE financing Facility and project pipeline.

7. PROPOSAL SUBMISSION

Interested candidates should submit a proposal including:

- A statement of interest, summarizing how the proposed applicant meets each of the qualification and experience requirements of this ToR, including references with contacts (name, organization and, email) of similar previous work;
- Detailed CV;



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Please use the following format for the email subject line: **WB Renewable Energy Financing Specialist Eastern Caribbean**. Emails sent with other subject lines may not be reviewed or considered.

All proposals must be submitted by **25 October 2021** to assignorini@worldbank.org and nmukhi@worldbank.org. All proposals must be submitted in electronic format. Please note that only short-listed candidates will be contacted.