

TERMS OF REFERENCE

Capacity building to support the Sustainable Island Resource Framework Fund (SIRF Fund)

SUPPORTED BY THE SUSTAINABLE ENERGY CAPACITY BUILDING INITIATIVE (SECBI) OF THE DEPARTMENT FOR SUSTAINABLE DEVELOPMENT OF THE ORGANIZATION OF AMERICAN STATES

1. JUSTIFICATION & BACKGROUND

- 1.1 Energy is critical to nearly every aspect of economic development. This is true for all countries, but particularly in the Caribbean region, where most energy resources are imported and the high cost of modern energy services impacts all aspects of development.
- 1.2 As such, the Department for Sustainable Development of the Organization of American States (OAS/DSD) is launching a call for quotations for consultant support under the framework of the *Sustainable Energy Capacity Building Initiative* (SECBI), which is implemented under the auspices of the Energy and Climate Partnership of the Americas (ECPA). The *Sustainable Energy Capacity Building Initiative* (SECBI) addresses critical commercialization challenges related to expanding the development and use of sustainable energy alternatives as a means of injecting lower cost and less environmentally harmful energy technologies into the energy portfolio in the Caribbean region.
- 1.1 This Terms of Reference for this consultancy has been prepared in response to a Request of Interest submitted by the Government of Antigua and Barbuda. The services to be provided are relevant to the Caribbean region and respond to a need identified at the OAS-led Regional Workshop titled “Sustainable Energy Project Development: Experience, Strategies and Implementation” that was held on August 19, 2014 in Saint Lucia.

2. Objectives

- 2.1 The Environment Division in the Ministry of Health and the Environment, and project partners, are seeking capacity building support to implement and manage the Sustainable Island Resource Framework Fund (SIRF Fund). The Fund will attract investments in renewable energy, namely, primarily solar and wind energy, sell the electricity to the Antigua Public Utility Authority (APUA), and the revenue will be re-invested into environmental management.
- 2.2 This project will build the capacity of the Environment Division and project partners – APUA, the Debt Management Unit in the Ministry of Finance and the Energy Unit – to assess renewable energy technologies and associated policy implications. The four agencies require capacity building assistance from the OAS/DSD at this critical juncture in the Fund’s development. The project goal is to train 75% of the personnel that are to

be involved in SIRF Fund operations, and throughout training, document and compile training material to build institutional capacity.

3. ACTIVITIES

3.1. The Government of Antigua and Barbuda has identified three goals to build institutional capacity to operate and manage the SIRF Fund:

- **Goal A.** SIRF Fund's project finance strategy and business model tailored to local needs
- **Goal B.** Agencies understand key agreements to facilitate a smooth negotiation process
- **Goal C.** SIRF Fund management has to evaluate potential investments and to manage its Fund

3.2 Goal A includes training on structuring project finance, sourcing private funds, evaluation of business models, and evaluating instruments (equity/debt/grant) to ensure that participants understand and are confident in the structure of the SIRF Fund. The training will include four case studies on fund management to guide the development of the SIRF business model and finance strategy. The Government will reach this first goal through support from the Clean Energy Solutions Center.

3.3 The firm or individual hired will lead the development of deliverables and associated training for Goal B and Goal C. The OAS/DSD expects the consultant to work closely with the Clean Energy Solutions Center to ensure that recommendations and outputs align across the three goals.

Task 1: Inception Report

Prepare a project Inception Report, based on a comprehensive review of project-related documentation and discussions with Government stakeholders that includes a detailed work plan of the consultancy, including a description of the activities to be carried out and outputs, a timetable of activities and delivery dates.

Task 2: Training and Resource Development for Project Negotiation & Close

Prepare a series of template documents and/or guidance documents, based on Government consultations, to facilitate a smooth negotiation process, as identified in Goal B. These documents will be used to develop a training, or series of trainings, for key SIRF Fund staff and senior management of contracting agencies. The firm or individual should prepare template documentation/guidance materials and associated training materials on the follow six (6) areas:

- Template Standard Power Purchase Agreement (PPA)
- Engineering, Procurement and Construction (EPC) Agreement
- Operations and Maintenance Agreements
- Site lease agreements for public and private properties
- Preparation of terms sheet to identify the key terms of investments, including guidelines for profit expenditure on environmental management
- Design and development of insurance tools
- Maintenance/warranty agreements issues and negotiations;

Task 3: Manual and Training to Support SIRF Fund Management

To achieve Goal C, prepare a training manual to support SIRF Fund management staff with due diligence on prospective project investments, monitoring and evaluating project investments, monitoring and evaluating the SIRF Fund's business model. Specific topics for the manual and associated training(s) would address the following:

- Due diligence on proposed investments and operations
- Risk assessment and risk management in the context of Caribbean SIDS
- Monitoring and evaluation of solar and wind energy investments and operations
- Monitoring cash flows and accounting

4. OUTPUTS, DELIVERY REQUIREMENTS AND SCHEDULE OF PAYMENTS

4.1 The consultant will generate the following outputs:

- i. An Inception Report that includes a detailed work plan as specified in Task 1.
- ii. Template documents and/or guidance materials for the six (6) areas specified in Task 2.
- iii. Deliver in-country training(s) associated with Task 2.
- iv. Manual to support SIRF Fund management addressing the areas specified in Task 3.
- v. Deliver in-country training(s) associated with Task 3.

4.2 The consultant shall have the following payment schedule and shall provide the following deliverables:

- i. **10% upon delivery and approval of:** The Inception Report, as specified in Task 1, to be completed within the first 30 days after contract signing.
- ii. **20% upon delivery and approval of:** Draft materials for Task 2.
- iii. **20% upon delivery and approval of:** Delivery of Task 2 training.
- iv. **20% upon delivery and approval of:** Draft materials for Task 3.
- v. **20% upon delivery and approval of:** Delivery of Task 2 and Task 3 trainings.
- vi. **10% upon delivery and approval of:** All final documents and training materials.

5. CONSULTANT PROFILE

5.1 The consultant or firm shall have at least 5 years of experience with renewable energy and finance in the Caribbean region. The consultant will have experience with:

- Project finance, including due diligence, risk assessment and management, monitoring and evaluation;
- Developing and/or negotiating key contracting documentation including PPAs, EPC Agreements, O&M Agreements, lease agreements, insurance tools;
- Conceptualizing, developing and/or managing investment funds.

The consultant will be knowledgeable on international best practices and will be experienced with delivering trainings to public administrators, policymakers, and regulators on renewable energy and finance topics. This project will be conducted in English and an excellent command of written and spoken English is necessary.

6. PROPOSAL REQUIREMENTS AND SELECTION

- 6.1 The consultant shall deliver the services by October 31, 2015. Three country missions are envisioned for this consultancy, including one initial inception and scoping mission.
- 6.2 The consultant or firm should submit the following:
 - 6.2.1 Technical Proposal not to exceed 15 pages that includes a methodology, relevant project experience, and consultant(s) CVs.
 - 6.2.2 Financial Proposal that includes the cost for delivering the consulting services, specified by task.
- 6.3 The deadline for submission for quotations is scheduled for May 8, 2015 of which will be coordinated with the OAS Procurement Department.