



FURTHER, FASTER, TOGETHER

Terms of Reference for International Consultant Global Green Climate Funds Small Island Development States Funding Proposal

Post Title:	International Consultant/Global SIDS Advisor
Type of Assignment:	Development of a global funding proposal to be submitted to the Green Climate Fund
Duty Stations:	Home-country office
Duration of Assignment:	4 calendar months (03 October 2016 – 20 February 2017)
Contract Type:	IC (50 working days)

Background: Rocky Mountain Institute (RMI) is an independent nonprofit founded in 1982—transforming global energy use to create a clean, prosperous, and secure low-carbon future. It engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. In 2014, Carbon War Room (CWR), whose business-led market interventions advance a low-carbon economy, merged with RMI.

With an independent, objective, and fact-based approach, RMI-CWR's Islands Energy Program brings experience gained from engagements with island governments and utilities to solve the toughest energy challenges. In 2015, the RMI-CWR Smart Island Economies program joined with the Clinton Climate Initiative (CCI) Diesel Replacement Program to form the Islands Energy Program. The Program is currently working with select island partners to support a cost-effective energy transition to benefit all national stakeholders.

The Island Energy Program's strategy focuses on three complementary and mutually reinforcing components which, when implemented in an integrated and strategic manner, facilitate successful energy transitions in participating (and non-participating) island countries. The Program: 1) brings together governments and utilities to develop energy transition strategies, 2) builds broad-based support by financially and technically de-risking an initial cohort of renewable energy and energy efficiency projects, and 3) creates a Community of Practice called the CARILEC Renewable Energy Community (CAREC) designed to share lessons, create irreversible bottom-up momentum, and build long-term capacity among island energy transition practitioners.

The Islands Energy Program currently includes the following country partners: Anguilla, Aruba, Bahamas, Belize, Colombia (San Andres and Providencia), Grenada, Jamaica, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, Seychelles and Turks and Caicos.

More recently, there has been significant interest from other Small Island Developing States (SIDS) to participate in the RMI-CWR Islands Energy Program and other donor initiatives, such as the United Nations Development Program's (UNDP) GEF and GCF programming and its Derisking Renewable Energy Investment (DREI) initiative in SIDS worldwide. There is now an opportunity to scale the methodologies, tools and best-practices gleaned from the Caribbean experience - both within the Caribbean and throughout the Indian and Pacific Oceans through the

Green Climate Fund (GCF). The GCF, capitalized at \$10.2 billion, is in the early stages of assuming its role as the premier provider of multilateral concessional financing for climate action in developing countries. It has identified SIDS as a priority grouping to support.

RMI-CWR, together with its strategic partner the Clinton Climate Initiative, is working with UNDP and Sustainable Energy for All (SEforAll) to bring the respective organizations' comparative advantages to bear to support SIDS in achieving their energy transitions.

Assignment Objective: The objective of this assignment is to develop a global funding proposal, with associated annexes, to be submitted to the GCF.

Proposal Structure: The global funding proposal, which will lay out a powerful set of centralized resources, technical expertise and tools for participating countries committed to a clean energy transition, should be submitted to the GCF in December 2016. Individual country proposals – including national-level implementation mechanisms and descriptions of the investment-ready renewable energy projects— will be developed in parallel (outside of the terms of this TOR) and submitted to the GCF on a rolling basis. SIDS that choose to participate in the global funding proposal will have access to UNDP's (Accredited Entity) and RMI-CWR's support in preparing and submitting their country proposals, and will benefit from implementation support from UNDP, the SEforAll Secretariat and RMI-CWR. Both the global proposal and the individual country proposals will be closely linked with regional and global financing institutions, which will provide complementary co-financing for the renewable energy investments. The recently established GCF Project Preparation Fund may be accessed to support project preparation.

Roles and Responsibilities: The Consultant will be responsible for ensuring that the essential steps in the process of designing the GCF global funding proposal and relevant references documents are followed, including through coordination with the GCF Secretariat. Of equal importance, the Consultant will also be responsible for securing buy-in from participating SIDS and developing iterative feedback mechanisms to ensure that global proposal reflects the ambitions of interested SIDS and relevant stakeholders.

The Consultant will be responsible for liaising closely with the RMI-CWR and UNDP team and leveraging support for planning and effectively undertaking the required surveys and preparatory field work, establishing dialogue and a working relationship with stakeholders (funding partners, national counterparts and local communities), and the timely delivery of the agreed documents.

Under the direct supervision of RMI-CWR Director of the Island Energy Program with support from the UNDP Mitigation Coordinator, and in close cooperation with relevant partners, the Consultant will be tasked with the following duties and responsibilities (noting this is an indicative plan, subject to change):

Activity 1/Deliverable 1:

- Develop SIDS stakeholder influence map and associated outreach strategy- tailored to the specific stakeholders.

Activity 2/Deliverable 2:

- Work with RMI-CWR, GCF Secretariat, and partners to obtain necessary background and baseline information and prepare background analysis.
- In consultation with RMI-CWR, UNDP, relevant partners and other potential financiers, formulate a strategy and prepare the global funding proposal in line with the GCF's template and respective guidance.
- The global funding proposal should be accompanied by relevant GCF supporting documents, such as a detailed budget and a procurement plan (depending on the final structure of the proposal, financial/economic models, social & environmental safeguards and environmental & social management plans, gender plans and other feasibility studies may be required). While the Consultant will have support in developing these supporting documents, he/she will be ultimately responsible for ensuring their quality, their consistency and their 'packaging' as a set of coordinated documents. Note this will require a considerable volume of high-quality writing.

Activity 3/Deliverable 3:

- Address comments/feedback from the GCF – either directly or in coordination with other relevant personnel/consultants – and finalize the global funding proposal.

Optional: Activity 4/Deliverable 4:

- The Consultant may be asked, based on the completed Funding Proposal, to assist UNDP in preparing the associated Project Document in line with respective UNDP requirements and guidelines. This will be discussed as part of an extension to the originally agreed contract.

Deliverables, Timeline and Payment Schedule:

No	Deliverables	Timeline	Payment
1.	SIDS Stakeholder Map and Outreach Strategy	Within 2 weeks of contract execution	20%
2.	Strategy for preparing the global funding proposal	Within 2 weeks of contract execution	
3.	Draft global funding proposal	Within 6 weeks of contract execution	20%
5.	Final global funding proposal, accompanied by annexes	Within 10 weeks of contract execution	40%
6.	Response to GCF comments	TBD	20%

Reporting: The Consultant will report directly to the RMI-CWR Islands Energy Program Director. The Consultant must ensure timely preparation and submission of the global funding proposal and supporting studies and documents. All reports must be submitted in English and made in accordance with the GCF's templates and requirements (which will be made available to the consultant).

Minimum Qualifications and Preferred Skills and Experience: The successful candidate will be evaluated based on the following minimum qualifications and preferred skills and experience:

Minimum Qualifications:

- University degree (a minimum of a Master's degree or equivalent) in engineering, energy, economics, finance or a related discipline.
- A minimum of 10 years of working experience in the field of climate change mitigation, preferably with experience in renewable energy and specifically solar PV.
- Proficiency in written and spoken English.
- Exceptional communication, analytical and writing skills.
- Solid knowledge of information technologies and, in particular, the Microsoft Office suite (particularly Word and Excel).

Preferred Skills and Experience:

- Proven experience with designing investment and technical assistance projects in the area of renewable energy for international development agencies and/or IFIs.
- Proven experience with climate finance funds (such as the GCF or GEF) and/or market mechanisms (such as the CDM).
- Good technical knowledge of PV systems, augmented by experience in the design of policy frameworks, financial mechanisms and investment support schemes for renewable energy.
- Good technical knowledge of GHG emissions accounting and monitoring, reporting and verification schemes in the energy sector.
- Working experience in SIDS and in the context of climate change mitigation and/or renewable energy.

Application Submission Details: Interested respondents must submit their CV and cover letter via email to jlocke@carbonwarroom.com no later than September 30, 2016. The Subject line of the email should be titled: "GCF Consultant - "*Persons Name*".

Annex 1: Concept Note - Global Small Island Developing States Sustainable Transition in Energy Programme (SIDS-STEP)

Value Proposition: A Global Small Island Developing States (SIDS) energy programme – piloted in early-moving SIDS across the three island regions of the Caribbean, Indian Ocean and Pacific – is an opportunity for the Green Climate Fund (GCF) to demonstrate a replicable model to transform island economies from primarily fossil fuel electricity generation to high levels of renewables (that leads to lower costs, mitigates costs volatility and lowers carbon emissions). Given the small size of each SIDS, the proposed programme is designed to facilitate investment in renewable energy projects using standardized design concepts, integrated resource planning models and financing instruments that can be replicated in each region, thereby accelerating the clean energy transformation in all SIDS.

Proposal Objective: As a prelude to a formal submission to the GCF Board, this concept note outlines a joint proposal for discussion among key stakeholders from the United Nations Development Programme (UNDP), Sustainable Energy for All (SEforALL) Secretariat, and Rocky Mountain Institute-Carbon War Room (RMI-CWR)¹ to transition the electricity systems of SIDS in the Caribbean, Indian and Pacific Oceans from diesel-based generation to high levels of renewable energy in the next 5 years. The proposed Global SIDS Sustainable Transition in Energy Programme (SIDS-STEP) will apply a harmonized set of approaches, tools and theory of change, tailored to participating SIDS and their Nationally Determined Contribution (NDC) contexts. SIDS-STEP will aim to accelerate the energy transition vision of participating SIDS with a goal to create irreversible momentum towards a collective renewable penetration of 50% or greater by 2030.

Structure and Timeline: SIDS-STEP will comprise a global framework programme funded by the GCF, and a series of national-level clean energy projects under its umbrella. The global programme, which will establish a powerful set of centralized resources, technical expertise and tools for participating countries committed to a clean energy transition, will be submitted to the GCF in December 2016. Individual country proposals – including national-level implementation mechanisms and descriptions of the investment-ready renewable energy projects – will be submitted on a rolling basis. SIDS that choose to participate in SIDS-STEP will have access to UNDP's (Accredited Entity) and RMI-CWR's support in preparing and submitting their country proposals, and will benefit from implementation support from UNDP, the SEforALL Secretariat and RMI-CWR. Both the global programme and the individual country proposals will be closely linked with regional and global financing institutions, which will provide complementary co-financing for the renewable energy investments. The recently established GCF Project Preparation Fund may be accessed to support project preparation.

Context: SIDS rely on diesel and heavy fuel oil for 95-99% of their electricity generation needs. As a result, electricity prices are, on average, 3-4 times higher than the price of electricity in North America and Europe. The high cost of electricity has directly contributed to negative current account imbalances and unsustainable debt levels - hampering public and private investment. This

¹ The Clinton Climate Initiative (CCI) is operationally partnered with Rocky Mountain Institute-Carbon War Room on their joint Islands Energy Programme; CCI is active in Belize, Colombia, Comoros, Dominica, Jamaica, Mauritius, Seychelles, Saint Lucia, and Saint Vincent and the Grenadines.

reliance has also exposed SIDS to volatile international oil markets, which has discouraged economic growth and perpetuated poverty. Even when the global price of oil falls, island residents often do not experience a reduction in rates as utilities often lock into long-term fuel service agreements in order to minimize price fluctuations.

At the same time, SIDS have excellent natural resources available for the generation of electricity, which would enable them to be entirely energy independent, reduce their global emissions and diversify their economies. However, despite this renewable potential there has been little progress to date to accelerate investment in renewable energy. This can be attributed to many factors – including: 1) high perceived risk to investors (translating to a high cost of capital), 2) lack of project scalability, 3) lack of an enabling regulatory framework, 4) limited long-term energy planning, 5) entrenched electric utility interests to maintain the status quo, and 6) competing priorities for land use.

In order to address the fundamental barriers, SIDS have identified the need for external assistance in the following areas:

- *Integrated Resource Planning:* In order to align key island stakeholders around a common fact base, identify optimal investments and the least-cost renewable pathway – while taking into account grid stability and necessary regulatory incentives – in-depth integrated technical/resource planning is required. This will ensure that key stakeholders (electric utility, government, business community, etc.) understand how to optimize renewable deployment from a technology, ownership structure and grid stability perspective. It will also inform broader policy imperatives and optimal sequencing of projects as part of a structured pipeline.
- *Policy and Regulatory Reform:* Once a common fact base and energy transition strategy is agreed upon, SIDS need support to translate these strategies into the appropriate policies and regulations needed to enable renewable deployment.
- *Project De-risking:* Once projects are identified as part of a broader transition investment plan, SIDS require technical and financial support in developing and de-risking these projects to make them bankable.
- *Standardizing Project Documents and Approaches:* In order to secure market financing and reduce transaction costs over time, project sponsors (typically utilities) have to develop common approaches and templates for tariff systems, standardized power purchase agreements (PPAs), standard engineering, procurement and construction (EPC) agreements, land-use and operating licenses, construction permits, trust agreements, concession agreements, production-sharing agreements, insurance programmes, etc.
- *Access to Investment Capital:* Financing of actual investments should be structured to provide a range of equity and debt financing options tailored to the SIDS macro/micro economic context. To optimize financial efficiency, renewable energy and energy efficiency projects and programmes developed by SIDS need access to a variety of capital facilities including grants, subordinated debt, senior debt, first loss equity, senior equity, guarantees and insurance. This is an inherent challenge for small economies with limited capital markets.

Within the international community, past approaches to addressing the high cost of electricity in SIDS have focused at the sectoral level and through macroeconomic reform. This is changing. Multilateral institutions, bilaterals and NGOs are now inundating SIDS with offers of technical and financial support to transition their economies to less costly renewable-based generation given the attractiveness of renewable energy from a resource, economic and environmental perspective. However, this support has been fragmented, uncoordinated and piecemeal to date – often over-burdening local officials and failing to systematically address underlying sources of investment risk - often causing more harm than good. Additionally, these institutions/organizations are eager to provide financing support for renewable energy projects, but there is a lack of expertise and funding available to conduct the integrated technical/resource planning to identify the optimal investment projects coupled with the funds and expertise needed to adequately develop projects to make them bankable.

In order to achieve a true paradigm shift in SIDS' uptake of renewable energy (and complementary energy efficiency investment), a comprehensive strategy at the national level adopted by all key stakeholders as well as a framework for coordinating resources within the broader international community is required, where active organizations and institutions operate under a common framework.

Overview of the SIDS-STEP Approach: As indicated, SIDS-STEP will consist of a global overarching programme and country-specific energy strategies and projects. The global programme will include the following services and support:

- *Appraisal and Financial Structuring of Investment Projects (Lead Agencies: SEforALL, UNDP/RMI-CWR):* UNDP and RMI-CWR will be responsible for ensuring that pre-identified fast-tracked and future renewable energy investment projects are prepared for financial close. SIDS-STEP will ensure co-financing agreements are pre-arranged with the appropriate financing institutions, where GCF concessional project funding is used as efficiently as possible to catalyze equity and debt investment from other sources.

In parallel with the advancement of fast-tracked country proposals, UNDP and RMI-CWR will provide upstream technical assistance required to unlock public and private financing for future country proposals and their renewable energy projects – including:

- *Integrated Technical/Resource Planning (Lead Agencies: RMI-CWR):* In order to build upon the first cohort of country proposals and their pre-identified renewable energy projects and develop a pipeline of future investments, integrated resource plans (also known as national energy transition strategies) will be developed that address the following: 1) technical capabilities of the grid, 2) land-use requirements and availability for project development, 3) least-cost renewable penetration scenarios, 4) underlying economics of each renewable technology, 5) policy and regulatory de-risking, and 6) the optimal utility business model that incentivizes renewable generation and the uptake of energy efficiency.
- *Renewable Energy Project Development (Lead Agencies: RMI-CWR):* In order to assist with the preparation of country proposals and identify a second cohort of renewable energy projects in SIDS-STEP participating countries, RMI-CWR will provide the necessary technical support to take identified projects from concept to investment-ready and financially viable for private developers and development banks. Ensuring that early-stage project risk is mitigated will considerably reduce

overall project costs and ensure project economics ultimately lead to rate containment in the short-term.

- *Knowledge Management and Gender Mainstreaming (Lead Agency: UNDP)*: In order to facilitate knowledge exchange between countries, it is important to establish a robust knowledge management element. This will include a cross-regional community of energy practitioners as well as an easily-accessible repository of approaches and templates for tariff systems, standardized power purchase agreements (PPAs), standard engineering, procurement and construction (EPC) agreements, land use and operating licenses, construction permits, trust agreements, concession agreements, production-sharing agreements, insurance programmes, etc.²
- *SIDS Global Monitoring and Coordination Framework (Lead Agency: SEforALL)*: SEforALL will provide the overall framework for the partnership and other organizations operating in the renewable energy space in SIDS. SEforALL, in collaboration with its partners – such as its regional partners, IRENA and its knowledge hub – and the international community, will draw on its Global Tracking Framework and other resources to develop a common set of metrics to track implementation progress across SIDS-STEP countries. SEforALL will engage bilateral and multilateral donor partners in the development of this framework so that it can help optimize the allocation of resources to those areas where progress needs to be made.

Country-specific proposals may be submitted on a rolling basis as they become ready; however, a small number of participating country proposals with investment-ready renewable energy projects will be fast-tracked for the December 2016 submission. The fast-tracked country proposals and associated renewable energy projects will be pre-coordinated with identified co-financiers and meet bankability criteria (i.e. feasibility studies, environment & social management plans, gender plans, financial/economic modelling, etc.) – prior to project implementation. As country-specific proposals are developed, there will be a concerted effort to seek alignment with, and to strengthen, participating countries' NDCs and domestic energy policies.

Partnership Structure: The proposed partnership between UNDP, SEforALL and RMI-CWR will aim to develop a single integrated work plan and governance structure. The partnership will be grounded in the comparative advantages of the respective organizations.

UNDP will play a critical role in piecing together project financing and ensuring eligible SIDS are equipped with the right set of policies and project financing to best develop the identified investment projects. UNDP will submit the proposal to the GCF on behalf of the partnership and will be responsible for all fiduciary and administrative elements of SIDS-STEP. UNDP will also be responsible for ensuring alignment with the participating countries' NDCs and development priorities, establishing knowledge management mechanisms and facilitating South-South learning between the three SIDS regions, and ensuring gender is mainstreamed through all components of SIDS-STEP.

Based on its organizational mandate, SEforALL will work through its partnership network to convene development partners around SIDS-STEP to promote a common policy framework and approach measuring progress on an international level.

² UNDP will ensure that SIDS-STEP meets the needs of the most vulnerable – including women, the elderly and children. This will require detailed input into the programme design and implementation.

RMI-CWR will be responsible for aspects of in-country execution support and national / regional-level capacity building. RMI-CWR will also take the lead in developing tailored implementation plans for each country.

Annex 2: RMI-CWR Confidentiality and Conflict of Interest Policy

Confidentiality: Information relating to evaluation of qualifications shall not be disclosed to any persons not officially associated with the process until the publication of the award of contract.

Conflict of Interest: RMI-CWR will be bound by its conflict of interest policy and procurement procedures. Both can be found at www.rmi.org. RMI-CWR's conflict of interest policy is taken into account every time RMI-CWR contemplates entering into a transaction or arrangement that might benefit the private interest of or might result in an excess benefit to an interested person, defined as any person serving as an employee, executive, or trustee of RMI-CWR or any subsidiary.

Violation of RMI-CWR's conflict of interest policy and the procedures for addressing the conflict of interest are outlined in the Conflict of Interest Policy.