

USAID Sri Lanka Energy Program

Scope of Work

DEBT FUND ARCHITECTURE DEVELOPMENT CONSULTANT

A. Overview

The Sri Lanka Energy Program will support transforming Sri Lanka's power sector into a market-based, secure, reliable, and sustainable system by mobilizing investment to deploy advanced technologies, increase flexibility, and enhance competitiveness. The program has four primary objectives; improve the cost reflectivity of energy tariffs (Objective One); increase the deployment of renewable energy (Objective Two); improve demand-side management (Objective Three); deploy advanced technologies (Objective Four).

B. Objectives

Under Objective Two, the program seeks to understand the possibilities of the creation of a Debt Fund in Sri Lanka specifically for mobilizing foreign exchange and long-term fixed term debt for investment into Renewable Energy assets. Such financing is needed specially in the context of the lack of foreign exchange as well as the currently high interest rate regime.

C. Specific Tasks/Responsibilities

- Develop the architecture for a Debt Fund to be incorporated in Sri Lanka specifically for investment into Renewable Energy Assets. This would include proposed broad legal (no formal legal opinion/experience? required), governance and operational structures such as:
 - a stand-alone fund to be managed by a third party
 - to be incorporated within the Government of Sri Lanka and disbursed through financial institutions
 - any other deemed structures and their advantages and disadvantages thereon, including but not limited to costs, transparency, alignments of interests, efficacy of project selection, etc.
- To determine the final, hypothetical, blended cost of finance from the fund incorporating, but not limited to, the following financing sources, and with the objective of obtaining the lowest cost of finance possible, with indications of possible individual costs and terms:

Development Finance Institutes

Climate Change and related funds

Partial Risk Guarantees

First loss or partial loss tranches

Debt for Nature Swaps

Other concessional sources of financing

Currency hedging instruments / SWAPs

- To benchmark and compare with other such and similar Debt funds incorporated in other jurisdictions in the past, and not limited to Renewable Energy financing.
- To consider and articulate the possible challenges specific to Sri Lanka in convincing policy makers to embrace such structures, and specifically viz the RE sector, and in a Post-IMF scenario.
- To consider and articulate what are the possible Government of Sri Lanka regulatory and statutory bodies E.g., Ministry of Finance, External Resources Department, Ministry of Planning, etc. that would be needed to be engaged to make this a reality.

D. Deliverables

The consultant is required to furnish a comprehensive report along the above lines (with necessary annexures such as hypothetical debt structure cost calculations, any international examples, news items sourced during research etc.). The consultant will also be required to present the salient features of the above to the USAID Sri Lanka Energy Program via a short Power Point Presentation.

E. Required Skills and Qualifications

At least ten years' experience at a senior / managerial level in debt evaluation, structuring, pricing, and raising for an international and reputable Financial Institution(s) and/or their clients. Necessary academic/training background in finance / economics to support and related to the above activities and tasks.

Multi-jurisdiction / market experience with particular emphasis on emerging markets

Any exposure and/or experience in energy related investment and in particular Renewable Energy will be an added advantage.

F. Period of Performance and estimated level-of-effort

The estimated period of carrying out this assignment is on/about 1st of January 2023 to on/about 30th of January 2023 with an estimated level of effort of 30 days.

G. Location of Assignment

The location of the assignment is Colombo, Sri Lanka.

H. Supervision and Reporting

The DEBT FUND ARCHITECTURE DEVELOPMENT CONSULTANT will report to Deputy Chief of Party

Please send an email with your CV attached and **"DEBT FUND ARCHITECTURE DEVELOPMENT CONSULTANT"** in the subject line to

Please use the given link <http://bit.ly/3VvYlCH> to upload your CV and provide all the required information **before 5 pm on December 2, 2022**. No telephone inquiries please. Chemonics will contact finalists.