



**Caribbean Community Climate Change Centre**  
**TERMS OF REFERENCE**

<b>Request for Expression of Interest (EOI)</b>	
<b>Project Name</b>	<b>Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)</b>
<b>Consultancy Title</b>	<b>Consultancy to Develop Revolving Adaptation Fund Facility (RAFF) Charter and Operations Manual</b>
<b>Contract #</b>	<b>Contract #89/2019/GCF/Barbados/CCCCC</b>
<b>Donor</b>	<b>USAID CCAP</b>
<b>Duty Station</b>	<b>His/her own office space</b>
<b>Contract Type</b>	<b>Individual Consulting Services</b>
<b>Expected Duration of Services</b>	<b>3 months</b>
<b>Estimated Start Date</b>	<b>November, 2019</b>
<b>Estimated value of the Services</b>	<b>US\$ 30, 000 (inclusive of fees and reimbursable expenses)</b>
<b>Deadline for Submission</b>	<b>on or before 2:00pm (GMT-6), Tuesday 29 November 2019</b>

## **I. BACKGROUND**

### *Beneficiary country*

Barbados, like many small island developing states (SIDS), cannot ignore the overwhelming impact of climate change and the need to engage in adaptive and mitigation strategies to slow or retreat the deleterious effects climate change is having on our land and its development.

### *Current State of Affairs*

This consultancy is related to the effectiveness of the funded activities agreement, by the Board of Directors of the Green Climate Fund (GCF), associated with the project titled, “Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)”. This project was developed through collaboration between the Government of Barbados, Barbados Water Authority (BWA) and the Caribbean Community Climate Change Center (CCCCC). However, a Revolving Adaptation Fund Facility (RAFF) Charter and Operations Manual must be developed. The RAFF Charter and Operations Manual is expected to be practical and applicable to climate change adaptation and mitigation activities in Barbados.

### *WSRN S-Barbados Project Brief*

Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados) was conditionally approved at the 19<sup>th</sup> sitting of the GCF Board and was expected to have commenced implementation in September, 2018. The idea underpinning WSRN S-Barbados is to transform Barbados' society into one that is more aware of the water cycle and climate change impacts threatening the island's drinking water supply, create resilience to severe weather impacts, reduce greenhouse gas emissions, reduce consumption, and promote appropriate uses of diverse water sources and legislation to support climate smart development and water sector resilience.

The WSRN S-Barbados objectives are:

- To build greater resilience to extreme storm events and drought conditions by utilizing cleaner energy sources, decentralising water storage, promote rainwater harvesting at the household and community level, and improve the efficiency with which rainwater runoff replenish aquifers in Barbados.
- To further advance adaptation and mitigation initiatives in the water sector of Barbados by redirecting and mobilising local funds through a revolving adaptation fund.
- To reduce the greenhouse gas emissions intensity of water provision by integrating renewable energy with back-up natural gas turbines and sustainable Water Loss Reduction (WLR) initiatives.
- To contribute to capacity building via knowledge sharing and lessons learnt platforms within communities, educational organizations, private sector, civil society, BWA and the Government of Barbados to manage and monitor water resources.
- To support the review and development of a legislative framework to support climate smart development and water sector resilience.
- To collate and disseminate lessons learnt for use in developing further adaptation and mitigation initiatives and raising public awareness about climate change, water conservation, recycle and reuse, the revolving adaptation fund, Green Climate Fund and in general this project.

The second outcome of WSRN S-Barbados has a critical dependence on the Revolving Adaptation Fund Facility (RAFF) Charter and Operations Manual. This component is aimed at mobilising funds for use in water sector adaptation and mitigation initiatives including those identified as priority in the Climate Change Adaptation Water Master Plan, which is to be developed as part of this project. This aim will be achieved through the mechanism of a RAFF. By definition 'Revolving Fund' is capital raised with a certain purpose, which can be made available to the same users more than once. 'Revolving' represents that the fund's resources circulate between the Fund and the Users. Revolving funds are established with an intention that they should be self-sufficient and sustainable. The RAFF Charter and Operations Manual will enable all members of the population to have access to funding (credit facilities) for climate change adaptation and mitigation related to the water sector of Barbados.

## **II. OBJECTIVE OF CONSULTANCY**

The main objective of this consultancy is to develop a Revolving Adaptation Fund Facility (RAFF) Operations Manual and the Barbados Water Authority's Revolving Adaptation Fund Facility (RAFF) Charter for the financing of change adaptation and mitigation projects in Barbados.

The consultancy should identify: (1) aims and objectives of the RAFF; (2) the size and capitalization of the fund; (3) governance and administration of the fund, including fund manager(s); (4) financial instruments; (5) eligibility for application; (6) project/loan request evaluation and operational details, including forms and documents; (7) monitoring, reporting and accounting; (8) fund impact assessment; and, (9) sunset provision.

### **III. SPECIFIC TASKS AND RESPONSIBILITIES**

The consultant will produce two separate documents entitled “Revolving Adaptation Fund Facility (RAFF) Operations Manual” and “The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter”. The RAFF Operations Manual will be an overarching document that will enable members of the Caribbean Community to adapt the Manual based on minor adjustments made at their own individual national level and the BWA’s RAFF Charter will serve as the first case study for the implementation of a RAFF in the Caribbean green economy context. The consultant will present the various drafts of these documents to stakeholders.

To aid in the execution of this consultancy the project core team (CCCCC, BWA, University of the West Indies (UWI) and University of South Florida (USF) will:

- a. Provide the Consultant with the proposal entitled “Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados).”
- b. Provide the Consultant with a document entitled “Draft Revolving Adaptation Fund Facility (RAFF) Charter.”
- c. Provide the Consultant with any documents requested that are readily available and accessible for sharing.
- d. Facilitate any meetings if requested by the consultant (consultant would include costs in her/his budget).
- e. Organize conference call meetings (weekly) between the consultant and the project core team (CCCCC, BWA, UWI and USF) to address any questions or concerns and to provide updates about progress made on the consultancy.
- f. Review all submissions of the “Revolving Adaptation Fund Facility (RAFF) Operations Manual” and “The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter” within two weeks of its submission, providing feedback to the consultant.
- g. Organize a meeting for the project results to be presented to stakeholders.

From the above information provided to the Consultant, the consultant is to prepare two separate documents entitled “Revolving Adaptation Fund Facility (RAFF) Operations Manual” and “The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter” as defined in the Scope of the Draft RAFF Charter. Thus, the charter and operations manual for RAFF should include at an absolute minimum, but not limited to, definitions and procedures for the following:

#### **A. Revolving Adaptation Fund Facility (RAFF) Operations Manual**

1. Prologue:
  - a. General description and importance of the RAFF;
  - b. Parameters for usage of the guarantee;
  - c. Parameters for reporting;

- d. To capture and record the materials terms with respect to legal arrangements between the Administrator, Fund Manager(s) and the beneficiaries of the guarantee;
2. Geographical coverage of RAFF;
3. Definitions of terms and conditions of the Operational Manual, including:
  - a. All terms used in the operations manual shall be defined and listed in a separate section;
  - b. Issuing entity: the consultant shall define the legal status and structure of the fund issuing entity;
4. RAFF Administration and Utilization;
5. RAFF Management: Guidelines for deposit management, funds withdrawals, currency, treatment of interest, sustainability and portfolio risk management.
6. Ceiling of the RAFF (Maximum Portfolio Volume): maximum aggregate amount of principal of Intermediary Transactions to be included in the Intermediary Portfolio and whether this is done by initial allocation, by cap, whether it is time limited and whether any reserve is kept in place for new Intermediaries or high performing Intermediaries;
7. Revolving Credit – treatment of revolving credit arrangements by borrowers;
8. Eligibility Criteria for users and uses, such as:
  - a. Users:
    - i. Households, Community Service Organizations, Private Sector (including hoteliers), Ethnic or Cultural Groups, Health Care Institutions, Religious Organizations, Social Welfare Institutions, Youth Organizations, Public Utilities and Governments and Legal Institutions among others
  - b. Uses:
    - i. Design and install efficient storage and distribution system.
    - ii. Systems that reduce water consumption and promote recycling and use (small scale grey water treatment systems).
    - iii. Rainwater Harvesting systems for new and existing housing (including hotels) developments.
    - iv. Rainwater Harvesting systems for new and existing farms.
    - v. Water efficient irrigation systems for the agriculture sector.
    - vi. Integrate small scale renewable energy systems into water supply system.
    - vii. Improve water supply to communities and health care institutions.
    - viii. Increase water security, through decentralized storage, for women and children and differently able
  - c. Ineligibility
    - i. Users
    - ii. Uses
9. Decision flow and Signatories: a set of decision making flowcharts for all decision events relating to the choice of Financial Intermediaries, the issuance of guarantees, the default claim process, etc shall be prepared. This shall include a list of minimum quorum requirements, recordation and the authorized signatories. This shall also include minimum watermark decision definitions for the Oversight Committee and procedures in this respect (for example what size of transaction will require Oversight Committee decision (if any) and whether this is consistent with internal procedures for Financial Intermediaries as

- defined by their own risk governance procedures, how often the meetings on these shall take place, any pilot period requirements);
10. Terms and conditions for issuance of the guarantee: a clear set of guidelines for the procurement/appointment of Intermediary Institutions, making clear whether this is one-off or periodic, the terms of reference for such, and the chain of decision making for this process, and the material terms for the contractual relationship between the Issuing entity and the Intermediaries;
  11. Conditions for determining the financing amount.
  12. A draft legally binding contract for utilizing the RAFF;
  13. Risk coverage – clear definitions of risk coverage;
  14. Transaction Default: the definition shall be structured according to national provisions where necessary and that the guarantee EODs should match the transaction default terms that are currently in use by the expected intermediary institutions and consistent with national legislation;
  15. Intermediary contract Events of Default under the guarantee: The consultant shall provide a checklist of counterparty Event of Default. A guarantee agreement contains certain standard events of default, including non-payment, breach of obligation, insolvency, unlawfulness and misrepresentation. (Note: this refers to the event of default of the FI and not the Final Recipient of the loan);
  16. Losses: The guarantee covers Losses at the guarantee Rate and guarantee Cap Rate incurred by the FI up to the Cap Amount. The consultant shall provide a clear and concise definition of Losses referring to Principal and interest amounts, late payments and default interests, capitalized interests, any interest amount which accrued after a period of 90 days, fees and any other costs and expenses due and paid by the FI following the occurrence of either a Transaction Default, a Transaction Acceleration or a Transaction Restructuring;
  17. Payment Demand: an example format for the payment demand and a checklist for compliance with payment parameters against which the Administrator may check the payment demand shall be prepared by the consultant. It shall also provide the basis for calculation of the payment demand amount including reference to the payment demand date and the loss definition;
  18. RAFF Fees: procedures for obligations, payment, flow of funds and deposit arrangements relating to the financing fee;
  19. Transactions: The consultant shall define a set of eligibility criteria and a checklist for such for usage by both the Intermediaries and Administrator for underlying transactions. These transaction criteria should as a minimum include the following:
    - a. Origination period;
    - b. Permitted purposes such as investment in tangible and/or intangible assets and/or working capital;
    - c. Transaction type including: fixed repayment schedule or be a Revolving Credit Transaction; Principal amount: the maximum and minimum principal amount and minimum scheduled maturity;
    - d. Rate of Interest;
    - e. Collateral type and estimation and valuation parameters;
    - f. Guarantee coverage period: availability period of the guarantee for underlying loans and their portfolios;

- g. Inclusion Period: period for both Intermediaries benefiting from the guarantee and the underlying loans in their guaranteed portfolio;
- 20. Exclusion Processes: procedures for Exclusions of Intermediary transactions. These will include a grievance redress mechanisms and protocols for periodic checks for transaction compliance or post reporting Exclusions with respect to the Financing (including a form of Exclusion Notice identifying such non-eligible Intermediary Transaction);
- 21. Fraud and irregularity: procedures relating to the treatment of Intermediaries with respect to Fraud and Irregularities;
- 22. Expiry of Guarantee;
- 23. Reporting:
  - a. Guidelines for regularity of reporting and sanction procedures in the case of failure to report.
- 24. Phase out strategy of the Fund.

## **B. The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter**

- 1. Background
  - a. General description and importance of the RAFF to the BWA and Barbados
  - b. Parameters for usage of the guarantee
  - c. Parameters for reporting.
- 2. Introduction
  - a. Concept
  - b. Financing of Revolving Fund
  - c. Legal status
  - d. Building up of Revolving Fund for Self-sufficiency
  - e. Management and Administration of Revolving Fund
  - f. Sustainability of Revolving Fund
- 3. The Fund Charter
  - a. Name of the fund
  - b. Aim and objectives of the Raff
  - c. Size and capitalization of the Raff
  - d. Governance and administration of the Raff
  - e. Loan characteristics
    - i. Eligible use of Loan Funds
    - ii. Loan Size
    - iii. Loan Term/ Duration
    - iv. Interest Rate
    - v. Miscellaneous Fees
  - f. Eligibility for application to the Raff
  - g. Project/loan request evaluation and operational details
    - i. Forms and documents
    - ii. Loan Request Evaluation
  - h. Monitoring and follow up of projects financed
  - i. Reporting and accounting
  - j. Fund impact assessment

- k. Sunset provision

#### IV. DELIVERABLES

The main deliverables of this consultancy include:

1. **Inception Report**, an inception meeting with core project team will be held within the first week of contract award.
2. **A First Draft of the Charter titled “The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter”**. This Charter must include:
  - a. A flexible lending rate on the fund, which will be fixed annually upon agreement between the BWA and the Ministry of Finance.
  - b. Revision and Updates to the Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) draft Charter in accordance with the Clean Water State Revolving Fund (CWSRF) guidelines.
  - c. An action plan for implementation of the Revised Barbados Water Authority Revolving Adaptation Fund Facility (RAFF) Charter, considering the implementation of the Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados).

**A First Draft of the Operational Manual titled: “Revolving Adaptation Fund Facility (RAFF) Operations Manual”**. This report must include:

- a. A Scheme identifying how the RAFF will be financed and maintained
  - b. A Loan Scheme to achieve the objectives of the Terms of Reference, which takes into account national banking laws, services and systems including regulations and policies on issuance of loans, etc.
  - c. Best practices of revolving funds in accordance with established guidelines.
3. **A Presentation of the two separate Draft submissions** to the core project team and other major stakeholders, which could include the GCF.
  4. **Two Final submissions titled, “Revolving Adaptation Fund Facility (RAFF) Operations Manual” and “The Barbados Water Authority’s Revolving Adaptation Fund Facility (RAFF) Charter”**. Both documents must incorporate:
    - a. Feedback from project core team and other stakeholders.
    - b. Any other updates deem necessary to the Draft Documents.
    - c. An executive summary that highlights the most important findings (maximum 2 pages).

#### V. METHODOLOGY

The methodology for developing the Revolving Adaptation Fund Facility (RAFF) Charter and Operations Manual must include:

- a. Review of documentation including but not limited to:
  - i. Draft Barbados Water Authority Revolving Adaptation Fund Facility (RAFF) Charter.
  - ii. Project documents, including past, ongoing and pending implementation by the BWA.

- iii. Guidelines and GCF related templates and guidelines.
  - iv. GCF Secretariat's and Independent Technical Advisor Panel's (iTAP) Review of the funding proposal titled, "Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)" and the associated recommendations and conditionality.
- b. Consultation with Core Project Team and other major Stakeholders including:
- i. Caribbean Community Climate Change Centre (CCCCC)
  - ii. Barbados Water Authority (BWA)
  - iii. Ministry of Energy and Water Resources Management
  - iv. University of South Florida (USF)
  - v. University of the West Indies (UWI)
- c. Additional data/information including:
- i. Existing primary data (survey and customer data) that the BWA might possess.
  - ii. Existing secondary data such as studies on Revolving Funds in Barbados and the wider Caribbean.

Engagement with stakeholder and presentation of findings of the draft Manual and Charter can be done using an internet-based platform.

## **VI. LOCATION AND DURATION OF ASSIGNMENT**

The consultant is expected to work from his/her own office space. If an international or regional consultant is selected, he/she is expected to travel to Barbados for at maximum, one week (one (1) trip to Barbados) for consultations. This assignment is not anticipated to be of more than 12 weeks' duration.

## **VII. MANAGEMENT ARRANGEMENT**

The consultancy will be commissioned by CCCCC. The Consultant will report to the Head, Programme Development and Management Unit, CCCCC or his designated representative for contractual and administrative purposes. Other members of the project core team from USF, UWI and BWA will provide additional technical advice and inputs, overall coordination and oversight for this assignment. The Consultant will liaise with everyone from the project core team but will ultimately report to CCCCC. The Client, CCCCC, will own the data set collected by the Consultant, and these data will be made available to other members of the project core team for further analysis.

The consultancy will be guided by the following timeframe and payment schedule for each deliverable:



<b>Deliverables</b>	<b>Timeframe</b>	<b>Payment Schedule</b>
1. Inception Report	1 week after contract signing	20% upon approval of inception report.
2. Draft Manual and Charter	6 weeks after contract signing	30% upon submission, presentation and approval of draft Revised RAFF Charter and Operations Manual
3. Presentation of Draft Manual and Charter		
4. Final Manual and Charter	12 weeks after contract signing	50% upon submission and approval of Revised RAFF Charter Operations Manual.

### **VIII. QUALIFICATIONS AND KEY EXPERTISE**

The assignment is to be undertaken by a qualified consultant(s) namely nationals and residents of the USA and CARICOM/CARIFORUM who are eligible for consideration under GeoCode 937 USAID CCAP Funding stipulations.

The Consultant should possess general experience and proven track-record in the development of Operations Manuals and Procedural Manuals. Consideration will be given to the following list of indicative qualification and experiences:

- Master’s degree, preferably in the banking and finance, economics, management or a related field.
- At least 5 years working experience in the writing of process manuals.
- At least 3 years relevant working experience in the Caribbean, knowledge of Barbados’s Financial Sector is an asset.
- Strong track record of preparing high-level documents and reports on Procedures.
- Understanding of Financing in Caribbean island nations.
- Understanding of Procedures to Finance and Support Sustainable Growth.

### **XI. APPLICATION SUBMISSION PROCEDURE**

All suitably qualified persons are invited to submit their Expression of Interest (EOI) covering the points outlined in the TOR and accompanied by the following application documents:

- a. Letter of motivation outlining motivation and how your experience, skills, qualifications and professional networks fit with the required job description.
- b. Curriculum vitae or Résumé with full details of experience, achievements, qualifications and names

- c. Be a national of nationals and residents of the USA and CARICOM/CARIFORUM who are eligible for consideration under GeoCode 937 USAID CCAP Funding stipulations
- d. Contact details of three (3) references

EOI's should be addressed to the **Executive Director, Caribbean Community Climate Change Centre** and be clearly identified as – **“Recruitment of Consultant – Development of a Revolving Adaptation Fund Facility (RAFF) Charter and Operations Manual - WSRN S-Barbados”** and submitted as PDF files via email to the following email address [procurement@caribbeanclimate.bz](mailto:procurement@caribbeanclimate.bz)

The deadline for the submission of EOI's is on or before *2:00pm (GMT-6)*, Tuesday 29 November 2019

**X. EVALUATION AND SELECTION CRITERIA**

#	Description	Points
<b>Qualifications</b>		
1	Master's degree, preferably in the banking and finance, economics, management or a related field	20
<b>Experience</b>		
2	At least 5 years working experience in the writing of process manuals	30
3	At least 3 years relevant working experience in the Caribbean, knowledge of Barbados's Financial Sector is an asset	15
4	Strong track record of preparing high-level documents and reports on Procedures	15
5	Understanding of Financing in Caribbean island nations	10
6	Understanding of Procedures to Finance and Support Sustainable Growth	10
<b>Total</b>		<b>100</b>