

INVITATION FOR EXPRESSION OF INTEREST

Country: *Ukraine*

Sector: *Finance, renewable energy and energy efficiency*

Project title: *Consultancy Services for a preparatory study supporting the development of a Green Investment Fund in Ukraine*

Contract type: Consulting services

Issue date: **10.9.2019**

Closing Date: **7.10.2019 at 16:00 Finnish time**

Project Description: *The Finland Ukraine Trust Fund (FUTF) provides grant financing to promote the cooperation between Finland and Ukraine and to identify opportunities for projects, both consultancy services and investments, in the fields of energy efficiency (EE), renewable energy (RE) and alternative types of energy sources in power and heat generation and in district heating networks. The Trust Fund is financed by the Ministry for Foreign Affairs of Finland and managed by Nordic Environmental Finance Corporation (NEFCO). The local coordinator is the State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE).*

Developing a Green Investment Fund (GIF) mechanism in Ukraine is one of the priorities in the FUTF agreement between Finland and Ukraine. Substantial financing needs are evident in energy sector due to the high RE and EE targets, for instance, the national renewable energy plan and National Strategy in Ukraine include increasing the use of renewables to 25%.

The FUTF has approved the application by SAEE to carry out a preparatory study to assess the energy and financing market and regulatory framework in Ukraine with the aim to determine the specific investment strategy and preferred structure for the GIF.

Assignment Description: *The Consultant shall review and analyse the energy and financing market as well as regulative and institutional framework and national policies and strategies in Ukraine with the aim to determine the need and type of further interventions to support the development of renewable energy (RE), energy efficiency (EE) and alternative energy (e.g. EfW). The final objective of the Assignment is to scope, conceptualise and initiate the development of a Green Investment Fund (GIF) mechanism in Ukraine.*

The conclusions and recommendations to be produced by the Assignment shall be aligned with the Ukrainian national energy strategy and action plans, as well as relevant international programmes and commitments such as the Sustainable Development Goals and the Paris Agreement and NDC for Ukraine.

Analysis and Design phase shall carry out supporting surveys on energy and financing markets, regulative aspects relevant to GIF, green financing mechanisms and lessons learnt so far in Ukraine and in other countries. The outcome shall advice the next phase by providing the understanding of opportunities, gaps and bottlenecks which the GIF should address.

GIF Concept Development); the Consultant shall scope and evaluate alternative scenarios on GIF scope, focus and structure and review potential sources of funds for GIF including the financiers' focus, preferences and restrictions, which may have an impact on formulating the investment strategy of the GIF.

Depending on the assessments of the Assignment, the possible activities and instruments of the GIF could include e.g. equity investments, grants, guarantees, loan financing, credit enhancement. It is anticipated that capacity building and advisory services for developing and implementing RE and EE projects and businesses would constitute one element of the GIF operations. The GIF would seek to leverage the

financial sectors, both Ukrainian and international, in providing financial instruments for the Green Investments.

The Final Report of the preparatory study shall present the GIF concept proposed for further development incl. the investment strategy, institutional structure, management concept, key financials as well as a Road Map until Closing. The Report shall include an assessment of possible funding sources and organisations suitable for GIF management.

Assignment Start Date and Duration: The Assignment is expected to start in **November 2019** and has an estimated overall duration of **8** months.

Cost Estimate for the Assignment: EUR **300 000** (exclusive of VAT).

Funding: The consultant's selection and contracting will be subject to availability of funding from the Finland Ukraine Trust Fund.

Eligibility: According to the terms and conditions on the operation of the Finland Ukraine Trust Fund, the firm to be engaged has to be registered in Finland. At least 30% of Finnish content is required in terms of overall cost budget

Consultant Profile: Corporate services are required. The Consultant will be a firm or a group of firms (in which case only the leading firm will be contracted) with previous related project experience and:

1. Financial engineering expertise in the infrastructure sector:
 - a. Green financing and services development projects of a comparable nature, scale and complexity to this Assignment
 - b. Proven knowledge on various GIF mechanisms applied internationally, incl. structures, instruments, investment strategies etc.
 - c. Familiar with international financing processes, practices and institutions
 - d. Experience in developing Green Investments, project financing
 - e. Knowledge on various carbon financing mechanisms
 - f. Preferably experience on project financing in practice, e.g. on fund management or as a lender's or borrower's representative or adviser
2. Legal expertise, with experience in:
 - (i) Consultations at high international or national level on legal and regulatory issues related to RE and EE;
 - (ii) Assisting investors and financiers in equity investments and limited recourse project financing;
 - (iii) Financing and Investment project experience in economies in transition;
3. Technical expertise on renewable energy projects including:
 - (i) Proven technical knowledge on renewable energy, energy efficiency, alternative energy;
 - (ii) Preparation of feasibility studies, value assessments, due diligence for RE and EE projects;
 - (iii) Experience in providing assistance to regulators on technical aspects of RE and EE projects
 - (iv) Providing assistance to investors and financiers in RE and EE projects, e.g. as Owner's Engineer or Lender's Engineer;
4. Experience in the power and heating sector in Ukraine, including knowledge of the overall energy market, RE and EE investment environment and the legislative and regulatory setting.

The Consultant's expert team is expected to include (at least) the following key experts:

- 1) Team Leader – Expert in Renewable Energy financing matters, like of private equity funds, credit lines or other financing mechanisms
- 2) Legal Expert(s);
- 3) Financial Expert(s);
- 4) Technical Expert(s)

It is highly important that the team should include experts with both local and international expertise and experience.

Submission Requirements: Interested consultants are invited to submit expression of interest. In order to determine the capability and experience of Consultants seeking to be selected for this Assignment, the information submitted should include the following:

1. Company/group of firms' profile, organisation and staffing, including the presentation of the proposed expert team for the assignment.
2. Details of previous project experience or similar assignments particularly undertaken in the previous five years, including information on contract value, contracting entity/client, project location/country, duration (months and years), expert months provided (if different from duration), main activities, objectives.
3. CVs of key experts who could carry out the Assignment detailing education, language skills, qualifications, experience in similar assignments, particularly assignments undertaken in the previous five years, including information on contracting entity/client, project location/country, duration (months and years, from - to), expert months provided, assignment budget, main activities, accomplishments.

The above information should not exceed **15** pages excluding CVs and any supplementary information.

The complete expression of interest (including CVs) should be submitted in English electronically through email Jarkko.olkinuora@fcg.fi with copy to a.levkonyk@fcg.fi), to reach FCG not later than the closing date. The expression of interest shall be one file (pdf) not exceeding 5MB in size. FCG reserves the right to reject applications of firms submitting more than one file. Only if the permissible file size is exceeded (5MB), the Consultant may split the expression of interest into further files.

FCG Contact Person:

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