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1. Background

In 2020, the UNIDO Regional Office in Uruguay, Chile, Argentina, and Paraguay - together with UNDP and UN Women and the Government of Uruguay submitted a Joint Programme to the UN Joint SDG Fund. The proposal submitted by the regional office was selected as one of the 4 winners (among 155 participants) and is called *Innovative Finance for Clean Tech Solutions in Uruguay's Renewable Energy Sector: The Renewable Energy Innovation Fund (REIF)*.

The purpose of the Joint Programme (hereinafter JP) is to support and enhance the **second energy transition** (2ET) proposed by Uruguay, aligned with the 2030 Agenda and the principle of LNOB (Leave No One Behind), with a focus on making the renewable energy sector an engine of inclusion throughout the economy.

This JP seeks to decarbonize the industrial and transport sectors, ensure universal access to renewable sources, and increase innovation and competitiveness of the energy sector by reducing energy costs and increasing women's participation in the clean energy economy. The JP includes four main activities:

1. The creation of **an innovative financial instrument**, the Renewable Energy Innovation Fund (REIF), to foster supportive actions to leverage public-private financing. The REIF will serve to trigger large-scale financing for new and emerging renewable energy technologies, ventures and activities aligned with its financing scope, targeting gender sensitivity, and promoting gender-impact investment in the renewable energy sector.
2. Technical assistance and feasibility studies (financial, environmental and gender) for projects submitted for REIF funding.
3. Adjustment of the regulatory framework and institutional capacity building on 2ET issues.
4. Knowledge development, exchange, and technology transfer.

The JP decided to implement and manage the financial instrument following a phased approach. In the current first phase, the REIF is managed as a Financial Trust by AFISA (FF REIF), in coordination with an Investment Committee and the JP Strategic Committee (composed of representatives of the Government and the UN system) to finance projects within the framework of the 2ET in Uruguay.

The FF REIF co-finances credit operations in conjunction with commercial banks for companies that present investment projects in any of the 4 technological verticals defined by the JP:

- a) Energy Storage and Smart Grid
- b) Power to X (Electrification of processes, electricity for heat, for hydrogen, etc.).



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- c) Waste management (Energy recovery from agro-industrial waste and waste treatment technologies linked to electric mobility)
- d) Electromobility

The FF REIF has successfully co-financed transactions together with local commercial banks and signed cooperation agreements with BBVA, Heritage, HSBC, Itaú, Santander and Scotiabank and BROU (National Bank of Uruguay).

Phase 2 will seek to increase REIF's capitalization from public and private sector capital in the form of equity capital, concessional debt, first loss and/or guarantees. Likewise, it shall be explored whether to expand regionally the markets in which to invest, as well as the types of projects to be financed. At the time of carrying out Phase 2, the administration of the Trust Fund should be transitioned to a *Fund Manager* once the scale is sufficient to support the administration costs. Phase 2 may involve a change of financial instrument for the REIF.

2. Description/Objective of the Assignment

The objective is to engage a service provider (individual consultant or consultancy company) to propose recommendations for Phase 2 of the financial instrument and advise the JP on how best to re-design REIF to make it a commercially viable Investment Fund able to attract significant amounts of private sector capital, multilaterals capital, finance more innovative technologies and improve additionality.

The financial instrument must adhere to the blended finance model, leveraging public capital to mobilise private sector investment. It should also be linked to a technical assistance facility and aligned with Uruguay's 2ET goals.

The required tasks will involve a mix of desk research to build foundational knowledge, gather background information, and extract insights, alongside interviews and discussions with key financiers, investors, commercial banks, project developers, industry bodies, and donors. These activities will aim to obtain first-hand information, identify challenges and barriers, and understand the perspectives and criteria of both current and prospective investors.

3. Duties/Tasks

The Service provider will be responsible for executing the following main tasks:

- **Analyze the investment climate and opportunities** within clean energy sectors in Uruguay and the region (4 vertical already included in the program or others to be included)
- **Understand the perspective and criteria of current and potential investors (local or foreign)** in the 4 verticals or others included above



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- **Identify the challenges and barriers** faced by project developers and investors
- **Recommend the design of second phase of REIF** and proposing a sustainable solution

Specific tasks for the Service provider include:

Investment Landscape and Opportunities

- Perform a sectoral analysis to identify promising areas for investment, with a focus on clean energy sectors
- Evaluate the funding mechanisms at play, such as grants, equity investments, debt financing, blended finance, and project financing from both local and international investors, both public and private.

Stakeholder Mapping

- Identify international and local donors, including bilateral and multilateral institutions that provide financial support for clean energy projects and initiatives.
- Identify key investors, such as venture capitalists, private equity firms, and commercial banks, active in Uruguay and the region. Assess their investment strategies, types of financing (e.g., equity, loans), geographical focus, risk tolerance, and the scale of their investments.
- Identify key supporting organizations, such as industry associations, business incubators and accelerators and their role in supporting the development of clean energy projects and businesses.
- Analyze, for all the stakeholders, their funding priorities, geographic focus, criteria, and the impact of their contributions.

Investor Perspectives, Challenges and Barriers faced by project developers

- Identify and interview a sample of investors, commercial banks, fund managers, and donors active in this sector to understand their perspectives on the challenges and opportunities in Uruguay and region, clean energy market. These insights will be complemented by input from project developers and businesses to better understand their financial needs and the barriers they face in accessing the necessary funding.

Fund Structure and related issues

- Define the fund's design parameters and features, including size, location, duration, investment instruments, targets, exit strategies, eligibility criteria, and investment limits. (The preference is to locate the investment fund in Uruguay, while remaining open to exploring other countries.)
- Analyse the legal and regulatory framework applicable to the fund.
- Identify anchor investors and potential partners/stakeholders and outline the fund's investment strategy.
- Develop proposals for the governance and management structure of the fund.
- Determine the role and participation of the UN and the government in the fund.



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- Clarify the role and participation of donor agencies in the fund.
- Draft Terms of Reference (TORs) for hiring a fund manager.
- Identify and recommend legal experts to provide support for structuring and registering the fund.

Recommendations

- Based on the desk research and interviews with relevant stakeholders, including the members of the JP, recommend alternative(s) for the redesign of the current financial instrument (including value proposition, estimated growth potential, and impacts), as well as the recommended roles and responsibilities of the UN system in Uruguay in phase 2 of the financial instrument.
- Provide a comparative analysis of the recommended alternatives (if more than 1 alternative).
- Identify potential funders, co-financiers and/or investors for the recommended alternative(s).
- Develop a roadmap for designing the second phase of the REIF, detailing the operationalization of the financial instrument, including required timelines and budget estimates.

4. Deliverables

The Service provider will submit:

- **Inception report:** An inception report detailing the methodology and approach to be used for the assignment and a detailed work plan describing key tasks, sequence of activities and outputs.
- **Preliminary report:** this report should describe/include the investment landscape and opportunities, the stakeholder map, investor perspectives, challenges and barriers faced by Project Developers, and finally, an outline proposal for the Fund structure.
- **Final report:** A detailed report including all the objectives and scope areas outlined, complete with analyses, findings, and recommendations. The final report will also include an exhaustive directory of investors, key stakeholders in the sector and recommended roadmap to be implemented.

A draft of the final report must be submitted no later than 15 days before the end of the contract.

5. Contract Duration:

Contract Period: from 2 December 2024 to 10 March 2025.



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6. Minimum Organizational/Consultant Requirements

Technical experience:

- At least 10 years of experience in the global, regional and local financial industry, with in-deep knowledge of the investment market and established networks of contacts in the field of institutional and private investment is required.
- Deep understanding of blended finance and ideally experience in structuring/designing a blended finance instrument including a first loss or guarantee component is desirable.
- Familiarity with the concept of Technical Assistance (TA) and experience in structuring a TA facility is desirable.
- Experience in raising capital for public and/or private investment funds or other similar investment vehicles of at least 5 years is required.
- Knowledge of the financial and securities regulations applicable to the raising of capital is required.
- Excellent verbal and written communication skills, with the ability to present ideas clearly and persuasively to potential investors is required.
- Wide network of contacts in the financial industry, including public investors, institutional investors, pension funds, family offices, private investors and other potential investors is required.
- Experience and/or knowledge of impact investing will be valued
- The ability to establish and maintain strong long-term relationships with potential investors will be highly valued.

Language: Fluency in spoken and written Spanish and English is required.

7. Proposal Submission:

Proposals must be submitted in English.

Proposals must be submitted in digital format to the following email address: **llamados.fideicomisos@fideicomiso.com.uy**. Upon receipt, the Trustee will send an acknowledgment of receipt to the applicant.

The acknowledgment may be sent from any of the following email addresses: **sol.echande@fideicomiso.com.uy**; **analia.azurica@fideicomiso.com.uy**; or **martin.trivel@fideicomiso.com.uy**.

It is the applicant's responsibility to ensure they receive the corresponding acknowledgment of receipt.



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Proposal Submission Guidelines:

Proposals must be sent in a single email with the subject line: Call FFREIF 03/24 – Proposals – Applicant's Name.

Two separate proposals should be attached within the same email, following this naming convention:

FFREIF 03.24-Technical Proposal-xx (applicant's name)

FFREIF 03.24-Financial Proposal-xx (applicant's name)

The financial proposal must be submitted as a "**password-protected file.**" The password will be requested only from those applicants whose technical proposal meets the required standards and is technically accepted. The **technical proposal** must include the following information:

- A background presentation of the company or consultant, relevant to the objective of this Terms of Reference.
- A technical proposal describing the work plan, including the stages planned to carry out the proposed task, with sufficient detail to demonstrate understanding, competencies, and compliance with the scope of work and activities described in this Terms of Reference.
- In the case of a consulting team, the submission must include the names, CVs, and specific tasks of the proposed team members, as well as their qualifications, in accordance with the description provided in section 6 of this Terms of Reference.

The **financial proposal** must include the total quotation for the proposed activities, expressed in USD (United States dollars), and must include all applicable taxes.

The deadline for submitting proposals is 22 November, 2024 at 12:00 pm

8. Evaluation Criteria

The following criteria will be used to evaluate the submitted proposals:

The selected proposal will be the one that meets the mandatory requirements (section 6 of this document) and achieves the highest combined score from the evaluation of both the technical proposal and the financial offer, according to the following distribution:

Combined Evaluation	
Technical Proposal	80%
Financial Proposal	20%



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Technical Evaluation	Minimum Score	Maximum Score	Overall Weighting
Supplier background <i>Proven experience in the investment market, capital raising, blended finance, impact investment, and technical assistance mechanisms. If a team is presented, the background of the individuals will be assessed according to their roles within this consultancy.</i>	30	100	40%
Technical Proposal <i>Work Plan proposal, including the planned stages and proposed activities to achieve the objectives. The level of detail in the proposal, which supports understanding and relevant competencies, will be assessed. The estimated dedication and the proposed timeline of activities will also be evaluated. If a team is presented, the activities each member will undertake and their estimated dedication must be identified.</i>	0	100	60%
	Minimum Score	Maximum Score	Overall Weighting
Total Technical Evaluation	12	100	100%

9. Currency of Quotation and Payment Terms

The quotation must be made in USD (United States dollars) and must include all applicable taxes.

Payment will be made in three instalments, as per the following schedule:

Payments	Deliverables
First instalment: 20% of the total amount	Initial report detailing the methodology and approach to be used for the consultancy, as well as a detailed work plan outlining key tasks, the sequence of activities, and expected outcomes. This report must be submitted within 10 calendar days from the contract signing.
Second instalment: 40% of the total amount	Preliminary report describing and including the investment landscape and opportunities, the stakeholder map, investor perspectives, challenges and barriers faced by Project



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	Developers, and finally, a draft proposal for the Fund structure.
Third instalment: 40% of the total amount	Final report containing the details outlined in the preliminary report, as described in item 4, and incorporating all feedback provided by the contractor

Payments will be made in USD (United States dollars), upon approval of the deliverables/milestones (in accordance with the specifications of each deliverable detailed in section 4 of this document), once the corresponding invoice is submitted in the Fideicomiso 37732/2022 RUT: 219282830018.

10. Inquiries and Clarifications

Inquiries, requests for clarifications, and/or extensions regarding this Call for Proposals will only be accepted via email at llamados.fideicomisos@fideicomiso.com.uy, up to four (4) business days before the deadline for proposal submission. They must be submitted exclusively by email and will be answered in the same manner and published on the website without identifying the source, no later than two (2) business days before the proposal submission deadline.

Responses provided in writing via email to registered participants will be fully valid for all subsequent purposes and will take precedence over the original documents.

Any deadline modifications will be communicated through the same procedure.

Amendments or Notifications will be published on the aforementioned website and emailed to those who have registered.