

## **TERMS OF REFERENCE**

**For provision of advisory services to energy service users and providers in preparing and implementing energy efficient lighting and appliances projects**

### **UNIDO Project Title:**

**“Energy Efficient Lighting and Appliances in Southern and Eastern Africa (EELA)”**

### **UNIDO Project ID:**

**190108**

5 March 2021

## **1. Introduction**

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization, and environmental sustainability. The mandate of UNIDO is to promote and accelerate inclusive and sustainable industrial development in developing countries and economies in transition.

UNIDO is implementing a project entitled “Energy Efficient Lighting and Appliances in Eastern and Southern Africa” (EELA) in collaboration with the East African Centre of Excellence for Renewable Energy and Efficiency (EACREEE) and the SADC Centre for Renewable Energy and Energy Efficiency (SACREEE). The EELA project is funded by the Government of Sweden and supported by the Swedish International Development Cooperation Agency (Sida). The EELA project seeks to create market and institutional conditions to transform the market environment to stimulate increased diffusion of energy efficient lighting products and appliances across all sectors in Southern Africa Development Community (SADC) and East African Community (EAC) regions. For more information visit:

- UNIDO Open Data Platform: <https://open.unido.org/projects/M2/projects/190108>
- SACREEE Website: [www.sacrenee.org](http://www.sacrenee.org); or
- EACREEE Website: [www.eacrenee.org](http://www.eacrenee.org).

## **2. EELA Project Objectives**

A key objective of the EELA project is the provision of capacity development support to participants in markets for energy efficient lighting products and appliances. One way of doing this is through offering advisory services support and grant funding to energy services suppliers and energy services users. The target energy services suppliers include energy services companies (ESCOs) operating different business models including those offering energy performance contracting, energy efficient equipment leasing services, and those offering cooling or lighting as a service. The project will seek to strengthen the capacity of such firms to offer energy services using different business models in addition to providing technical and financial support to those ESCOs seeking to implement energy efficiency projects.

With energy users, EELA will support high intensity energy users requiring energy efficient appliances, services or equipment for lighting, cooling, and productive use appliances. The energy users will be supported in designing suitable energy service business proposals that

will enable them to contract ESCOs to implement the projects. The Technical Assistance and Co-financing Facility will offer support through three windows:

- (1) Technical Assistance Window that will assist project promoters to get projects to a bankable status by providing advisory support.
- (2) Co-Financing Window that will part finance the implementation of energy efficiency projects by providing grant funding to meet part of the capital costs.
- (3) Technology Transition Support Window that will assist manufacturers of lighting and appliances to retool and upgrade their equipment and processes to be able to manufacture products that comply to the MEPS supported by the project.

### 3. Scope of Service

The Terms of Reference seeks to identify a contractor to provide energy efficiency advisory services under the EELA project. The contractor will provide advisory services to energy service users and energy services providers in preparing and implementing energy efficient lighting and appliances projects. The energy service users and energy service companies (ESCOs) to be supported by the contractor will be identified through a Call for Expression of Interest (EOI) for the EELA Technical Assistance and Co-financing Facility established under the project. For more information visit <https://www.unido.org/resources-procurement/procurement-opportunities> and see attached Annex 2. The energy users will be based in any EAC or SADC member state(s), seeking support in designing an energy efficient lighting or appliance project proposal. ESCOs to be supported will consist of any energy service providers based in a SADC or EAC member state(s) or a collaboration between a local ESCO and an international ESCO seeking to implement an energy efficient lighting or appliances project in a SADC or EAC member state(s). The energy efficient appliances covered under these ToR are lighting, cooling or productive use appliances. Projects supported can be from any sector. The successful contractor shall carry out the following tasks:

- Identify suitable energy efficiency projects from the applications submitted under the Call for EOI that can be supported by the project
- Support **selected energy service users** in developing bankable energy efficiency project proposals and business plans.
- ESCOs in readying energy efficiency projects for implementation
- To achieve the above, the successful contractor will be required to perform the following tasks:
  - screen project proposals submitted by Applicants under the Call for EOI and select technically feasible and financially viable proposals.
  - working with successful projects from the above screening process, assist the selected energy service users to prepare bankable energy efficient lighting and appliances project proposals and business plans.
  - conduct due diligence studies on selected energy efficiency proposals submitted by Applicants under the Call for EOI
  - prepare implementation plans and any other required documentation to facilitate implementation of selected projects.

### 4. Deliverables and Timeline

The assignment will be concluded on 31 December 2021. Bidders are requested to submit a provisional time schedule as part of their proposal.

Under the general guidance and reporting to the EELA Project Manager at UNIDO, the successful contractor will carry out the following specific tasks:

Tasks	Concrete Deliverables/Measurable Outputs to be achieved
<p><b>TASK 1: Project inception activities</b></p>	<ul style="list-style-type: none"> <li>- Draft Inception Report</li> <li>- Inception meeting</li> <li>- Inception report</li> </ul>
<p><b>TASK 2: Screening project proposals -</b> Vetting applications submitted by project promoters for compliance with EoI requirements</p>	<p>(Taking into account gender and youth aspects)</p> <ul style="list-style-type: none"> <li>- Project screening criteria and form</li> <li>- Project evaluation process document</li> <li>- Shortlist of selected energy users to be provided with technical support</li> <li>- Shortlist of selected energy service providers and energy lighting appliances manufacturers to be provided with co-financing</li> <li>- Report on each of the selected projects with reasons for its selection</li> <li>- Report on each of the projects with reasons why it was not selected</li> <li>- Prepare an operational manual for screening and identifying/selecting technically feasible and financially viable energy efficiency projects</li> </ul>
<p><b>TASK 3: Preparing bankable energy efficient lighting and appliances project proposals for energy service users</b></p> <ul style="list-style-type: none"> <li>- Identify energy savings opportunities</li> <li>- Quantify potential energy savings</li> <li>- In collaboration with the client and the EELA team, select the appropriate business model to deliver the energy savings</li> <li>- Prepare detailed feasibility study</li> <li>- Prepare financial model</li> <li>- Prepare business plan</li> </ul>	<ul style="list-style-type: none"> <li>- Defined scope of works</li> <li>- Detailed feasibility study report</li> <li>- Financial model</li> <li>- Business plan</li> </ul> <p>At least five* (5) projects promoters to be supported in preparing bankable project proposals.</p>
<p><b>TASK 4: Conducting due diligence process on potential energy efficiency projects and appliance manufacturing proposals</b></p> <ul style="list-style-type: none"> <li>- Identify information gaps</li> <li>- Conduct due diligence process on the detailed feasibility studies, financial models and business plans submitted by energy service providers and manufacturers of lighting and appliances</li> </ul>	<ul style="list-style-type: none"> <li>- Gap analysis report</li> <li>- Due diligence report on each of the selected projects</li> </ul> <p>Due diligence processes to be conducted on at least four* (4) projects.</p>
<p><b>TASK 5: Preparing project implementation plans</b></p> <ul style="list-style-type: none"> <li>- Based on the selected project proposals, prepare project implementation plans</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation plans</li> <li>- Equipment procurement plan</li> <li>- Monitoring and verification framework</li> <li>- Disbursement advise report</li> </ul>

<ul style="list-style-type: none"> <li>- In collaboration with the EELA Team and the client, identify key project milestones and prepare a Monitoring &amp; Verification framework for each selected project</li> <li>- Identify conditions precedents that need to be met by the client before disbursement of EELA funding</li> </ul>	<ul style="list-style-type: none"> <li>- Model contracts</li> </ul> <p>Project implementation plans to be prepared for at least three* (3) projects</p>
<p><b>TASK 6: Capacity development and knowledge transfer</b></p>	<ul style="list-style-type: none"> <li>- Prepare comprehensive report on lessons learnt with case studies of success stories and areas needing improvement</li> <li>- Organise one workshop/webinar for ESCOs on guidelines for preparing bankable energy efficient project proposals</li> <li>- Organise one workshop/webinar for financial institutions on evaluating energy efficient business proposals</li> </ul>

\*Numbers take into account natural attrition as projects are taken through the selection, due diligence and contracting phases.

Where necessary, meetings between UNIDO and the successful contractor are envisaged to take place virtually due to the ongoing COVID related travel restrictions. Proposed international missions will be subject to agreements with UNIDO, SACREEE and EACREEE during the implementation of the project. Travel costs for agreed travels will be compensated separately and specific dates of the missions will be agreed with the UNIDO and coordinated with the relevant stakeholders, only if international travels have been re-authorized.

The financial proposal should not include any travel costs.

## 5. Coordination, reporting and proposed payment schedule

The successful contractor will implement the agreed activities until 31 December 2021. The successful contractor will report to the UNIDO Project Manager. All draft and final deliveries are subject to the approval of UNIDO's Project Manager, before these can be concluded. All documents should be in English and become property of UNIDO.

Reports	Deliverables
<b>Inception Report</b>	Including the proposed methodology, detailed activity plan and time schedule.
<b>First Progress Report</b>	Covering Task 1, 2 and 3
<b>Second Progress Report</b>	Covering Tasks 4 and 5
<b>Final Report</b>	Upon completion of all tasks

## 6. Qualification and Evaluation Criteria

The successful contractor is expected to present a team of qualified experts. Required experts are a team leader and any other experts in energy efficiency, project finance, or other related fields. At a minimum, the team leader should have the experienced detailed below:

### **Coordinator (Team Leader)**

**Education:** Advanced university degree in business, finance, public management, strategy, engineering, or science.

**Technical and Functional Experience:** The Coordinator is expected to be the main person working on the assignment and the focal point for communication with UNIDO. He/She shall demonstrate a minimum of fifteen (15) years of experience in business/finance covering areas including business strategy and planning; energy financing, energy efficiency as well as foresight and critical analysis and thinking; systems development; monitoring performance and outcomes, strategy and organizational development for related organisations.

The Coordinator will convene a team of experts, which demonstrates a proven track record of profound experience in projects related to this assignment, specifically in the areas of project finance, energy, development financing and knowledge about the regional market and regulations.

The CVs of the team leader and all experts should be submitted with the technical proposal.

### **Qualification Requirements:**

- Registered consulting company with at least three (3) years of experience in the area of energy efficiency, project design and finance, or other related fields.
- Submission of Financial Statements of the last three (3) years;

### **Evaluation Criteria:**

The contactors will be evaluated based on the following criteria:

- Understanding of and compliance with TORs.
- Quality of the proposed methodologies and tools.
- Team leader with master's degree in the relevant fields and work experience.
- Quantity and quality of the provided track-record and past work experience of the proposed team;
- Proven track-record of successfully completed similar assignment, including evidence of their impact (please provide examples and reference documents);
- Full proficiency in English, French and Portuguese.

## **7. Language Skills**

The contractor should provide proof of ability to communicate and prepare documents in English, French and Portuguese as required.

## **8. Application Procedure**

Bidders shall submit their written proposal in English as follows:

- Technical proposal with the proposed approach and methodology, work plan as well as well as proven track record of implemented assignments (detailed CVs of experts, copies of university degrees, certifications, licenses, etc. should be included in the Annex);
- Financial proposal in Euro (including all costs and taxes in a detailed work-time-expert-diagram indicating daily rates for individual team members);



- Copies of certificate of incorporation (or other legal document), and other licenses in the Annex.
- Proof of ability to communicate fluently, both verbally and in writing, in English, French and Portuguese

## Annex 1: Proposed outline for the proposal

SECTION	NOTES
<p>1. <u>Concept &amp; Methodology</u></p> <p>1.1. Critical analysis of the objective and the TOR</p> <p>1.2. Technical approach and methodology</p>	<p><i>The Bidder shall present a critical review of the entailed technical services including comments and suggestions on the TOR as part of their proposals.</i></p> <p><i>A general description of the methodological approach for performing the required services shall be presented.</i></p> <p><i>A more detailed description on the methodology and approach of performing each activity shall also be presented.</i></p>
<p>2. <u>Work Plan, Time Schedule &amp; Budget</u></p> <p>2.1. Organization, Association &amp; Logistics</p> <p>2.2. Time Schedule</p> <p>2.3. Budget</p>	<p><i>The Bidder shall present the work plan for performing the entailed Services.</i></p>
<p>3. <u>Proposed Personnel</u></p> <p>3.1. Project Organization Chart</p> <p>3.2. Proposed personnel</p>	
<p>4. <u>Additional submissions</u></p> <p>4.1. CVs</p> <p>4.2. Previous Relevant Projects</p> <p>4.3. Proof of ability to communicate verbally and in writing in English, French and Portuguese</p> <p>4.4. Others</p>	