

Terms of references

Job Title:	International Technical Advisor on establishing a functional ESCO financial mechanism in Moldova
Project Reference:	ESCO Moldova - Transforming the market for Urban Energy Efficiency in Moldova by introducing Energy Service Companies
Duration of Employment:	October 2014 – October 2016 (with a total of 115 working days)
Contract type:	Individual Contract
Duty Station:	Chisinau, Moldova and Home Office

I. Background

The ESCO Moldova project, funded by the Global Environment Facility (GEF), has an implementation timeframe of 4 years with a budget of 1.3 million US\$ allocated by the GEF and 7.615 million US\$ allocated as co-financing by project partners.

The project objective is to create a functioning, sustainable and effective market of Energy Service Companies (ESCOs) in Moldova by converting existing energy service provider companies into ESCOs, as the basis for scaling up energy efficiency improvements and ultimately climate change mitigation efforts.

The main barriers that the project is trying to address are related to energy efficiency project financing; the eagerness of existing Energy Service Providers to embark on the ESCO business model; institutional barriers at the local level; and EE awareness in the municipal sector.

The ESCO Moldova Project intends to eliminate/address these impediments through the following project components:

1. Green Urban Development Plan is adopted and emission reduction projects are financed and implemented in Chisinau
2. ESCOs are successfully investing in energy projects in the building sector using Energy Performance Contracting modality
3. A Financial Mechanism in form of a Loan Guarantee Fund, is set up and functional, providing financing to ESCOs
4. ESCO(s) are designing, financing and successfully implementing energy efficiency projects using EPC modality in at least one other city in Moldova outside of Chisinau

The main targets to be achieved by the end of the project are: a functional ESCO market with a functional LGF in place; ESCO companies created and consolidated; creation of new investments in EE measures that will lead to long term energy consumption savings and 20 EE projects implemented; better conditions in public and residential buildings and overall Chisinau will advance in its sustainable green development.

The Project will contract an International Consultant (IC) who will be involved in Component 1 to 3 over a period of 2 years.

II. Scope of work and responsibilities

The objective of this assignment is to provide technical assistance to the Project Management Unit, the municipality of Chisinau and financing institutions to develop the ESCO business model and roll out the Energy Performance contract modality. These will allow implementing EE projects in selected buildings in the municipal sector, both residential multi-store and public buildings.

Tasks and Responsibilities

Under the project **Component 1** (Green Urban Development Plan: GUDP) the IC will submit a series of *Institutional Recommendations towards ESCO Development*, as an input to support the GUDP implementation. In particular, recommendations will deal with policy, financing, regulatory and institutional recommendations to create an enabling environment towards the market development of ESCOs.

Under the Project **Component 2** ESCO Business Model in Moldova is operational, the IC will be responsible for the following tasks:

Task 1. Prepare and provide ESCO training activities as follows:

1.1. Provide guidance and methodological support to the PMU and national Consultant to proceed with a comprehensive needs assessment among the target groups toward the training objectives and compile the needs assessment report.

The 4 target groups are:

- Candidate ESCOs, currently acting as Energy Service Provider or Consulting;
- Building managers and maintenance managers at the municipal level;
- Financial institutions or commercial banks, and
- Likely Trainers (Energy Efficiency Agency)

1.2. Design the training package and deliver training programs to target groups

The ESCO training program is broken down in three modules:

Module 1: ESCO Business Model: (i) ESCO Concept Review; (ii) Project Development Cycle and Sales Strategies; (iii) ESCO Business Plan Development; (iv) ESCO Contractual Approaches; (v) ESCO Registry and Tendering procedures.

Module 2: Technical Training: (i) Feasibility Studies and IGA; (ii) EE Projects Risk Mitigation; (iii) M&V of Project Performance.

Module 3: Financial Analysis and EPC modality: (i) ESCO Project Financial Analysis and Project Financing; (ii) EPC modality;

The whole Training Program must be completed within 3 months at the earliest stage of the project implementation. Training sessions will be mainly delivered by the IC.

Expected Deliverables Component 1 and Task 1 (Component 2): Recommendations towards ESCO development (to support GUDP implementation); ESCO training needs assessment report; training plan, training materials, and training deliveries to target groups.

Task 2. Provide technical assistance and guidance to the implementation of Energy Efficiency projects in line with the EPC modality and the roll-out of the reliable M&V systems and results reporting.

2.1. Support the Project Manager in drafting the Technical Partnerships and Working Agreements between the key technical partners (PMU, Energy Efficiency Agency and Chisinau municipality) to know “who-do-what” at different stages from Year 1 to Year 4.

2.2. Provide guidance and methodological support to the PMU in the EE projects selection (EE Project screening and pre-selection, launching the Request for qualification for shortlisting ESCOs, Request for Proposal for the Implementation of EPC Projects, which will be repeated 5 times over 3 years)

2.3. *Provide intensive technical assistance to the PMU and ESCOs from the stage of project financing up to EPC signature: Financial Arrangement Related to Loan Guarantees, Grants and Project Financing: EPCs Ready for Implementation, EE Projects Implementation-Commissioning and Completion, Monitoring and Verification reports and EPC Billing to Chisinau.*

Expected Deliverables Task 2: Standing Technical Agreement duly approved by all parties (EEA, Chisinau and the PMU); draft templates of relevant reports (energy audit reports, M&V report templates, etc.) and bidding documents provided; inputs to documents released by the PM provided; TA to ESCOs and main stakeholders on financial arrangements related to Loan guarantees provided.

Effort estimate for Component 1 and 2: 80 working days, including 7-8 site presences representing 45-50 working days in Moldova.

The project **Component 3** is achieved through a series of activities that will be mainly carried out by the PMU with the aim of developing the financial mechanism (Loan Guarantee Fund) and making available EE projects financing (grant) through the Energy Efficiency Fund (EEF) and the selected financial institution (bank). To this end, the IC will be required to deal with the following tasks:

Task 3. Support the PMU and main stakeholders in setting up a functional Loan Guarantee mechanism

3.1. *Draft the LGF Regulation and Operational Guidelines, and upon consultations and endorsement by relevant stakeholders (UNDP CO, the City of Chisinau, the selected Bank and other relevant players) finalize the documents*

3.2. *Provide guidance and inputs to the Loan Guarantee Fund Information Booklet to be further presented in a workshop to announce the establishment of the Loan Guarantee Fund, explain procedures and conditions*

3.3. *Provide guidance and templates to the PMU for drafting and formalizing the Financial Partnership and Working Agreement with the Energy Efficiency Fund, City of Chisinau and UNDP.*

3.4. *Draft 2 models of Energy Performance Contracts (for institutional/public buildings and for the residential sector) and present them in workshops related to EPC*

3.5. *Provide methodological support and guidance in setting up the LGF Management and Accountability Arrangements.* Set up of the LGF Management Committee (LGFMC) with the aim of recommending to Financial Institutions Energy Efficiency projects that are subject to securing (i) a financing guarantee, (ii) an Energy Efficiency Loan and Energy Efficiency Fund grant. For each ESCO's project, the recommendation will be based on the technical quality of the Energy Efficiency project and its compliance to the EPC modality and conditions.

3.6. *Provide guidance and templates to the financial institution and the PMU in regard to the LGF Operation Monitoring and Reporting.*

Expected Deliverables Task 3: LGF Regulation and Operational Guidelines, inputs to Loan Guarantee Fund Information Booklet, inputs and templates for the Financial Partnership and Working Agreement with the Energy Efficiency Fund, City of Chisinau and UNDP; Energy Performance Contracts for public and residential buildings; LGF Management and Accountability Arrangements; LGF Operation Monitoring and Reporting mechanism.

Effort estimate Component 3: 30 working days, including 1 trip (5 working days) to Moldova. The IC must also take advantage of trips and site presences included under Outcome 2 to carry out tasks related to Outcomes 3.

III. Deliverables

The key products to be delivered are as follows:

1. Institutional Recommendations towards ESCO Development, as an input to support the GUDP implementation.
2. ESCO Training needs assessment and materials.

3. Training sessions and training workshops delivery.
4. Lecturer and key resource related to 1 workshop under Outcome 2 and 2 workshops held under Outcome 3. Workshops are managed and organized by the PMU.
5. Draft and Final LGF regulation.
6. Draft and Final Energy Performance Contract templates.
7. LGF monitoring report templates.
8. Quarterly Progress reports (8 reports over 2 years) related to activities related to Component 2 and 3.
9. TA, guidelines and guidance in regard to all activities encompassed under the project Component 2 and 3 over a period of two years.

The timeframe and duration of activities are estimated to be broken down as follows:

Components	Duration (estimated) / days
Component 1	5
Component 2	80
Component 3	30
TOTAL working days	Approx.115

The time frame for specific activities will be determined, discussed and coordinated with the Project Manager and UNDP Portfolio Manager, upon contracting.

IV. Duration and management arrangements

The International ESCO/Financial Consultant will be appointed in accordance with the provision of the UNDP Individual contract modality. The effort estimate is 115 working days spread on two years, including about 55 working days in Moldova.

The International ESCO Consultant shall report directly to the Project Manager in regard to activities and tasks to be carried out and to UNDP MD Portfolio Manager for the contract management and payment. The Consultant will work in close cooperation with experts from specialized EU-funded projects. The payment for services provided by the Expert will be made according to deliverables completed, and approved by the UNDP Portfolio Manager.

V. Requirements for experience and qualification

- Masters’ Degree in Mechanical/Electrical/Civil Engineering any other science-based background;
- At least 7 years of relevant working experience in the field of energy efficiency, ESCO development, EPC modality and EE project financing;
- Extensive experience in project management with adequate exposure to financial management, financial mechanism and the banking systems;
- Professional experience in Eastern Europe is an asset;
- Excellent proven analytical skills in analysis, leadership and overall diplomatic skills;
- Proven experience on preparation of written reports in an accurate and concise manner, and public presentation skills;
- Good organizational, time management and facilitation skills;
- Have a good command of English;
- Knowledge of Romanian or Russian languages would constitute an advantage.

VI. Documents to be included when submitting the proposals:

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

1. Cover letter with the short description of proposed approach/methodology;
2. Personal CV including past experience in similar projects.
3. Financial proposal;

VII. References

1. Brief description of ESCO Moldova project components and activities Annex 1
2. Energy Efficiency Projects development and implementation – step-by-step Annex 2