**Request for Expressions of Interest (REoI)**

**Date:** 20/05/2020

**Country:** INDIA

**Project:** PARTIAL RISK SHARING FACILITY for ENERGY EFFICIENCY (PRSF) PROJECT

**Grant No.:** TF019308 (GEF Number) andTF019230 (CTF number)

**Project Nos.:** P128921/ P132620

**Assignment Title:** Hiring of an Agency for Generating Pipeline of ESCO implemented sub-projects for issuance of Guarantee under PRSF Project in Zone 1 (Northern and Eastern States)

**Procurement Plan** [**Reference No.**](https://step.worldbank.org/secure/) **:** IN-SIDBI-155422-CS-QCBS

Small Industries Development Bank of India (SIDBI) has received financing from the World Bank towards the cost of the **Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project**, and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include generation of pipeline of Energy Efficiency (EE) sub-projects implemented by Energy Efficiency Companies (ESCOs) through holding workshops, creating awareness about project and being in continuous touch with all stakeholders i.e. ESCOs/ Hosts/ Participating Financial Institutions (PFIs) and getting guarantees issued from PRSF Project to these pipeline of sub-projects. The scope of services also include getting Financial Institutions empanelment under PRSF Project by signing of MoU and Master Guarantee Agreement (MGA) between PFI and PEA, SIDBI.

The selected agency is strictly prohibited from promoting and/or benefitting its own subsidiaries or any other related firms for guarantee scheme of PRSF. The consultancy firm will not be compensated for any such related transactions and this may even lead to termination of the contract.

This Request for Expression of Interest (REoI) along with Terms of Reference (ToR) can be viewed and downloaded from: https://www.sidbi.in/en/tenders/, <http://prsf.sidbi.in/>, <https://eprocure.gov.in/epublish/app>.

The duration of the above assignment will be for twelve (12) months which may be extended based on requirement.

SIDBI now invites eligible consulting firms [“Consultants”] to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The expressions submitted will be evaluated and shortlisted for Request for Proposal (RFP) stage based on following criteria:

1. The firm should be in business/ registered in India for the last three years.

[Registration / licenses etc. to be enclosed]

1. The firm should have executed at least 3 similar nature project in energy sector preferably Energy Efficiency (EE) projects during the last 3 years.

[Copies of contracts/ completion or acceptance certificate(s) to be enclosed]

1. The firm should have a minimum average annual turnover of Rs. 250 lakh with positive net worth during last three financial years, i.e., FY 2018-19, FY 2017-18 and FY 2016-17. [Certificate from the statutory auditors/ Chartered Accountant to be enclosed]

Expressions of interest (EOI), prepared by firms’ shall be containing all relevant information but not limited to:

1. Introductory letter on letter head (with contact details – name of contact person, address, telephone, fax, email etc.) explaining how the firm is best to deliver the task.
2. Organization profile and branches/ offices within the country.
3. Information regarding fulfillment of shortlisting criteria listed above.
4. Availability of key professionals with desired qualification and experience as per ToR.
5. The EoI should contain relevant supporting document to substantiate the claims.

Interested consultants should not have any unsatisfactory track record resulting in adverse action taken by any Government Department (Centre/ State)/ CPSU/ SPSU/ Banks/ Autonomous Bodies/ Statutory Bodies in India). Further, if selected for the assignment, the firm will need to provide their valid Permanent Account Number (PAN)/ TAN and Goods and Services Tax (GST) Number.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank’s Guidelines: Selection and Employment of Consultants[[1]](#footnote-1) [under IBRD Loans and IDA Credits & Grants] by World Bank Borrowers [insert correct title and date of applicable Guidelines edition as per legal agreement] (“Consultant Guidelines”), setting forth the World Bank’s policy on conflict of interest.

A Consultant will be selected in accordance with **Quality and Cost Based Selection (QCBS)** method set out in the Consultant Guidelines.

Consultants may associate with other firms but not more than three in the form of a joint venture or a sub-consultant to enhance their qualifications. Such association must be clearly stated as either Sub-consultant or Joint Venture.

Expression of Interest in written form to the address given below (in person, or by mail, or by e-mail) on or before **June 22, 2020 by 16:00 hrs**.

The sealed envelope containing the submission should include the name and address of the firm and shall be clearly marked **“Expression of Interest – Hiring of an Agency for Generating Pipeline of ESCO implemented sub-projects for issuance of Guarantee under PRSF Project in Zone 1”.**

To

General Manager

Green Climate and Sustainable Development Initiatives (GC&SDI)

Small Industries Development Bank of India (SIDBI)

O/o ISTSL, E-1, First Floor, Baluja House

Jhandewalan Extension, New Delhi 110 055

Phone: 011-43526652

Email: sidbi\_prsf@sidbi.in

Further information can be obtained at the above address during office hours [1000 to 1700 hours].

For further details Terms of Reference (ToR) enclosed below may be referred:

**TERMS OF REFERENCE**

**Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project**

**SIDBI intends to hire an agency for Generating pipeline of sub-projects implemented by Energy Service Companies (ESCOs) for issuance of Guarantee under PRSF Project in Zone 1 (Northern and Eastern States).**

# Background

## About SIDBI

Small Industries Development Bank of India (SIDBI) was established on April 2, 1990 under an Act of Indian Parliament. It is the principal financial institution for the promotion, financing and development of Micro, Small & Medium Enterprises (MSMEs). In order to improve productivity and competitiveness of MSME sector through energy efficiency (EE) measures, SIDBI has undertaken a number of initiatives which include development assistance and line of credits from The World Bank, Japan International Cooperation Agency (JICA), Kreditanstalt für Wiederaufbau (KfW) and Agence Française de Développement (AFD). Further, SIDBI has setup an Energy Efficiency Centre (EEC) at New Delhi which is implementing various developmental projects in close cooperation with the World Bank, Bureau of Energy Efficiency (BEE), Energy Efficiency Services Limited (EESL), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and few others.

## Energy Efficiency Improvements & ESCOs Role

Various studies estimates the EE investment potential in India is between Rs. 75,000 Crore and Rs. 150,000 Crore. Despite the prevailing Energy Efficiency potential, most end users are unable to implement EE projects, either due to lack of technical capacity or due to lack of sufficient focus and time for EE investments.

Energy Service Companies (ESCOs) can help Clients in overcoming some of the key EE market barriers. ESCOs provide a range of services, including identification of EE opportunities, close association with equipment manufacturers, design and management, construction, maintenance of the EE technology, and structuring transactions that are based on monetized energy savings, and Measurement and Verification (M&V) of the resulting energy and cost savings.

The innovative policies and regulatory regimes, financing mechanism and business models undertaken by India to address key issues of energy security and climate changes are through implementing Energy Conservation Act 2001 and National Mission for Enhanced Energy Efficiency (NMEEE) launched in 2008. Furthermore, stimulation to the ESCO business in the country has successively come from these policy frameworks wherein the main government initiatives for ESCO market development are defined and implemented. Over 150 ESCOs have been empaneled by Bureau of Energy Efficiency (BEE).

The increase and the high volatility of energy prices in India is an important driver of ESCO market development. Neverthless the ESCO market is made of a few big companies and the market competition is consequently quite low. The big/ super ESCOs operating can take greater financial and technical risks in their energy efficiency investments compared to smaller ESCOs which typically have to deal with more challenges in accessing bank financing and in increasing the credibility of their offers to potential clients.

The presence of limited number of active private ESCOs and the absence of competition in the market signals towards various factors and barriers still prevailing and hinder ESCO market development. Apparently, the ESCO market in India is still at a preliminary development stage in terms of total volume of ESCO implemented projects, and important steps need to be undertaken in order to prove the effectiveness of the ESCO concept.

## Partial Risk Sharing Facility (PRSF) for Energy Efficiency

SIDBI as Project Execution Agency (PEA) is implementing a project titled **“Partial Risk Sharing Facility for Energy Efficiency (PRSF)”** with the support of The World Bank, and financed by the Global Environment Facility (GEF) and Clean Technology Fund (CTF)[[2]](#footnote-2). The objective of the project is to transform the Energy Efficiency (EE) market in India by promoting increased level of EE investments, through Energy Service Performance Contracting (ESPC) modality and implementation delivered through Energy Service Companies (ESCOs). The successful demonstration of ESCO-managed EE sub-projects, through PRSF support, is expected to reduce the risk commercial banks perceive in providing credit to EE projects and to help in develoment of market for the private ESCOs. Energy Efficiency Services Limted (EESL) is the TA partner in PRSF project and Bureau of Energy Efficiency (BEE) provides overall directions, DG as the Co-Chair of the PRSF Advisory Committee.

The PRSF project is aimed at demonstrating the viability of Energy Service Performance Contract (ESPC) market for scaling up implementation of energy efficiency projects in Micro, Small and Medium Enterprises (MSMEs), Large industries, Municipalities, and Buildings sector in India.

With the efforts made under the PRSF project, significant strides have been made in convincing many Banks/ NBFCs/ FIs (collectively, Participating Financial Institutions or PFIs under PRSF) to finance ESCO projects. Out of the all empanelled PFIs under PRSF (see Annex), most have already financed ESCO projects, in addition to SIDBI’s own financing, with support from PRSF. A total of 24 ESCO sub-projects have been supported through PRSF partial credit (loan) guarantees as of December 2019. More information about PRSF is at <http://prsf.sidbi.in>.

# Objective of the Assignment

The ultimate objective of the assignment is to maximize the number of Energy Efficiency (EE) projects implemented by ESCOs receiving Guarantee under the PRSF Project.

To achieve this objective the selected agency will be required to adopt two pronged strategy where on one hand it needs to generate a pipeline of sub-projects by having close interactions with all three concerned stakeholders i.e. Hosts, Energy Service Companies (ESCOs), & Financial Institutions (FIs) and simultaneously on other hand it needs to work on bringing these pipeline of sub-projects under the coverage of PRSF Project by getting guarantee issued to PFIs for the loans provided to EE sub-projects.

1. **Location**

The selected agency will operate in a zone consisting of various States. All States have been divided into two zones and two separate agencies will be selected to operate in respective zones.

The agency to be selected will operate in Zone 1 consisting of following States:

|  |  |  |  |
| --- | --- | --- | --- |
| S. N. | State/ UT | S. N. | State/ UT |
| 1. | UT of Jammu & Kashmir | 13. | Jharkhand |
| 2. | UT of Ladakh | 14. | Odisha |
| 3. | Punjab | 15. | West Bengal |
| 4. | Himachal Pradesh | 16. | Sikkim |
| 5. | Chandigarh | 17. | Assam |
| 6. | Uttarakhand | 18. | Meghalaya |
| 7. | Delhi | 19. | Mizoram |
| 8. | Haryana | 20. | Manipur |
| 9. | Rajasthan | 21. | Arunachal Pradesh |
| 10. | Uttar Pradesh | 22. | Nagaland |
| 11. | Madhya Pradesh | 23. | Tripura |
| 12. | Bihar |  |  |

Note: The agency selected for respective zones will have the mandate to identify ESCO implemented sub projects from the States falling under their zone however sub-projects from States coming under other zone can be considered for issuance of guarantee on case to case basis.

# Scope of Services, Tasks [Components] to be Carried Out and Expected Deliverables

To achieve the objectives of this assignment, generation of a healthy pipeline of sub-projects by identifying eligible sub- projects fulfilling the requirements of PRSF and is paramount. This can be achieved only through having close interactions and creating awareness about the PRSF Project among all concerned stakeholders i.e. Host (where EE project is installed), ESCOs (the organization executing the EE project) and PFIs (financial institutions providing loan for the EE project).

The eligible sectors / projects under PRSF are:

**Sectors**

1. Large industries (excluding thermal power plants), including those notified under the BEE’s energy consumption norms and standards (i.e., through PAT)
2. MSMEs
3. Municipalities
4. Buildings

Apart from above other sectors like Smart metering is also under consideration.

**Projects**

Any project in which ESCO enters into Energy Saving Performance Contract (ESPC) with the Host, with the objective of bringing about demonstrable energy savings.

The following are the broad level of activities identified to be performed under this assignment:

1. The agency will approach the ESCOs/ Hosts in the respective zone for generation of pipeline of EE sub-projects implemented by ESCOs.
2. The agency will involve and work closely with industry associations active in their zone which will help in identifying potential hosts and facilitate its engagement with industry in more meaningful manner.
3. The agency will involve either BEE empaneled or non-empaneled ESCOs. In case of non- empaneled ESCOs, the firm should get graded by rating agencies such as CRISIL/ CARE/ ICRA.
4. The agency will engage in activities for creating awareness about PRSF among the stakeholders in the zone by holding workshops at various locations. These workshops shall include participation form ESCOs, PFIs and the prospective Hosts.
5. The agency will identify potential sub-projects for generation of pipeline during these workshops.
6. The agency will facilitate preparation of DPR/ Energy audit reports.
7. The agency will facilitate the match making between prospective ESCOs/ Hosts and PFIs (Banks / NBFCs).
8. The agency will identify potential Financial Institutions (FIs) not already empaneled or under discussion for empanelment and facilitate their empaneled by fulfilling the requirements of signing MoU and Master Guarantee Agreement (MGA) between FIs and PEA, SIDBI.
9. The agency will assist the ESCOs/ Hosts in processing of loans and getting sanction letter issued from PFIs.
10. The agency will facilitate PFIs/ PEA, SIDBI in processing of issuance of guarantee from PEA, SIDBI to the PFI for loans provided to EE sub-project.

The information related to the scope of services which needs to be followed by the agency for execution of this assignment:

1. All the identified ESCO based EE projects, availing the credit facility and guarantee coverage under PRSF shall be routed through empaneled PFIs, listed at Annexure.
2. In case of ESCO being a JV or consortium, the share in equity or contract value, as applicable, of ESCOs falling under MSME shall not be less than 51% for such JV or consortium to be treated as MSME.
3. The minimum loan size of each ESCO based EE project should be more than Rs. 10 lakhs and maximum upto Rs. 15 Crore.
4. Pipeline projects means completion of audit reports and submission of application to the empaneled Participating Financial Institution (PFIs) for lending.
5. The eligible sectors/ projects may get modified/ updated during the assignment.
6. The agency would facilitate relevant tasks, processes and information that are required by the Project Executing Agency (PEA) i.e. SIDBI for issuance of guarantees.
7. The agency is prohibited from promoting and/or benefitting its own subsidiaries or other related firms. The consultancy firm will not be compensated for any such transactions and this may lead to termination of contract.

# Duration of the Assignment

The duration of the assignment is twelve [12] months which may be extended based on requirement and mutual agreement.

# Team Composition &Qualification Requirements for the Key Experts

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No. | Key Position | Nos.  (Min.) | Area of Specific Expertise Desired | Minimum Qualification and Professional Experience Desired | Expected Person-months |
| 1. | Project Leader | 01 | Should have handled at least 5 Energy Efficiency (EE) projects | MBA/ M. Tech or equivalent qualification with at least 10 years of experience | 4 |
| 2. | Financial Expert | 01 | Should have experience of doing financial appraisals for at least 5 energy projects | CA/ equivalent Financial qualification with at least 5 years of experience | 2 |
| 3. | Energy Auditor | 01 | Should have conducted energy audits in various sectors and should have implementation experience of EE projects | Certified BEE Auditor with B. Tech./ B.E. or equivalent with at least 5 years of experience | 12 |
| 4. | Engineering Expert | 04 | Should have experience in energy sector preferably EE projects | B. Tech./ B.E. or equivalent with at least 5 years of experience | 24 |

# Reporting Requirements, Time Schedule for Deliverables/ Completion of Tasks and Payment Terms

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No. | Deliverables  [A] | Target  [B] | Durationi  [C] | Payment Termsii  [D] |
| 1. | Submission of Inception Report outlining strategic workplan, approach & methodology including market assessment report on preliminarily identified ESCOs/ PFIs/Hosts from the zone after undertaking visit to identified clusters /centres in the Zone, acceptable to SIDBI | One Report | Within 1 month | 5% |
| 2. | 1. Organising at least 5 Workshops\* for creating awareness among stakeholders at different locations within the zone, acceptable to SIDBI   *(Payment to be made on pro rata basis)* | 5 workshops | During contract period | 5% |
| 1. Generation of pipeline of 60 sub-projects implemented by ESCOs for which loan application has been submitted to PFI that will apply for PRSF guarantee, acceptable to SIDBI   *(Payment to be made on pro rata basis, after signing of MoU and MGA)* | 60 pipeline projects | 15% |
| 3. | Empanelment of new PFIs under PRSF, acceptable to SIDBI  *(Payment to be made on pro rata basis)* | 2 nos. | During contract period | 5% |
| 4. | After signing of ESPC and issuance of sanction letter by the PFIs that have applied for PRSF guarantee to the identified ESCO implemented sub-projects, acceptable to SIDBI  *(Payment to be made on pro rata basis)* | 20iii nos. | During contract period | 30%# |
| 5. | Guarantee issuance from PRSF Project to the identified ESCO implemented sub-projects, acceptable to SIDBI  *(Payment to be made on pro rata basis)* | 20iii nos. | During contract period | 40%# |

i Duration is considered from signing of contract.

ii Linked with contract value

iii No. of sub-projects receiving guarantee may vary from 20 nos.

\* **Workshop**

* The agency will identify locations suitable to most of the stakeholders and finalise these in consultation with PEA, SIDBI.
* The agency has to ensure participation of representatives from at least 5-7 ESCOs (empaneled/ non-empaneled), 2-3 PFIs, Office bearers from Industries associations, besides other stakeholders in the each workshop to be conducted.
* The agency will be capturing details of all participants of workshop in an attendance sheet containing Name, Designation, Firm/organization name, Contact details & signature along with photographs of event. These details must be reported in the monthly progress reports or the deliverable of workshop will be considered as achieved.
* These workshops are expected to play a crucial role in awareness generation and will provide a platform for identification of pipeline projects. Thus the pipeline generation deliverable has been attached with conduction of workshops.
* PEA, SIDBI and other authorities may participate in some of the workshops.

# The payment against deliverables at S. N. 4 & 5 will be linked to the total loan amount of sub-project as per following arrangements:

|  |  |  |
| --- | --- | --- |
| a. | For loan amount of >= Rs.10 Lakh up to Rs. 50 Lakh | 30% of pro rata rate derived per sub-project = 30% [(D4+D5)/20] |
| b. | For loan amount of > Rs. 50 Lakh up to Rs. 2 Crore | 50% of pro rata rate derived per sub-project = 50% [(D4+D5)/20] |
| c. | For loan amount of > Rs. 2 Crore up to Rs. 5 Crore | 70% of pro rata rate derived per sub-project = 70% [(D4+D5)/20] |
| d. | For loan amount of > Rs. 5 Crore | 100% of pro rata rate derived per sub-project = 100% [(D4+D5)/20] |

Note: The deliverables listed at S.N. 2, 3 4 & 5 will not have precedence and the selected agency will be working on these deliverables in parallel. The payments against these deliverable will be processed on pro rata basis for the outputs achieved during a month.

**Pre-requisite for submitting the RFP by shortlisted agencies**

* Agency is expected to understand objectives of PRSF project, review Operations Manual[[3]](#footnote-3) and other associated documents, the guarantee products offered and other aspects of the PRSF project.
* Good linkages with all the stakeholders in ESCO eco-system, mainly, ESCOs (prevailing & prospective once), Clients from various sectors, Banks/ NBFCs and EE technology vendors/ OEMs.
* PEA, SIDBI will have the right to access all information of the pipeline projects generated by the agency.
* PEA, SIDBI will have the right to disseminate/ publish information about the project, lessons learnt as well as other relevant information for the benefit of the larger stakeholders/ groups.

# Client’s Inputs including Counterpart Personnel including Data and Facilities to be provided by the Client

SIDBI/ EESL will support the consultancy firm by sharing the relevant documents and information needed to execute the assigned activities under this TOR.

# Composition of review committee and review procedure to monitor consultancy firms work

* The deliverables will be reviewed and accepted by concerned committees constituted by SIDBI.
* The Consultancy firm should provide regular/ monthly updates within first week of following month on the activities performed, progress made during the month and future work plans.
* The progress reporting shall start from the first month of commencement of the contract.
* The format(s) of report is to be designed by agency and finalise in consultation with client.
* The payments would be released upon successful completion of the respective activities and submission of reports and acceptance of the same by SIDBI/ EESL.
* The Consultancy firm work may also be reviewed from time to time by Executive committee and Advisory committee members.
* The World Bank also may review the reports/ deliverables on a selective basis.

**Annexure**

**List of Various Stakeholders under the Project (as on December 2019)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Empaneled PFIs** | **ESCOs** | **Hosts** | **Executing Agencies** | **Implementing Agency** | **Funding Agencies** | **Monitoring Agencies** |
| * 1. SIDBI   2. Andhra Bank   3. Corporation Bank   4. Yes Bank   5. HDFC Bank   6. IndusInd Bank   7. Tata Cleantech Capital Ltd.   8. Electronica Finance Ltd.   9. SREI Infrastructure Finance Ltd.   10. ECL Finance Ltd.   **Under process**   * 1. Kotak Mahindra Bank   2. Bank of Baroda   3. Punjab National Bank   4. Axis Bank   5. IREDA | 1. Smart Joules 2. eSmart 3. Yajna Fuels 4. Yantra 5. Energized Solutions 6. Katyani 7. Geostat 8. Cosmoright 9. G A Infra 10. Gram Power 11. EIPL 12. Briller 13. Mytrah 14. Subh Enterprises 15. NEEV Energy | 1. Municipal Corporations 2. MSME units 3. Large Industry 4. Hospitals 5. Hotels 6. Office Buildings 7. DISCOMs | 1. SIDBI 2. EESL | The World Bank | 1. Global Environment Facility 2. Clean Technology Fund | 1. Bureau of Energy Efficiency (BEE) 2. Department of Economic Affairs (DEA) |

Note: The above mentioned stakeholders like PFIs/ ESCOs/ Hosts are subject to change from time to time.

\*\*\*\*\*\*\*

1. <http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant_GLs_English_Final_Jan2011_Revised_July1_2014.pdf> [↑](#footnote-ref-1)
2. Project Appraisal Document : <http://documents.worldbank.org/curated/en/968091468048913492/pdf/PAD9800P1289210R2015000020100OUO090.pdf> [↑](#footnote-ref-2)
3. Operations Manual: <http://prsf.sidbi.in/assets_user/docs/Operating%20Guidelines_PRSF.pdf> [↑](#footnote-ref-3)