

Terms of reference | Consulting Services Energizing Finance: 2019 Taking the Pulse - Assessment of Market Needs

Context

In September 2017 at the 72nd UN General Assembly, Sustainable Energy for All (SEforALL) and partners released a series of groundbreaking reports that for the first time provided systematic analysis of finance flows for electricity and clean cooking access in developing countries. The [Energizing Finance](#) series, produced in partnership with the **World Bank Group**, the **African Development Bank**, **Climate Policy Initiative**, **E3 Analytics** and **Practical Action Consulting**, focused on twenty high-impact countries (HICs) in sub-Saharan Africa and Asia with significant energy access gaps (see Annex). While other efforts have estimated the amount of investment needed to meet energy access goals or provided a look across the broader climate finance landscape, until this series none has focused specifically on the volume, composition, direction, and efficiency of finance aimed at the energy sector in the developing world.

The research partnership included three distinct analyses and developed a comprehensive methodology that can be consistently applied and replicated. The approach aligned with and mapped finance flows based on tiers of residential energy service, as defined by the World Bank's Multi-Tier Framework (MTF).¹

The initial series of reports released in 2017 focused on:

FINANCE FLOWS:

1. [Understanding The Landscape](#): Tracking Finance for Electricity and Clean Cooking Access in High-Impact Countries
2. [Missing The Mark](#): Gaps and Lags in Disbursement of Development Finance for Energy Access

MARKET NEEDS:

3. [Taking the Pulse](#): Understanding Energy Access Market Needs in Five High-Impact Countries

Collectively, these reports provided (i) a bottom-up analysis of the demands and needs for financing in the energy access sector, and (ii) top-down analysis of the flow of financing globally for energy access investments. The Missing the Mark report specifically analyzed the efficiency and effectiveness of the main development finance channels of financing.

In November 2018, SEforALL in partnership with Climate Policy Initiative released a second financing flows analysis, [Energizing Finance: Understanding the Landscape 2018](#), which built on the 2017 report of the same title, analyzing finance flows for electricity and clean cooking access in the HICs. The report revealed striking developments in several key areas of energy access finance that require urgent attention to keep Sustainable Development Goal 7 (SDG7) - affordable, reliable, sustainable and modern energy for all – within reach.

Unlocking the necessary volume of investment at appropriate speed requires a continuing understanding of where finance is flowing and whether flows meet the financing needs and absorptive capacity of those seeking to close the access gap. In 2019, SEforALL proposes to continue to work with its partners to update and extend [Understanding the Landscape](#) as a consistent, robust and transparent inventory of financial flows across energy access tiers in countries where substantial progress is required to reach SDG7 targets by 2030.

In addition, SEforALL seeks to complement [Understanding the Landscape](#) through the development of a 2019 Taking the Pulse report, the subject of this Terms of Reference. This 2019 analysis will build on the methodology set out in the [2017 Taking the Pulse report](#), and allow for further analysis of the financing needs of market players in a number of countries with high energy access deficits, including an assessment of the capacity of public and private sector actors to absorb such resources.

These reports and recommendations for action arising are geared to government leaders, public and private financiers, energy access enterprises and civil society. A core objective of the report is to provide robust data and evidence to help accelerate and scale finance for access to electricity and clean cooking – two cornerstone priorities of SDG7.

Objective

Identify the amount and types of capital required by energy enterprises (including private, public and non-profit enterprises) to deliver reliable, affordable and modern decentralized (off-grid) energy services and products (Tiers 1-3 of the MTF for electricity and cooking, respectively) in a select number of HICs.

Scope of Work

To achieve the objective, the selected consultant is expected to draw on a strong existing body of energy access research and relationships. The consultant should demonstrate a track record of high-quality, independent research, report writing and convening power that turns information into action, particularly in developing countries. A deep understanding of contextual issues around energy sector planning, the socio-economic data needed to define and characterize markets, and the role of development finance and civil society organizations, combined with narrower expertise on clean energy enterprises—their business models, finance and policy needs—will be essential to deliver this work.

The selected consultant shall:

1. In close consultation with SEforALL, recommend a cross-section of three countries from the HICs for the market analysis, with the final representative countries chosen according to a specified set of criteria including the extent of consultant’s country engagement and availability of data. SEforALL will retain final discretion in relation to country selection.
2. Develop a bottom up picture of the finance needs of energy enterprises in selected markets, including but not limited to enterprise finance needs specific to gender. This is particularly important given the early-stage nature of many enterprises operating in the energy access sector and the implications for the type of financing they require. The deep dive analysis in select countries will look at the current finance sector ecosystem in each market, identify demand for funding and examine financing constraints. Wherever possible, successful financial products, structures and business models will be identified and highlighted.
3. Building from the 2017 Taking the Pulse report, refine the methodology and analysis framework to support the identification of the different types of capital required by entities at different stages of business maturity (i.e. start up, growth, expansion, maturity) that aim to deliver clean electricity and cooking products and services through various business models (e.g. PAYGo models, cash and consumer-financed sales; mini-grid project development).
4. Apply the methodology and analytical framework to a representative sample of such entities across the countries selected for analysis. The consultant should anticipate in-country engagements to facilitate project implementation.

5. Develop indicative ratios that would inform the demand for a range of financial products, e.g., grants, equity, debt.
6. Consult SEforALL and its partners on information related to the Understanding the Landscape updated inventory of financial flows across energy access tiers to ensure continuity of assumptions and data integrity. Analyze such information to determine comparability to analysis of market needs, and where agreed among SEforALL and its partners, undertake analysis to determine financing gaps between financial flows and market needs.
7. Identify and engage partners that may have data to contribute to the analysis, e.g., World Bank, the UN Foundation Energy Access Practitioner Network, GOGLA, Energy4Impact, Africa Mini-grids Developers Association, Acumen and Alliance for Clean Cooking.
8. Participate in a peer-review process, as required by SEforALL through the assignment and in advance of publication of final results.
9. Provide a written assessment of the potential to update the market needs assessment on a biennial basis, based on the research experience. In consultation with SEforALL, develop an annual outreach strategy to ensure key stakeholders receive and are influenced by findings and recommendations.
10. Develop supplementary communications materials highlighting key data and conclusions, for example blog posts and PowerPoint presentations.
11. Present agreed results at key events as determined in consultation with SEforALL.

Approach, deliverables and timeline

Approach: The selected consultant will maintain close contact with a designated SEforALL Policy Team contact throughout the assignment who will facilitate access to documentation, relevant SEforALL staff and other partners as needed. All reports will be reviewed by SEforALL, which will provide comments within one week of receipt of drafts.

This project is a component of the larger SEforALL Energizing Finance report series and a review/steering committee will be established to provide input to project design and to peer review report drafts. The selected consultant will participate in periodic review/steering committee calls as required by SEforALL and present status reports on its approach, findings, research and data challenges and next steps.

Deliverables and Indicative Timeline:

Within one month of contract commencement, the selected consultant will submit an inception report that outlines its proposed approach, methodology, country recommendations for the market analysis, country outreach and partner engagement strategy and key data sources. Such approach and methodology will have been discussed and agreed with key advisors and, on request by SEforALL, SEforALL partners working on the Understanding the Landscape inventory of financial flows for energy access in HICs. An in-person meeting with the project manager at SEforALL's offices in Vienna, Austria will be held to review, discuss and accept the inception report, modified as necessary at SEforALL's discretion (2-days).

April 30, 2019: The selected consultant will have identified enterprises and tested its approach in the three selected countries. It will have identified any barriers to data and information collection in accordance with the agreed methodology and analytical framework. The consultant will submit a status report to SEforALL that summarises these activities and key findings.

June 20, 2019: The selected consultant will submit to SEforALL a complete first draft Taking the Pulse 2019 report with initial findings for the three countries, for review by SEforALL and key stakeholders, as well as a review of the applied methodology and analytical framework. Anticipated in-country travel dates to the three selected countries for a 3-day mission per country is suggested.

July 31, 2019: The selected consultant will submit a second draft Taking the Pulse 2019 report to SEforALL for review.

September 1, 2019: The selected consultant will submit a final draft Taking the Pulse 2019 report to SEforALL for review.

September 30, 2019: The selected consultant will submit the final Taking the Pulse 2019 report and all accompanying tables and graphics to SEforALL for communications purposes (including publication on SEforALL’s website) and as integrated components of a published SEforALL Energizing Finance policy paper. The selected consultant will be available to review and proof the final paper at SEforALL’s request. The selected consultant shall also produce one short (10 slides) ppt slide deck for each of the three countries conforming to SEforALL communications guidelines.

Summary Table of Deliverables

Deliverable	Delivery Date
1. Inception report	Within one month of contract commencement
2. Status report on research progress and in-country engagement	April 30, 2019
3. First draft full report	June 20, 2019
4. Second draft full report	July 31, 2019
5. Final draft full report	September 1, 2019
6. Final report and communications collateral	September 30, 2019

Travel

Type	Location	Days	Tentative Dates
Kick Off Meeting	Vienna, Austria	2	Mar/April 2019
Selected Country Visit # 1	TBD	3	May/June 2019
Selected Country Visit # 2	TBD	3	May/June 2019
Selected Country Visit # 3	TBD	3	May/June 2019

REIMBURSABLE COSTS: COSTS RELATED TO AND DIRECTLY ARISING FROM CONSULTANT EMPLOYEES' 'DUTY TRAVEL':

-) Duty travel is defined as travel which is requested as part of the performance of services under the Contract. Duty travel is usually from the duty station to the place of the mission and return to the duty station.
-) Offerors shall **NOT** include 'duty travel' related costs in their financial proposals.
-) SEforALL will calculate and include 'duty travel' costs during the contract conclusion stage with the successful bidder. The costs of 'duty travel' are calculated as per SEforALL's Travel and reimbursement policies.

Reporting

The selected consultant will report to Olivia Coldrey, Lead Finance Specialist, Sustainable Energy for All.

Qualifications and Experience Requirements

Organization Requirements:

-) The organization must have a minimum of 10 years' experience in international development, including specific experience in the off-grid energy access market, with both electricity and clean cooking solutions.
-) Proven expertise in producing rigorous market and financial analyses of energy access issues in low-income countries and emerging markets.
-) A minimum of 5 years' experience in delivering high quality, independent research reports, on time and within budget.
-) A good understanding of SEforALL, its mandate and goals.
-) Direct experience working with UN agencies and/or the World Bank Group will be considered an advantage.

Consultant Lead Requirements:

-) **A designated project team lead with a minimum of:**
 - o 8-years' experience leading a team of consultants in delivering high-quality, independent, multi-country research reports.
 - o Educational qualifications of at least Master's level in economics, business, finance, law, public policy or a related discipline.
 - o A minimum of 5 years' experience working with and understanding the operations of clean energy enterprises—their business models and finance needs – specifically those in early stages of development.
 - o A minimum of 5 years' experience in the development and application of methodologies and strategic frameworks for innovative research initiatives.

- Experience in designing and implementing multi- country, multi-stakeholder questionnaires and interviews.
- A deep understanding of contextual issues around energy sector planning, socio-economic data and the role of development finance and civil society organizations.
- Sound experience working across multiple time zones and with multiple stakeholders.

Additional Consultant(s) Requirements:

- **Each proposed additional team member with a minimum of:**
 - 5-years’ experience in research and drafting of high-quality research reports.
 - Educational qualifications of at least Master’s level in economics, business, finance, law, public policy or a related discipline.
 - The consultant(s) must have a minimum of 5 years’ experience working with and understanding the operations of clean energy enterprises—their business models and finance needs – specifically those in early stages of development.
 - The consultant(s) must have a minimum of 5 years’ experience in the development and application of methodologies and strategic frameworks for innovative research initiatives.
 - Experience in designing and implementing multi- country, multi-stakeholder questionnaires and interviews.
 - A deep understanding of contextual issues around energy sector planning, socio-economic data and the role of development finance and civil society organizations.
 - Sound experience working across multiple time zones and with multiple stakeholders.

Schedule of Payments

Payments will be structured following receipt of outputs as follows:

1. 25% Upon receipt and approval of Inception Report
2. 25% Upon receipt and approval of first draft report
3. 25% Upon receipt and approval of second draft report
4. 25% Upon receipt and approval of final report and communications collateral

The supplier should send an invoice to SEforALL. The invoice shall include the contract number, date of delivery, unit price and total amount. SEforALL will process the payments within 30 days of receipt of the invoice.

Technical Proposal

Provide a proposal that contains the following:

- Statement of the offeror’s understanding of the assignment as well as its proposed approach and methodology.
 - Detailed work plan.
 - Company profile.

-) Link to two previous reports produced by the offeror that are similar to the deliverable required in this assignment. Reports may also be attached to the offeror's proposal.
-) CVs of the proposed lead consultant and each additional team member.

Financial Proposal

-) A lump sum fee for the tasks listed in the proposal in EUR/USD.

Bid Submission Deadline

Pre-Bid Meeting Conference Call: SEforAll will host a pre-bid conference call to explain the details of the solicitation documents to interested bidders and to answer any clarification questions regarding the assignment.

Topic: Pre-Bid Meeting Conference Call- Energizing Finance: 2019 Taking the Pulse

Time: Thursday, Feb 21, 2019 16:00-16:30 PM Central Europe Time (CET)

Access Conference Call:

<https://seforall.zoom.us/j/643023729>

Zoom meeting ID: 643 023 729

Dial by your location

+1 669 900 6833 US (San Jose)

+1 646 558 8656 US (New York)

Meeting ID: 643 023 729

Find your local number: <https://zoom.us/j/643023729>

Bid submittals will be accepted no later than Monday, March 4th 17:00 CET. Email your proposal to Juan Cerda, Management Associate, at procurement@seforall.org

Annex: High-impact Countries

High-Impact Countries (HICs): the 20 countries with the highest absolute gaps in access to electricity and/or clean fuels and technologies for cooking, measured by population, as identified in the 2015 Global Tracking Framework (IEA and the World Bank, 2015).

For **electricity access**, the countries are: Afghanistan, Angola, Bangladesh, Burkina Faso, Congo (DR), Ethiopia, India, Kenya, Korea (DPR), Madagascar, Malawi, Mozambique, Myanmar, Niger, Nigeria, Philippines, Sudan, Tanzania, Uganda, and Yemen.

For **clean cooking access**, the countries are: Afghanistan, Bangladesh, China, Congo (DR), Ethiopia, India, Indonesia, Kenya, Korea (DPR), Madagascar, Mozambique, Myanmar, Nepal, Nigeria, Pakistan, Philippines, Sudan, Tanzania, Uganda, and Vietnam.

Countries with highest gaps in both electricity and clean cooking: Afghanistan, Bangladesh, Congo (DR), Ethiopia, India, Kenya, Korea (DPR), Madagascar, Mozambique, Myanmar, Nigeria, Philippines, Sudan, Tanzania and Uganda.

The HICs reviewed in the 2017 Taking the Pulse report: Bangladesh, Ethiopia, Kenya, Myanmar and Nigeria.