



Annex I: Terms of Reference

1 BACKGROUND

1.1. Context

In Turkey, 47% of net electricity consumption is from the industrial sector¹, with an estimated 70% of this energy consumption from electric motor-driven systems (EMDS), 90% of which use 3-phase squirrel cage asynchronous motors as defined in the EU Eco-design Implementing Measure 640/2009 on electric motors as amended by Implementing Measure 4/2014². Electric motors in Turkey, in general, are not energy efficient. The project aims to promote significant additional investment in industrial energy efficiency in Turkey by transforming the market for energy efficient motors used in small and medium sized enterprises. This objective will be achieved by strengthening the legislative and regulatory framework related to both new and existing EE motors in Turkey, developing appropriate governance and information infrastructure, upgrading test laboratories at the Turkish Standards Institute (TSI), launching a “one-stop shop” sustainable financial support mechanism (FSM), and developing and implementing a comprehensive public awareness and training programme.

The project is divided into five components focusing on:

- Component 1: Strengthened legislative and regulatory and policy framework for EE motors in Turkey.
- Component 2: Capacity building for relevant stakeholders to promote the benefits of EE motors.
- Component 3: Upgraded Turkish Standards Institute (TSI) test laboratory and strengthened monitoring, verification and enforcement.
- Component 4: One-stop-shop for financial support mechanisms.
- Component 5: Knowledge management and M&E

The most critical success factor for the EE Motors Project will be the successful implementation of the demo and scaled-up electric motor replacement programmes in Small and Medium Sized Enterprises (SMEs) in Turkey to accelerate market transformation towards more efficient electric motors used in SMEs in Turkey. For this purpose, careful design and implementation of the financial mechanisms to be developed under the Project will be the key to achievement of this objective.

In line with the project activities, the subject consultant will perform the following functions and hence needed for the subject project:

- leading to the piloting of the one-stop-shop financial support mechanism,
- controlling and monitoring the motor replacement programmes with SMEs regarding financial aspects of these programmes.,
- setting up and concluding the agreements with SMEs through replacement of inefficient motors as well as boosting the demand for new efficient motors in the market,
- joining the team of experts and deliver the financial mechanism related parts of these informative and promotion meetings to successfully deliver the key messages to SMEs and encourage them.

¹ TEDC (TEDAS), Electricity Distribution and Consumption Statistics of Turkey, 2015

² These are defined in Communiqué on Eco-Design Requirements for Electric Motors (OG No. 28197 of 7 February 2012)

1.2. Institutional Setup

The Project is implemented by UNDP, in this context, the Directorate General (DG) for Productivity (DGP) under the Ministry of Science, Industry and Technology (MoSIT) serves as the implementing partner of UNDP. The National Project Director (NPD) of the Project is a high-level official of the DGP. In addition to this UNDP established a Project Management Unit (PMU) which is headed by the Project Manager and comprised of Project Manager and Project Associate and supported by a Chief Technical Advisor (CTA).

2 OBJECTIVE AND SCOPE

The objective of the assignment is to correctly guide the awareness raising activities under the project towards Small and Medium Sized Enterprises to ensure their engagement in motor replacement programmes using one-stop-shop financial mechanisms to accelerate market transformation towards more efficient electric motors in SMEs. The assignment will cover development of the project website, design of the national awareness raising programme, development of awareness raising and training documents and toolkits and delivery of a set of workshops, all highlighting the overall objective and expected results of the Project and key messages to the target audience.

3 DUTIES AND RESPONSIBILITIES OF THE INDIVIDUAL CONSULTANT

UNDP will mobilize an individual consultant as *Local Finance Consultant (LFC)* on a framework contract basis. The following duties and responsibilities of LFC are indicative and subject to further detailing through specific service requests to be made by UNDP during the course of the contract duration.

Within the scope of the Assignment; based on his/her expertise, the *LFC* is expected to provide consultancy services within the scope of the frame defined below, in specific service requests which will elaborate the task required from the Consultant and the due dates of these deliverables.

Below are the project outputs/activities that are relevant to this assignment:

Project Outputs	Project Activities	Specific Activities for the Consultant
COMPONENT 2: Improved capacity of relevant stakeholders to promote the benefits of EE motors		
2.2: Technical training workshops on designing and implementing EE motor replacement programmes	2.2.2. Preparing technical materials related to EE motor design, EE motor manufacturing in compliance with the latest MEPS, EE motor regulations, motor product testing and certification requirements, basic financial analyses to introduce life cycle analysis of true electric motor replacement costs, and electric motor systems purchasing and management practices.	The LFC is expected to complete the finance related parts of the training materials compatible with other chapters of the training materials where required by other consultants of the Project. For this activity, the LFC will cooperate with PMU, CTA, Communications Consultant and Team of Energy Audit Consultants of the Project.
	2.2.3. 20 technical training workshops (WSs) on EE motor replacements in the industrial sector and other sectors in Turkish society for SMEs.	The LFC will deliver the financial mechanisms related parts of these workshops.
COMPONENT 4: One-stop shop to improve industrial SME access to financing for EE motor investments		
Output 4.1: Completed efficient motor assessed potential (EMAP)	4.1.1. Organize informative and promotion meetings (10 meetings) as formal discussions with the selected chambers of industry to select the 3 OIZs who will possibly undertake the	The LFC is expected to join the team of experts and deliver the financial mechanism related parts of these informative and promotion meetings to successfully deliver the key messages to

	pilot activities for the EMAP, and other activities leading to the piloting of the one-stop-shop financial support mechanism	<p>SMEs and encourage them. Therefore, the LFC will work in close cooperation with PMU, CTA and other relevant consultants of the Project in the following key activities:</p> <ul style="list-style-type: none"> - Organization of an agenda illustrating full picture of meeting programme with 10 "selected" Organized Industry Zones and Energy Management Units (OIZs & EMUs); - Conducting the meetings with 10 selected OIZs (with their EMUs as requested) and maintain the core inlet information from the field to design and to drive the best actual matching software tool configuration / algorithm.
Output 4.2: Pilot EE motor replacements using "one-stop-shop"	4.2.1. Confirm the viable finance models with stakeholders	<p>The LFC is expected to review the financial mechanism options already contained in the Project Document, and discuss them with PMU, other consultants, project partners and other stakeholders to come up with a viable concrete financial model or a specific bunch of models through the following specific activities:</p> <ul style="list-style-type: none"> - Setting up agreements that will enable the 3 to 5 selected OIZs to become the primary management entities of the one-stop shop facility for industrial SMEs to implement motor replacement programmes
	4.2.2. Facilitate completed agreements between the 3 to 5 selected OIZs, commercial banks, leasing companies and the guarantee facility	<p>For the purposes of demo applications, the LFC will help PMU in concluding the financial agreements between financial institutions and OIZs.</p>
	4.2.3. Provide full support for motor replacements and variable speed drives (VSDs) for an estimated 12 SMEs (over 3-5 OIZs) for the purposes of attracting early adopters and using these early adopters as demonstrations for successful and efficient motor replacement programmes for the purposes of raising awareness	<p>For the purposes of demo applications, the LFC will help PMU in concluding the financial agreements between financial institutions and OIZs in an impartial and transparent manner through the following specific activities:</p> <ul style="list-style-type: none"> - Selecting 12 SMEs (over 3-5 OIZs) - Setting up and concluding the agreements for 12 SMEs (over 3-5 OIZs)
Output 4.3: Scaled up one-stop-shop for motor replacements	4.3.1. Technical assistance to finalize a redesigned one-stop-shop that incorporates lessons learned from the previous 2 years of operation	<p>During the scaling up phase of the project, the LFC will counsel PMU in controlling and monitoring the motor replacement programmes with SMEs regarding financial aspects of these programmes.</p>
	4.3.2. Technical assistance to identify an additional 18-20 OIZs that can support a redesigned one stop shop financial support mechanism with diminishing support of the Project (for EMAPs and MEEIP preparations) and increased support from KOSGEB	
	4.3.3. Prepare business models that reflect applied financing structure, to be used to guide selection of financing	

	structure in other OIZs during Years 3, 4 and 5	
	4.3.4. Provision of limited support for agreements to enable OIZs personnel to manage inefficient motor replacement programmes	
	4.3.5. Provision of limited support for early entrants to motor replacement programmes for the preparation of EMAPs and implementation of MEEIPs	

If required by UNDP, the IC may be requested to provide additional consultancy services on topics related to her/his expertise area, which are not indicated above, since the table provides a general table to define the scope of the services. The detailed tasks will be provided in specific service requests.

4 INSTITUTIONAL ARRANGEMENTS

UNDP will provide all relevant background documents. UNDP is not required to provide any physical facility for the work of the IC.

However, depending to the availability of physical facilities (e.g. working space, computer, printer, telephone lines, internet connection etc.) and at the discretion of the UNDP in consultation with relevant stakeholders such facilities may be provided at the disposal of the IC. UNDP will facilitate meetings between the ICs and other stakeholders, when needed. The Individual Consultant will report to the PIMS 5285: UNDP/GEF Promoting Energy Efficient Motors in Small and Medium Sized Enterprises (EE Motors) Project Manager.

After submission of the deliverables mentioned in Section 5, UNDP may have some comments and revision requests on the deliverables. The Consultant shall address the comments of UNDP and shall revise the deliverables as per the comments within at most 10 calendar days following notification of comments by UNDP to the consultant.

5 DELIVERABLES

The Assignments will include interim and final deliverables, which will be defined in the specific service requests to be made by UNDP to the IC within the scope of Terms of Reference.

All reports should be submitted in English and Turkish as required.

6 ESTIMATED INPUTS BY THE INDIVIDUAL CONSULTANT (IC)

IC is expected to invest (at maximum) 150 man/days over 22 months throughout the contract validity

The IC shall produce deliverables to be indicated in the Service Requests to the satisfaction of the UNDP and project partners within the man/days limits set forth in the Service Request. In cases where the IC may need to invest additional man/days to perform the tasks and produce the deliverables listed and defined in the mutually agreed (signed) Service Request, the IC shall do so without any additional payment.

7 REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

General Qualifications:

- At least a Bachelor's Degree in the fields of finance, economy, management or other relevant fields including engineering, public administration, etc.
- Higher degree (Master or PhD) in banking or finance will be an **asset**.
- Full proficiency in English and Turkish.
- Computer proficiency in MS Office (Word, Excel and Power Point).

Professional Experience:

- Minimum 15 years of relevant professional working experience. More than 15 years of relevant working experience will be an **asset**.
- At least 10 years of relevant professional experience in SME development or private sector development field. More than 10 years of relevant professional experience in SME and development or private sector development field will be an **asset**.
- At least 8 years of relevant professional experience in business finance or evaluation of investment projects.
- Existence of valid Corporate Governance Rating Specialist License and/or Capital Market Board, Credit Rating Specialist License will be an **asset**.

Specific Experience:

- Experience in finance programme management or business development or marketing of financial loan product aiming at SMEs in at least two internationally funded projects.
- Working experience with green / sustainable energy efficiency loan product marketing for industrial SMEs will be an **asset**.
- Working experience with international finance institutions or donors will be an **asset**.
- Working experience with UNDP will be an **asset**.

Notes:

- Internships (paid/unpaid) are not considered professional experience.
- Obligatory military service is not considered professional experience.
- Professional experience gained in an international setting is considered international experience.

8 TIMING AND DURATION

The Assignment is expected to start within June 2018 and will be completed by the end of March 2020.

9 PLACE OF WORK

Place of work for the assignment is Ankara. All travel, accommodation and living costs in duty station (Ankara) will be covered by the Consultant. It may be required that the Consultant travels out of the duty station (Ankara) within the scope of this Terms of Reference. In case, travel out of the duty station is needed, the travel and accommodation costs of these missions will be borne by UNDP. The costs of these missions may either be;

- Arranged and covered by UNDP CO from the respective project budget without making any reimbursements to the consultant (Any assignment-related travel (economy class), accommodation (bed & breakfast) outside duty station will be arranged by the travel agency UNDP works with, when necessary, by receiving prior approval of UNDP) or
- Reimbursed to the consultant upon the submission of the receipts/invoices of the expenses by the consultant and approval of the UNDP. The reimbursement of each cost item is subject to the following constraints/conditions provided in below table;

- Covered by the combination of both options.

Cost item	Constraints	Conditions of Reimbursement
Travel (intercity transportation)	full-fare economy class tickets	1- Approval by UNDP of the cost items before the initiation of travel 2- Submission of the invoices/receipts, etc. by the consultant with the UNDP's F-10 Form 3- Acceptance and Approval by UNDP of the invoices and F-10 Form.
Accommodation	Up to 50% of the effective DSA rate of UNDP for the respective location	
Breakfast	Up to 6% of the effective DSA rate of UNDP for the respective location	
Lunch	Up to 12% of the effective DSA rate of UNDP for the respective location	
Dinner	Up to 12% of the effective DSA rate of UNDP for the respective location	
Other Expenses (intra city transportations, transfer cost from /to terminals, etc.)	Up to 20% of effective DSA rate of UNDP for the respective location	

10 PAYMENTS

The contract to be signed between UNDP and successful candidate will not entail a financial commitment from UNDP. UNDP's financial commitment will be established on an ad-hoc basis every time as services are officially requested by UNDP. Service Requests will be detailed and signed by both parties for a Service Request to be effective. Payment terms and conditions will be specified in the specific service requests.

Payment terms and conditions along with the daily fee rate (indicated in the contract) and number of man/days invested (not to exceed maximum number of days in the service request) will be the basis of payment to the IC. Payments will be made against submission of the deliverable(s) in the specific service requests by the IC and approval of such deliverables by UNDP.

Payments will be made within 30 days upon acceptance and approval of the corresponding deliverable by UNDP on the basis of actual number of days invested in that respective deliverable indicated in the Service Request and the pertaining Certification of Payment document signed by the expert and approved by the responsible Project Manager. The total amount of payment to be effected to the Consultant within a service request cannot exceed the number of man/days indicated in the specific service request and the total amount of payment to the Consultant within scope of this contract cannot exceed equivalent of **150 days**.

The expert shall be paid in US\$ if he/she resides in a country different than Turkey. If he/she resides in Turkey, the payment shall be realized in TRY through conversion of the US\$ amount by the official UN exchange rate valid on the date of money transfer.

If the deliverables are not produced and delivered by the consultant to the satisfaction of UNDP as approved by the responsible Project Manager, no payment will be made even if the consultant has invested man/days to produce and deliver such deliverables.

The amount paid to the consultant shall be gross and inclusive of all associated costs such as social security, pension and income tax etc.

Tax Obligations: The IC is solely responsible for all taxation or other assessments on any income derived from UNDP. UNDP will not make any withholding from payments for the purposes of income tax. UNDP is exempt from any liabilities regarding taxation and will not reimburse any such taxation to the IC.