



Terms of References

Country: Jordan

Post Title:	Developing an Accreditation scheme for Energy Services Companies in Jordan
Starting Date:	22 nd May, 2021
Location:	Amman (Greater Amman Municipality), Jordan
Duration:	33 working days
Project	A Systemic Approach to Sustainable Urbanization and Resource Efficiency in Greater Amman Municipality (SURE)

1. Background

SURE, is a project implemented by Greater Amman Municipality (GAM) and UNDP and funded by the Global Environment Facility (GEF) aiming to establish a systematic approach for Greater Amman Municipality (GAM) to implement benchmarked, standardized tools and methodologies for measuring and reporting climate resilient, resource efficient, and urban-developed city.

The project's primary objective is to assist the Greater Amman Municipality (GAM) in improving the quality of life for its citizens and comply with the National Energy Efficiency Action Plan (NEEAP) via support for more sustainable resource-efficient urban planning and targeted low-carbon interventions in the municipal buildings and street lighting sub-sectors.

The UNDP-GEF project is designed to create a sustainable urbanization model through promoting low-carbon buildings in Greater Amman Municipality, and eventually in other municipalities and cities in Jordan, through the enforcement of building energy codes, thermal insulation code for new buildings, and retrofit guidelines for existing buildings. The project will directly support the

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implementation of the National Energy Efficiency Action Plan (NEAP 2016) and the National Green Growth Plan (NGGP 2016). To achieve this, the project will focus on the following anticipated outcomes: i) Putting in place planning and monitoring frameworks to foster accelerated low-carbon development in GAM and benchmark progress against established international standards; ii) Strengthening the enabling conditions, methodologies and tools in GAM for enforcing regulatory frameworks for EE buildings and street lighting; iii) An integrated climate monitoring and finance framework is established for the development of urban Nationally Appropriate Mitigation Actions (NAMAs), and appropriate financial de-risking tools are identified and supported to promote adoption of EE measures in buildings attached to MRV systems; and iv) Selected proof-of-concept mitigation interventions to operationalize the outputs under the previous outcomes.

Under Component Two, SURE will work with the relevant stakeholders (i.e., Ministry of Energy and Mineral Resources -MEMR), in fostering the development of ESCO Markets for Energy Efficiency. Energy service companies can help scale up energy efficiency by offering specialized technical and financial services for project design and implementation, including energy auditing, design and engineering, equipment procurement, construction, installation, commissioning, measurement and verification (M&V) of energy and cost savings. The energy user, or host facility, pays for the ESCO's services from the resulting cost savings. ESCOs typically use performance-based contracting models, under which payments are contingent on customer satisfaction and the ESCO assumes most of the technical, financial, and performance risks.

ESCO models are complex and require strong legal, financial, accounting, and business infrastructure, which is often lacking in Jordan. Commercial lenders in Jordan are unfamiliar with the models and lack developed procedures for technical due diligence and project appraisal, which leads to their perception that ESCO projects carry high risk. In response to the slow uptake of ESCOs in Jordan, SURE in collaboration with MEMR will work with other relevant stakeholder (i.e. Energy and Mineral Resources Regulatory commission -EMRC) to introduce an accredited professional ESCO model to the local market. The selection and design of the models depends on factors such as: (i) the current state of the local energy services market in Jordan, including the experience with energy performance contracts and the provision of combined services (e.g., audits, design and build contracts, and financing); (ii) the maturity of financial markets, the financial capabilities of ESCOs, and access to funds for ESCO projects through dedicated financing mechanisms; (iii) the familiarity and comfort of target markets with ESCOs and energy performance contracts; and (iv) the legislative and regulatory framework.

2. Objective

The objective of this assignment is to define an accreditation scheme to the Energy services Companies (ESCO's) by developing an operational policy tools and guidelines to be used by the Energy and Mineral Resource Regulatory Commission (EMRC) in accrediting and/ or licensing the companies that are working in promoting energy services reduction in existing building (Residential, commercial and industrial). The service provider will propose recommendations on policy tools and guidelines to be presented to a high-level Technical Working Group (TWG) composed of all relevant stakeholders i.e., policy makers, relevant organizations, private sector.

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The technical working group will support the project in raising the policy recommendations to the Ministry of Energy and Mineral Resources (MEMR) so that the proposed policy framework and tools would be endorsed. The service provider will then work on the development of the recommended tools and guidelines by following the guidance of the working group.

3. Main Scope of Work

The assignment holder's main scope of work is to prepare an accreditation scheme, which will be applicable to Energy services companies (ESCOs) operating on an Energy Performance Contracting (EPC) modality for providing EE equipment like central cooling systems or providing EE measures like building envelope thermal insulation, the ESCO is expected to adopt a project financing scheme combining debt and equity financing. These accreditation guidelines will be beneficial for the entire ESCO industry. First, they will provide potential clients with a credible selection tool which will provide them information about an ESCO's technical and financial capability. Second, they will give ESCOs the incentive to improve so that they could attain higher ratings on the next accreditation round. Finally, this ESCO accreditation also serves as a guide for financial institutions when making decisions regarding the credit worthiness of an ESCO.

The accreditation scheme to be drafted by the assignment holder must be available on a "Full" or "Provisional" basis. Full accreditation is for ESCOs with a track record of Energy Performance Contract (EPC) projects in Jordan. Provisional accreditation allows ESCOs that do not yet have the required track record of project delivery to achieve full accreditation to nevertheless be recognized for their EPC capability, meeting all the other requirements of the scheme. The decision to accredit ESCOs is made by an accreditation board (i.e., EMRC) which assesses applications according to the criteria set out in the application process. The accreditation board is chaired by Energy Commissioner and has representation from EMRC Chief commissioners.

4. Detailed Tasks and Responsibilities

The Assignment holder will work closely with MEMR and EMRC to create an accreditation system for regulating the practices of Energy performance Contracting modality by implementing the following activities: -

4. 1. Conduct market survey and initial taxonomy of companies working in Energy efficiency market in Jordan and address their ability to invest in EE equipment (e.g., HVAC or central heating) or measures (e.g., building envelope thermal insulation), as well as to adopt a project financing scheme combining debt and equity financing.
- 4.2. Conduct structured interviews with existing ESCOs in Jordan, as well as the best-in- class country ESCO's to identify the gaps and reforms needed in this sector in Jordan.
- 4.3. Draft the accreditation scheme objectives, eligible and non-eligible parties (i.e., sub-contractors, individual Energy Auditors, solar companies, etc.).
- 4.4. Determine ESCO's accreditation types (i.e., Full, or provisional accreditation, size of successful Energy performance contract, fees needed, duration validity and renewal).

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4.5. Determine ESCO's Accreditation Requirements both for full and provisional types, as follows:

4.5.1 Experience: project references demonstrating the ESCO depth of experience and success.

4.5.2 Staff capabilities: that demonstrate qualifications and acceptable years of experience.

4.5.3 Financial strength: it is important for customers to have confidence that when they enter into an agreement with an ESCO the company will continue to trade.

4.5.4 Equipment: applicants must demonstrate ownership of, or access to equipment.

4.5.5 Health and safety policy and safety records.

4.5.6 General requirements like trade licenses, specializations, and organizational structures.

4.6 Determine the application criteria for new entrants, renewal both for full and provisional ESCO's. And all materials and information need to be submitted with the application, draft application forms any declaration needed from ESCO's as per Government rules and regulations.

4.7 Determine the Process Review for all kind of applications using chart flow, identifying the processes needed from start-to End, staff, operations and logistics needed from the relevant accreditation board.

4.8 Determine the requirements needed by the accreditation board to withdraw or suspend the ESCO from practicing their mission in energy services.

4.9 Determine the Measurement and Verification (M&V) measures needed. The M&V provides a consistent method for calculating energy savings arising from ESCO's interventions in Retrofitting Existing Buildings. As well as determine the eligibility of the Authority to work as third-party to perform the M&V measures, cost of measures, financial modality to cover the expenses of M&V measures.

4.10 The draft Accreditation scheme will be prepared and endorsed by technical working group and submitted to the MEMR/ and or EMRC for final approval.

5. Expected Outputs & Deliverables Timeframe

Deliverable		Documents	Duration/Deadline
5.1	<u>Develop a baseline assessment report, includes the following: -</u> 1. Identify and review existing and proposed policies that are relevant to Energy Efficiency measures in Jordan and best-in -class countries. 2. Analyze the Jordanian market for EE equipment (e.g., HVAC or central heating) or measures (e.g., building envelope thermal insulation).	Assessment Report	10 working days within one month from signing the contract.

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	3. Review previous work related to the ESCO model development in Jordan (i.e., with Jordan green building council and EDAMA, USAID). 4. Draft the gaps, baseline based on previous steps and recommendation to the technical working group for discussions and feedback.		
5.2	An Endorsed draft report of the accreditation scheme as per steps in details task and responsibilities from 4.3 to 4.8.	Draft Report	15 working days within 3 months from signing the contract
5.3	<u>Validation workshop Report¹:</u> - Defining Feedback and input from the relevant stakeholder (i.e.: public and private).	Validation Report	3 working days within 3 months from signing the contract.
5.4	An Endorsed draft Report on Measurement and Verification (M&V) measures needed from third party.	M&V report	5 working days within 5 months from signing the contract

6. Required Qualifications and Skills

6.1 Education and Experience

- Bachelor's degree in Engineering (mechanical, electrical, energy, environmental), or any other related field.
- Master's degree or higher is a definite advantage.
- At least 15 years of experience, with at least 5 years' experience in energy policy and planning.
- At least 5 years' experience working with governments and/or donors and/or civil society and/or international organization.
- Ability to coordinate with the national institutions to ensure timely implementation of all activities with all due diligence.
- Familiarity working with private sector as well as governmental institutions, and their processes and rules.

6.2 Skills and Competencies

- Excellent technical and analytical writing skills.

¹ The cost for conducting the validation workshop and its logistics will be covered by UNDP separately.

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- Excellent research and reporting skills.
- Proficient computer-based skills, including Microsoft office and databases.
- Excellent inter-personal, communication, networking and negotiating skills.
- Ability to use information technology as a tool and resource.

7. Compensation and Special Conditions

The individual contractor will be compensated according to the following schedule (all payments are subject to deliverable approval by UNDP):

- The 1st payment (20 % of total) after delivery and approval of deliverable 5.1.
- The 2nd payment (40% of total) after delivery and approval of deliverable 5.2.
- The 3rd payment (20% of total) after delivery and approval of deliverable 5.3
- The 4th payment (20% of total) after delivery and approval of deliverables 5.4

All workshops could be in-person or remotely based on request from the project manager and will be covered separately and according to the UNDP rules.

8. Proposal Submission Requirements

Interested individual consultant must submit the following documents in order to be considered for the assignment:

1. TECHNICAL PROPOSAL
 - I. Explaining why he\she and the members are the most suitable for the work (1-page max.).
 - II. Providing a brief methodology on how they will approach and conduct the work (2-3 pages).
2. FINANCIAL PROPOSAL
 - I. Indicating the daily rate inclusive of accommodation, transportation, and DSA of all members, or
 - II. Indicating the total lump sum for the assignment
3. Personal CV including experience in similar projects and at least 3 references.

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