

# ***Terms of Reference (TOR)***

## ***Policy reviews and future business planning***

*Ref No: KEEF/1C6/CQ/2022*

*Consulting Firm for corporate development support and development of KEEF strategy and business plan*

### **1. INTRODUCTION**

The Kosovo Energy Efficiency Fund, as an important independent, autonomous and sustainable entity has been established by passing Law No. 06/L-079 on Energy Efficiency, to achieve the objectives of the Republic of Kosovo in the Energy Efficiency by promoting, supporting and implementing Energy Efficiency measures, as well as attracting and managing financial resources in order to finance and implement investment projects in the area of Energy Efficiency in a sustainable manner.

### **2. BACKGROUND**

Under the European Union's Energy Efficiency Directive (Directive 2012/27/EU), Kosovo approved an Energy Efficiency Law on November 7, 2018. The EE Law includes provisions for the establishment of the Kosovo Energy Efficiency Fund (KEEF) which would serve as the primary financing institution for the EE market in sectors currently not served by local banks (e.g., municipal and central government buildings, multifamily apartment buildings etc.). As envisaged in the Law, KEEF has been established as an independent, autonomous and sustainable non-profit legal entity, and serves the interest of the public. KEEF will be an important mechanism to help finance energy efficiency investments in a significant share of the public-sector market. The government is also obliged to renovate a share of government buildings each year under the EE Law<sup>1</sup> and has imposed mandates for municipalities to prepare, submit and implement Municipal EE Action Plans (MEEAPs). The KEEF serves as the primary financier for municipal EE building renovations in Kosovo. Donor and state grant funds to be used for energy efficiency investments will be channeled through KEEF, with the Fund becoming a mechanism for pooling funds, coordinating programs, and ensuring implementation experience is housed in one institution. As such, the KEEF will start with the municipal building sector and then expand to the other municipal sectors (e.g. water pumping) and eventually to the residential sector, focusing on multifamily apartment buildings. KEEF is currently implementing an energy efficiency project co-funded by a grant from the EU Instrument for Pre-Accession (IPA), World Bank IDA financing and Government of Kosovo. Among other components, this project will invest in energy efficiency measures in the municipal buildings and street lighting projects. For the purpose of future development and opening new windows of operation in the field of energy efficiency and renewable energy KEEF seeks to consulting firm to hire a consulting firm to conduct Strategic Plan for Development 2023 – 2026.

### **3. OBJECTIVES**

The objectives of this assignment are to provide consulting services on long term KEEF strategic and business plan focusing on the existing activities of application of energy efficiency measures that KEEF

performs in municipal buildings, but not limited to other sectors such as residential and SME.. In terms of corporate development, the purpose of this consultancy is to provide services in terms of strengthening staff skills in terms of leadership and further organizational and corporate development.

#### **4. SCOPE OF SERVICES**

##### **Task 1. Organizational review and corporate governance development**

- Review organizational structure and procedures, quality control mechanisms, and documentation practices and information management and develop recommendations for their improvement. Propose any required changes of internal regulations of KEEF to implement the recommendations.
- Develop a performance framework for KEEF that includes performance indicators and targets to support accountability towards and monitoring by the KEEF Board.
- Develop a framework for review of staff performance based on outputs and outcomes, including defining performance indicators and targets.
- Conduct a capacity needs assessment for KEEF staff and develop a capacity building and training plan.
- Prepare and deliver training for KEEF Senior Staff on strengthening business and leadership skills.

##### **Task 2. Develop a mid-term (5-year) strategy for KEEF, which will be comprised of several key constituting elements, which are mutually dependent, and will be formulated by the following process:**

- Based on KEEF's current activities in public municipal buildings, identify further investment potential and targets for municipal energy efficiency projects for a time horizon of 5 years.
- Plan to achieve financial sustainability of KEEF considering KEEF's investments, fee structure, and operating costs. This should include an assessment of the current fee structure and recommendations for changes to achieve financial sustainability.
- Plan to identify funding sources for additional capitalization for a period of 3-5 years to scale up investments in municipal buildings and/or opening new funding windows.
- Collect and review existing studies on energy efficiency investment potential in other sectors (e.g., residential sector, municipal water supply) and briefly synthesize the investment opportunities and strategic fit with KEEF.

##### **Task 3. Develop a 5-year Business Plan, which will be comprised of several key constituting elements, which are mutually dependent, and will be formulated by the following process:**

In close coordination with the KEEF Management and based on current implementing EE&RE project to determine and develop a comprehensive Business Plan that will be the detailed road map for the next 5 years of KEEF operations.

The business plan will be prepared based on the following key issues that should be properly addressed and planned for:

- For KEEF's investment in the municipal sector, provide a 5-year financial forecast on a year-by-year basis in accordance with the recent statements and conditions of KEEF. This should include a projection of market demand and KEEF investments, projection of staff needs and of operating costs, review and recommended adjustments to KEEF's fee and repayment structure, projection of cost-recovery and plan to achieve financial sustainability, and implementation milestones.
- For KEEF' investment in the municipal sector over the 5-year period, project any required increase in capacity of the organization regarding organizational structure, number of staff

- members, and knowledge and skills.
- Develop a communication and marketing plan.

## 5. GENERAL REQUIREMENTS

The Consultant's Team Leader shall liaise with KEEF Authorized Representative stated in the Contract. KEEF shall coordinate the work of the Consultant with other consultants working in for the assignment. A consultant will be selected in accordance with World Bank's Procurement Regulations for IPF Borrowers' (the Regulations), issued July 2016, and revised November 2017, and Aug 2018 for the supply of goods, works, non-consulting and consulting services.

## 6. INPUTS/FACILITIES TO BE PROVIDED BY KEEF

KEEF will provide to the Consultant all available documentation and data needed to compile the reports and complete the documents related to the scope of assignment. The Consultant will work closely with KEEF counterpart staff. KEEF will provide the Consultant with office space during the Consultant's stay on site.

## 7. SELECTION PROCES AND EVALUATION CRITERIA

The selection process will follow the selection based on Consultants Qualification (CQ) Method, as defined in the mentioned Procurement Regulations.

Applications submitted by the firms will be first screened against minimum qualification requirements listed below:

### 7.1. Qualification requirements for the consulting firm:

1. Minimum eight (5) years of specific experience to provide the consultancy and services on Corporate Governance and Strategic Planning.
2. Relevant experience in working for public/governments and/or international organizations on consultancy assignments, especially in Management and Strategic and Consulting Services.

### 7.2. Evaluation and shortlisting criteria

Selection will be based on the following evaluation criteria:

1. Firms general experience to provide the consultancy and services on Corporate Governance and Strategic/business Planning (60%);
2. Specific experience in implementing similar projects (40%)

The implementation of this assignment requires the Consultant to establish a team including but not limited to the following expertise:

1. **Team leader** with a minimum of a post-graduate University degree in Economics, Public Administration, Public Finance or equivalent that has not less than 10 years of experience in corporate development and strategic planning, of which at least 3 years shall be experienced in the energy efficiency sector and/or in similar organization as KEEF.
2. **Financial Expert** with a minimum of University degree in Economics, specialized in financial development and strategic planning, with not less than 5 years of progressive work experience.

3. **Legal Expert** with a minimum of University degree in Law or Public Administration, specialized in corporate development, governance and human resources, with not less than 5 years of progressive work experience.
4. **Energy Efficiency – EE expert** with at least 5-year professional experience relevant to the similar projects as KEEF is implementing.

All experts shall have good verbal and written communication skills in English and be proficient in MS Office programs.

The qualification of key staff (or their CVs) will not be taken into consideration for the shortlisting/evaluation criteria above. The first ranked/successful consulting firm will be required at contract negotiations to provide the required key staff with respective qualification requirements.

## 8. DELIVERABLES AND PAYMENT SCHEDULE

1. The deliverables for each task will be submitted to / and approved by KEEF per contract condition. The firm must obtain approval for each deliverable before moving to subsequent tasks. All deliverables need to be in English language.

Task	Deliverable	Timeline e (months after contract signing)	Payment (% of total payment)
1	Written Plan on Development of corporate governance-including training material	2 months after signature of the contract	30%
2	Mid-term written strategy of KEEF	3 months after signature of the contract	30%
3	Written Business Plan for 5 years development of KEEF	4 months after signature of the contract	40%

## 9. TIMELINE OF ASSIGNMENT AND LEVEL OF EFFORTS

The assignment will begin on 15 July 2022 and be completed on 15 November 2022. The LOE is Estimated at 275 person-days as per breakdown below:

Position	Days
Team Leader	120
FM Specialist	60
Legal Specialist	60
Energy Efficiency Specialist	35
Total level of efforts/4 persons	<b>275</b>