giz

Indo-German Energy Programme – ACCESS

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Terms of Reference (ToR) for engaging a suitable firm for incubating Rural Energy Enterprises.

1. IGEN ACCESS Background

The Access to Energy Programme under the Indo-German Energy Programme (IGEN-Access) is a bilateral technical co-operation measure between the Federal Ministry for Economic Co-operation and Development (BMZ), Germany and the Ministry of New and Renewable Energy (MNRE), Government of India. The activities under the programme will be implemented under three components:

- Innovation and Entrepreneurship, where the focus will be on building innovative business models and providing incubation support to rural energy enterprises;
- Access to Finance, where the focus is on working with financial institutions (public and private) to introduce innovative and socially equitable financing instruments and mechanisms at the enterprise and end-user level for rural energy supply;
- Government Support Programmes, where the focus will be on supporting policy based on the learnings from the other components and strengthening the institutional capacity for implementation.

2. About Enterprise Development Support

A large population of rural India still suffers from poor access to electricity and clean cooking options. This presents a huge market opportunity. While Rural Energy Enterprises (REEs)[1] have stepped in to address this supply side gap, the sector is still relatively nascent in comparison to the magnitude of the problem. With a view of addressing this challenge especially with regards to enterprise development support and enterprise financing, GIZ intends to engage a suitable firm

[1] A Rural Energy Enterprise (REE) is defined as a formal profit or not-for-profit enterprise providing clean and renewable energy products or services including mechanical, thermal or electrical energy to rural enterprises or households.

to work with REEs. The IGEN-ACCESS focal states are Uttarakhand, Bihar, Uttar Pradesh, West Bengal and states of North East Region (NER) of India.

3. Objective

At least 10 Rural Energy Enterprises are incubated and have developed bankable business plan and have received finance/capital from banks/investors.

4. Scope of Work

Before submitting the technical and financial offer, the bidder is encouraged to contact GIZ if the bidder needs further clarification on the activities described below or if the bidder envisions additional activities/alternative approaches which are essential for the successfully finishing this project

4.1 Incubation and Training Support to Rural Energy Enterprises (REEs)

- Identify and train 20 potential REEs who are at least one year old in operation in the form of promoting RE products or services. Out of 20 REEs, representation of at least 6 women entrepreneurs is a must.
- Understand their present status in terms of their strength and weakness on various parameters and design suitable training / incubation support for them.
- Provide incubation support in the form of coaching, mentoring, and advising to the selected REEs on a regular basis during the course of assignment. The incubation support must include but not limited to the followings:
    - Business planning
    - Market (opportunity/competition) Assessment
    - Financial feasibility analysis
    - Fund Raising
    - Demand and supply chain management
    - Communication strategy

- Risk mitigation strategies
- Product segmentation, quality control and certification
- Legal issues (includes registration, regulation, license, documentation, taxation etc)

- The consultant is expected to compile/develop lessons learnt on above mentioned points which will be used by the REEs and shall also be used by GIZ in future.

4.2 The consultant needs to develop bankable business plan/investment ready business plan for at least 10 REEs out of 20 REEs. The selection process will be carried out in consultation with GIZ.

4.3 Access to Finance

Support REEs to develop bankable business plan and assist them to raise / leverage finances/capital from banks/investors. In this process, the engaged consultant is expected to facilitate the role of match making between REEs and potential investors/lenders as per the requirement of both sides.

4.4 Organising Workshops

Apart from above mentioned regular incubation cum training support, the consultant is expected to organise at least 3 workshops under this assignment in a following manner. However, consultant is free to propose different strategy/approach in their proposal with regards to organising the workshops.

- The first workshop intends to invite participants who represents banks, Financial Institutes, Private players (potential REEs), Investors, government officials, manufacturer, system supplier etc. The objective of the first workshop should be to sensitize different stakeholders about the assignment and could also act as a first level screening process about selection of 10 REEs.
- The second workshop should be meant to be closed door meeting with the selected REEs. The objective is to identify common challenges being faced by the selected REEs and discuss with them about potential solutions with them. Or the engaged consultant would

take this opportunity to invite potential investors and facilitate the role of match making with REEs for access to finance.

- The third workshop intends to invite participants who represents banks, Financial Institutes, Private players (potential REEs), Investors, government officials, manufacturer, system supplier etc. The objective should be to disseminate the output/outcomes/lessons learnt from the assignment to the participants.

5. Timeline

The work is expected to be completed by December 2017. During this period, the consultant is expected to report on a fortnightly basis with regards to the progress on the assignment. Such reporting may also include representatives of MNRE/SNAs/other agencies from time to time. The consultant will report to Technical Expert, IGEN-Access programme of GIZ. The consultant is expected to travel to location of REEs and Delhi and to other parts of the country as and when required.

6. Deliverables

- At least 10 registered REEs are incubated, and each REE is equipped with a bankable business plan which is investment ready. Out of 10 REEs, representation of at least 3 women entrepreneurs is a must.
- Access to Finance has been secured for at least 10 REEs. For 10 REEs, the cumulative capital must be raised in the tune of INR 50 lakhs.
- At least 3 workshops are organized during course of the assignment.
- A final report which covers all activities executed under this assignment

GIZ honors intellectual copyrights and strictly prohibits any copyright violations and plagiarism; the consultant should certify that the produced report does not contain any copyright violations. GIZ will hold the copyrights for all the documents/data collected in the process of assignment as well as the electronic media (photographs, videos etc.).The assignment should be considered complete only after mutual agreement over the quality of produced outputs. The output and deliverables should be in accordance with GIZ quality and design standards, discussed explicitly with the consultant during the course of assignment.

7. **Competency of the organisation and team:** The consulting firm (or consortium) needs to demonstrate its ability in the following through adequate references and documents**.**

Organisation

i. At least five years of experience in incubating Rural Energy Enterprises (REEs) in clean energy sector and has necessary infrastructure and facilities for incubation;
ii. Must have experience of raising finance/capital (from banks/investors) for the incubated REEs;
iii. At least three years of working experience in IGEN-ACCESS focal states;
iv. Based in India with excellent local network and Liaisoning experience with different stakeholders.

Team

The proposed core team for this assignment should have members with the following skills, experience and expertise**:**

Sr.No.	Experts	No. of experts	No. of days expected tentatively
1	Project Management specialist/Lead	1	20
2	Business Development Expert	1	57
3	Marketing Expert	1	51
4	Policy/Legal Expert	1	32
5	Local Coordinator	1	75

- The Project Management Specialist/Lead must have experience of 8 to 10 years in providing incubation support in clean energy sector
- A Business development expert must have experience of 5 years in Enterprise incubation/market development
- A marketing expert and a legal expert must have experience of 5 years in marketing /sales management and Legal advice to companies

- A local coordinator must have experience of 5 years in coordinating programs, networking skills and also familiar with the focal states of the IGEN-ACCESS programme.

The above mentioned requirements are indicative only. The potential bidders are advised to see the Technical Assessment Grid for understanding the detailed requirements of each expert.

Note:

- GIZ intends to provide technical support in the form of incubation and training to the selected REEs. GIZ will not cover cost/expenses of registration process, logo designing, branding, marketing, working capital, grant requirement of an individual company or group of companies. GIZ intends to provide advisory services to the selected REEs through engaging a consultant (agency/firm).
- In case there is limited demand of RE products or services in the project region or less interest from REEs about training cum incubation support, GIZ may consider to discontinue the assignment.
- In order to select a suitable consultant, GIZ may invite shortlisted bidders to present their approach, which will help GIZ in making the final selection.