TERMS OF REFERENCE (C1)

Title: Study and Design Energy Efficient Public Lighting Financing Scheme

Duty Station: Hanoi with domestic travel as required

Duration of Assignment: 6 months output-based contract starting 01st Feb. to 30 Jul. 2009

Direct Supervisor: Project Manager

Background

The Vietnam Energy Efficient Public Lighting Project (VEEPLP) is a joint effort of the Global Environment Facility (GEF) and Vietnamese counterparts, aiming at encouraging application of the energy efficient practices among Public Lighting in Vietnam, and through that contributing to the reduction of Green House Gas (GHG) emission by the sector.

The project will contribute to the transformation of Vietnam’s Public Lighting from highly energy inefficient and polluting to energy efficient with greatly reduced pollution through the effective implementation of a carefully chosen and integrated mix of project components by relevant central government agencies, local governments, institutions, lighting industry and private sector. This is intended to be achieved by removing several market and institutional barriers that are currently restricting the adoption and implementation of energy efficient technologies and practices in public sector. The project aims at improving the energy efficiency of lighting in urban and rural streets, roads and alleys, public schools, and hospitals.

Availability of viable financing sources to fund feasible energy efficient public lighting projects is among the most critical barriers. The concept of funding of energy efficiency projects by private sector through commercial financing sources is gradually becoming mature in Vietnam. However, the concept of financing of energy efficiency projects by public sector through viable and easily accessible financing resources is still at infancy stage. It is understood that a number of potential viable financing options either exist or can be developed based on existing investment financing products/options, to suit diverse financing needs of different stakeholders of the VEEPLP. However, such options have not been explored thoroughly to identify their suitability and associated mechanisms to make them accessible to VEEPLP stakeholders.

Consequently, one of the key project activities is to identify viable financing sources and associated participation mechanisms and widely publicize them among VEEPLP stakeholders. The project also aims to improve the capacity building of its stakeholders in better understanding of available financing options and exploit them in a manner that offers maximum financial and economic benefit to them.

To implement this activity, qualified consultants with thorough knowledge of national and international financial sector, activities, resources, products and associated mechanisms that specialize in financing public-sector development projects. The ideal consultants are expected to have in-depth experience of development of financing/lending products and financing schemes for public-sector development projects.

Duties and Responsibilities

The specific tasks of the consultants are as follows:

1. Study and review ongoing investment in public lighting projects (urban and rural streets and roads, schools, hospitals and other public places) to understand diverse investment
decision-making processes and criterion among different target groups of the project, including local governments, public lighting companies, people’s committees, residents, parents of students, teachers, ministry of construction, ministry of education, ministry of health etc. Specifically the subcontractor will study the prevailing financing mechanisms for public lighting projects in Ha Noi, Ho Chi Minh City and Hai Phong city. Based on such assessment, together with findings from other project activities, establish different financing needs for different type of public lighting projects i.e. replacement of old or installation of new energy efficient systems in lighting in streets, hospitals, and schools.

2. Study and assess various commercially viable financing options and mechanisms available to fund investment in public sector development, especially in energy efficiency, in Vietnam, South East Asian Region and elsewhere in the world;

3. Study and assess various feasible national and international bilateral and multilateral financial assistance resources (e.g. energy conservations funds etc) to support energy efficiency projects, especially energy efficient public lighting.

4. Study and assess other innovative financing options that may have been used in other areas of public sector development and can potentially be used to finance energy efficient public lighting projects. For example, community participatory funds, generation of funds through local taxes and levies, cross and direct subsidies, corporate sponsorship schemes, and fundraising events etc.

5. Identify set of suitable financing options for different types and categories of energy efficient public lighting projects e.g. replacement or new installations in streets, schools or hospitals.

6. Draw down the mechanisms and guidelines for target groups to access and exploit such funds in a manner that suits their capacity and ensures maximum financial and economic benefits to them.

7. Work with target groups to ensure financing of at least 1 energy efficient lighting project in each of the 3 focus segments i.e. urban and rural street lighting, schools, and hospitals.

**Deliverables**

1. A detailed working plan for the whole contract duration;

2. A report on diverse investment decision-making processes and criterion among different target groups of the project and different financing needs for different type of public lighting projects (i.e. replacement of old or installation of new energy efficient systems in lighting in streets, hospitals, and schools).

3. A report on past and ongoing commercially viable financing options and mechanisms available to fund investments in public sector development, especially in energy efficiency, in Vietnam, South East Asian Region and elsewhere in the world. The report must provide details of performance (success or failure and underlying reasons);

4. A report on various feasible national and international bilateral and multilateral financial assistance resources (e.g. energy conservations funds etc) to support energy efficiency projects, especially energy efficient public lighting. The report must identify specific financial assistance resources that are either currently available to energy efficiency projects in Vietnam or can be exploited by through some level of intervention by the project;

5. A report on other potential/innovative financing options that may have been used in other areas of public sector development and can potentially be used to finance energy efficient public lighting projects;

6. A report on recommended set of suitable financing options for different types and categories of energy efficient public lighting projects e.g. replacement or new installations in streets, schools or hospitals together with detailed mechanisms and
guidelines for target groups to access and exploit such funds in a manner that suits their capacity and ensures maximum financial and economic benefits to them;

7. A report providing details of successful financing of at least 1 energy efficient lighting project in each of the 3 focus segments i.e. urban and rural street lighting, schools, and hospitals

8. A summary report on contract's implementation results.

**Overall quality requirement for the assignment**

Some key quality requirement for this assignment includes:

- A sound methodology must be provided, consulted and agreed with the PMU at the beginning of the assignment. It should clearly show how the assignment will be accomplished in most effective and feasible manner.
- A good set of primary and secondary data must be obtained by means of interviews, meetings and valid published documents in relevant areas.
- Review/assessment criteria should be explained clearly and with sufficient details in the reports.
- Findings must be evidence-based, practical and justifiable.
- Recommendations must be specific and accompanied with realistic actions.
- All reports will be provided in both English and Vietnamese (first in English and approved version in Vietnamese).

**Qualification and Experience of the fielded team**

- Bachelors or Masters degree in economics/finance, engineering or other related fields;
- At least ten (10) years of diverse experience in the area of economics, public sector financing and, development and establishment of micro-credit financing schemes for community-based development projects.
- Familiarity with Vietnam’s financial sector and international public sector development financing assistance resources operating in Vietnam.
- Familiarity with financing training, education, and promotion activities;
- Ability to function effectively in an international, multi-cultural environment;
- Fluency in English, both spoken and written.