

Section V. Terms of Reference

Acronyms and Abbreviations

AER	Apartment Building Efficiency Retrofits
BC&O	Behavior Change and Outreach
EBRD	European Bank for Reconstruction and Development
EE	Energy Efficiency
EHS	Environment, Health and Safety
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FHH	Female-headed Household
GoK	Government of Kosovo
GEFF	Green Economy Finance Facility
GIZ	German Corporation for International Cooperation
GSI	Gender and Social Inclusion
HH	Household
HOA	Home Owner Associations
HER	Household Efficiency Retrofits
IC	Implementer
MAB	Multi-family Apartment Building
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
MEL	Monitoring, Evaluation and Learning
MFK	Millennium Foundation Kosovo
PIEE	Pilot Incentives for Household Investment in EE
PWD	Person with disabilities
REL P	Reliable Energy Landscape Project
TA	Technical Assistance
THP	Threshold Program
WEE	Women Energy Entrepreneur

1. Introduction

The Millennium Foundation Kosovo (MFK) is seeking financial and technical proposals to provide project management and technical assistance services for the implementation of the Pilot Incentive in Energy Efficiency Activity (PIEE). The objective of this Request for Proposals (RFP) is to select an Implementer (IC) to manage the Pilot Incentives for Energy Efficiency (PIEE) Activity. The IC shall furnish all required personnel, services, materials, travel, office space and logistics necessary to implement the project. The engagement of the IC is expected to start in the beginning of 2019, while the delivery of services will be provided during the course of the Threshold Program. The Implementer and its key staff will be based in Prishtina, with services provided throughout Kosovo as needed.

2. Background

The Threshold Program Agreement with Kosovo entered into force in September 2017. Based on the Threshold Program Agreement, the Government of Kosovo founded the Millennium Foundation Kosovo as the implementing entity of the Threshold Program. The Threshold Program addresses two key constraints to Kosovo's economic growth: an unreliable supply of electricity; and real and perceived weakness in rule of law, government accountability and transparency. In order to address the identified key constraints, this program comprises two projects – the Reliable Energy Landscape Project and the Transparent and Accountable Governance Project.

MFK will be responsible for overseeing MCC funded projects and their various components and activities, allocating resources, overseeing and implementing a financial plan, approving expenditures and procurements, continuing the consultative process, and being accountable for the Program's results. MFK serves as the single point of contact on behalf of the Government during implementation of the Program.

The overarching objective of the Kosovo Reliable Energy Landscape Project (RELP) is to reduce the gap between energy demand and supply, by lowering energy use through piloting household investments in energy efficiency, switching to cost-effective non-electricity sources of heating, and reducing barriers to independent power producer ("IPP") entrants to the market. The PIEE Activity is expected to contribute towards the RELP objective by increasing consumer awareness of energy saving measures and their benefits, as well as enabling lower income households to overcome the lack of ability to pay for them through the provision of incentives.

The largest consumer of electricity in Kosovo is the residential sector. To date, investment by the government and donors to reduce electricity demand in this key sector has been insufficient to reduce energy intensity in the residential sector. The result of this investment analysis has

defined the RELP, which aims to reduce electricity use in the residential sector through interventions that incentivize end users to invest in energy efficiency improvements and to switch to more efficient sources of heat.

During development of the RELP, it was also recognized that the exclusion of women and other social groups from participation in livelihood activities remains a major socio-economic issue in Kosovo. Given the enduring role of women in household affairs within Kosovo and the existing, albeit underutilized, potential of skilled women and other socially excluded groups to contribute to energy efficiency interventions, the project design must be inclusive of these groups.

The project is divided into following activities, sub-activities and intervention packages:

Activity 1.1 - Pilot Incentives for Household Investment in Energy Efficiency (PIEE) comprising of:

- Household Incentives for Energy Efficiency Sub-Activity, which will be implemented through the following:
 - Household Efficiency Retrofits (HER) Intervention Package
 - Apartment Building Efficiency Retrofits (AER) Intervention Package
- Ensuring Equal Economic Opportunities in the Energy Sector Sub-Activity, which will be implemented through the following:
 - Women Energy Entrepreneur Technical Assistance and Grant (WEE) Intervention Package
 - Internships/apprenticeships and scholarships for young women in the energy sector Intervention Package

Activity 1.2 - District Heating Metering (DHM)

Activity 1.3 – Independent Power Producer Project Finance Facilitation (IPP)

This ToR relates to the Sub-Activity Household Incentives for Energy Efficiency (both intervention packages), and the Sub-Activity Ensuring Equal Economic Opportunities in the Energy Sector (only the first intervention package - WEE).

2.1. Project Context

Demand for electricity in Kosovo has been growing at the average rate of 2.7% per annum in recent years. Households are the primary consumers of electricity, accounting for 55% of total

electricity consumption by distribution category. Industrial and commercial customers (many of which are public buildings) account for 24% and 20% of consumption, respectively. Firms have invested in circumventing the constraint of unreliable supply by purchasing and operating their own diesel generators such that costs for equipment, fuel, and maintenance account for 25% of the turnover of micro firms and almost 4% for large firms.

There has not been widespread investment on the part of households to reduce their energy costs. Housing stock in Kosovo is largely uninsulated and households end up spending a large proportion of their income in the winter on energy. Low and middle-income families spend an average of 13% of their incomes, and roughly 14% of the poorest households spend over 30% of their incomes on energy, while also consuming a relatively low quantity of electricity. There is low awareness that investments in energy efficiency or in different heating systems could yield significant life-cycle cost savings, compounded by a general lack of ability to pre-pay for this kind of investment, particularly by the poorest households. Even for those who may wish to invest in more efficient systems to realize savings over the long term, finding energy auditors and paying for the audits that will identify the appropriate interventions present further obstacles to households in effectively increasing their energy efficiency. Businesses report that households will usually choose the cheapest option available in construction, over options that might save them money in the longer term. Further, building codes are only sporadically and inconsistently applied, further exacerbating the low energy efficiency of housing stock. A lack of alternatives to inefficient space heaters or electric hot water heaters contributes, as well, to high household energy use. To avoid a sharp increase in power cuts, Kosovo will need to either use dramatically less electricity or access new sources of electricity supply, either domestically or through trade.

3. Reliable Energy Landscape Project (RELP) Description

This section presents the project logic and the related activities to attain the expected RELP outcomes.

Key Problem:

Electricity supply is inadequate to meet end-user demand.

Primary Impact:

Kosovo's economy is constrained by supply-demand shortfalls, which reduce economic output and increase the cost of electricity supply primarily due to increased electricity imports during winter peak electricity demand periods.

Root Cause:

Electric energy intensity in the Kosovo residential sector is excessive and driven by operation of inefficient electrical heating appliances in dwellings that have poor thermal performance.

Solution:

Improvement in residential energy efficiency will be accomplished through upgrades to residence thermal envelope, energy efficient equipment upgrades, behavior change to improve energy conservation, and greater utilization of more efficient heat sources.

Expected Outcomes:

Households are more aware of energy efficiency benefits, they invest more in EE measures, and as a result gained savings are used for other welfare or economic activities. If scaled up, the cost of electricity supply will decrease due to reduced stress on power transmission and distribution infrastructure. More reliable electricity supply, i.e. fewer outages, will decrease the expensive electricity imports. These electricity savings will be passed on to consumers through lower electricity tariffs.

Key RELP Project Objectives:

The objective of the Reliable Energy Landscape Project is to reduce the current gap between energy demand and supply, by lowering energy use through piloting household investments in energy efficiency, switching to cost-effective non-electricity sources of heating, and reducing barriers to independent power producer ("IPP") entrants to the market.

Note: See also RELP Logic Framework provided as annex.

3.1. PEE Key Project Activities

Pilot Incentives for Household Investment in EE (PIEE) is the first activity (Activity 1) of RELP which aims to provide incentives for residential consumers to invest in retrofits to reduce household energy consumption, as well as incentives aimed at increasing the involvement of women in energy sector business opportunities, and efficiency investments. The primary technical focus of the PEE intervention packages are energy efficiency measures that will reduce the consumption of electricity for heating and promote the use of energy efficient heating devices. Behavior change and outreach (BC&O) and Monitoring Evaluation and Learning (MEL) are crucial components to achieve the intended objectives of this activity.

Household Efficiency Retrofits (HER) Intervention Package; and Apartment Building Efficiency Retrofits (AER) Intervention Package - Provision of financial incentives to the residential sector to enable investment in energy efficiency measures – especially by low-income or vulnerable households, with an income-differentiated level of incentive or rebate - and capacity-building for potential energy service providers to develop energy efficiency projects and especially to improve energy audit skills. HER and AER intervention packages are described in the the following section.

Women Energy Entrepreneur Technical Assistance (WEE) Intervention Package - Interventions that address the barriers to the participation of women in the energy sector as employees and entrepreneurs through a series of proactive measures to increase the employment of women, and to encourage women’s entrepreneurship in the energy sector through partial grants and technical assistance. WEE intervention package is described in the following section.

3.2. Description of Intervention Packages

3.2.1. Intervention package 1.1: Households Efficiency Retrofits (HER)

One of the key objectives of HER is to test and evaluate the most cost-effective incentive delivery approaches for different beneficiary groups, as well as to deliver the best behavior change approaches, that can be scaled up beyond the Threshold Program.

Participation in the HER intervention package will be open to individual residences (including individual homes and individual apartments) throughout Kosovo with the incentive level determined by a range of criteria (developed by IC in close coordination with MFK) associated

with environmental, social, economic, and technical objectives of the RELP. The incentive levels and other intervention package design variables will be varied over time as part of the iterative design process to test and evaluate the most cost-effective approaches for different beneficiary groups. The IC is expected to employ an iterative design framework for piloting intervention strategies which is based on the principles of behavior economics. Intervention elements to be adjusted and tested include monetary incentives (rebates), as well as lending instruments and financing schemes. In order to implement iterative study for HER, some randomization will be required to select households for interventions as well as control households (comparison group), and some baseline data will need to be collected before implantation of the EE retrofits occurs. However, it needs to be emphasized that a rigorous iterative study design will not be applied for the BC&O component.

Implementation of iterative study in HER will result in clear lessons learned and best practices that will be useful to national stakeholders which will inform the design of future residential energy efficiency incentive schemes. More details on iterative study design will be given in the Sections 4 and 5 of this ToR.

Energy efficiency retrofits which qualify for the HER intervention package will be prioritized depending on energy audits, and budget restrictions, but are expected to primarily include the following:

- Improving thermal insulation in walls and roofs;
- Energy-efficient windows and/or external doors (wind fangs where applicable);
- Weather sealing
- Energy-efficient water heaters (including solar thermal water heaters where applicable);
- Energy-efficient biomass stoves and furnaces.
- Energy-efficient lighting bulbs

In order to ensure performance and quality control, all installers, products and materials must go through the qualification process which will be conducted by the Implementer during the pre-implementation phase.

The applications for retrofit rebates will be completed on behalf of the residential beneficiary by a qualified installer.

3.2.2. Intervention package 1.2: Apartment Building Efficiency Retrofits (AER)

The AER intervention package will provide grants to apartment communities in competitively selected municipalities to implement energy efficiency upgrades to common areas¹ and the thermal envelope. For this intervention package it is not foreseen a rigorous iterative study design, as in HER intervention package.

BC&O is crucial in terms of securing participation in this intervention package.

Qualifying retrofits can include, but are not limited to:

- Improving thermal insulation in outside walls and roofs;
- Energy-efficient windows and/or external doors (wind fangs where applicable);
- Weather sealing of common areas;
- Energy-efficient water heaters (including solar thermal water heaters where applicable);
- Energy-efficient biomass stoves or furnaces that use sustainable fuel sources;
- Retrofit of central heating system boilers and installation of thermostatic heating valves (for multi-family apartment buildings -MAB, that have standalone central systems);
- Energy-efficient lighting bulbs.

Approved AER intervention package projects will receive a package of funding from the RELP, participating municipalities, and apartment residents.

¹ Common areas are defined as those areas in MABs that require prior approval by a legally recognized body appointed by a home owner's association or "founder of the condominium" as described by Law No. 04/L-134 "Law on the Condominium".

3.2.3. Intervention package 1.3: Women Energy Entrepreneur Technical Assistance and Grant (WEE)

The Implementer, with input from MFK, and key stakeholders representing female entrepreneurs design and implement a technical assistance and partial grants program focused on supporting female energy sector entrepreneurs. The support would include a mix of technical assistance to help enterprises understand critically needed EE upgrades, business development assistance, and partial grants to make needed investments in their operations to reap efficiencies and grow their businesses.

The assistance will include:

- TA/audits to help female majority-owned companies assess possible savings will be offered using the existing audit structure for households through RELP, and
- Partial grants to make needed investments in energy efficiency through supporting female-owned enterprises with different levels of grants based on proposed investments. Particular focus should be given in balancing between the level of incentives and socio-economic status.
- Finalize criteria and procedures for participation to be provided to female majority-owned enterprises. Enterprises that will be eligible will be firms that: a) are energy sector entrepreneurs; or b) consuming energy and need greater efficiency in energy use; c) female businesses that could upgrade/grow businesses through energy investments.
- Design mechanism for validating firm ownership and management, and/or other requirements.
- Determine the target # of female entrepreneurs to benefit from the program.
- Grant outreach: design an outreach program to inform potential beneficiaries about the TA/Grant program and encourage female enterprises to apply for grants.
- Manage and oversee the implementation and disbursement of TA and grants, and track grantee performance.
- Produce materials to capture lessons and experiences from the program.
- Propose a platform that would promote these lessons and would ensure MFK/MCC recognition amongst the targeted audience.

4. Overview of Services to be Provided by IC

The following description outlines the general framework IC's services and tasks during execution of his services. However, the IC shall bear in mind that the list of tasks and activities can by no means be considered as a complete and comprehensive description of the IC's duties. It is rather the IC's responsibility to critically verify the scope of services indicated and to extend, reduce or amend it, as necessary according to professional judgment and knowledge acquired during proposal preparation. It is understood that the IC carries out all work as necessary to fulfill the PEE objectives.

The IC will be free to develop a strategy for program delivery which defines incentive levels, technical assistance, and works through feasible partners in Kosovo (e.g. banks, utilities, associations, etc) to achieve the required performance targets. The over-arching goal is to use the PEE as a platform for experimentation and innovation to arrive at the most effective household energy efficiency incentive packaging approach in terms of achieving energy consumption reduction, improved consumer awareness and replicability for adoption in future initiatives.

4.1. PEE Implementation Approach and Sustainability Objectives

PEE will be developed through an intensive piloting approach to identify effective delivery models for residential energy efficiency investment incentives. To identify the delivery models, the IC is expected to use an iterative design strategy to pilot residential energy efficiency incentive delivery approaches in Kosovo which employ the principles of behavior change economics.

The IC is expected to use a project implementation strategy which integrates an "intra-project" MEL framework to assess key project indicators related to residential behaviors that affect decisions related to energy efficiency. Based on the outcomes of the intra-project MEL cycle, the IC will make modifications of key project design variables to improve PEE participation and impact. In these terms, the IC will ensure that data collection tools are integrated into the application and disbursement processes, and data streams for MEL are of high quality and consistent.

The IC will work closely with MFK in developing key cooperation arrangements with local and international organizations during the planning and implementation phases of PEE. The IC will support MFK with regards to developing any MOUs or other implementing entity agreements.

4.1.1. Implementation of intervention packages

Under the supervision of MFK, the IC will implement and be responsible for all activities related to project preparation and delivery, installer qualification, identification of environmental, health

and safety issues, hazardous materials and waste management, site specific ESMP development and implementation, and management of the database of approved materials and products.

HER implementation by the IC will include the provision of technical support to installers in completing rebate applications on behalf of residents, including the support to the technical design (such as formula to estimate energy savings, selection of products, retrofit implementation design, obtaining of the required permits support, rebate application support), environmental and social management planning requirements, etc. During the implementation of retrofit projects, the IC will provide technical support and supervision, avoiding, minimizing and mitigating environmental and social risks and impacts, including health and safety and waste management (i.e. asbestos or other potential risks). Finally, the IC will complete disbursement requests for completed residential rebate projects.

AER implementation by the IC will include the provision of close technical support to MAB residents for establishment of Homeowners Associations (HOA), and completion of grant applications. The IC will conduct baseline surveys for preparations of procurements for implementation works, mitigating environmental and social risks and impacts identified during the baseline surveys including health and safety and waste management (i.e. asbestos or other potential risks), and preliminary identification of the scope of retrofits projects. After the all preparatory activities have been carried out, final scope of works including investment grade energy audits, retrofit interventions design, and support for obtaining required permits will be completed by the IC.

During the implementation of AER, one of the expected key challenges will be formation of HOAs. Whilst is not seen as the responsibility of the IC to fund legal and administrative costs associated with HOAs or any other government administrative process, the IC should endeavor to provide the technical assistance necessary to support apartment communities in completing these necessary project preparatory activities. The IC will ensure that at least one female is present as part of teams, and in interactions with apartment residents as specified in GSI requirements.

The implementation of AER intervention package will be carried out in intensive collaboration and co-financing with the stakeholders, including apartment communities/HOAs, and municipalities. The IC will also work to support residents to secure funding commitments from all apartment residents and provide rationale for additional grant support for residents that meet established income-based, or social assistance qualification criteria. In addition, the IC is encouraged and expected to leverage existing initiatives related to development of HOAs and the retrofit projects for MABs. Specifically, the recent World Bank HOAs project, which includes energy audits and financing plans for efficiency retrofits in several MABs, should be used as a starting point for implementation of the AER activity and a pathway to quickly achieve first

grant disbursements in the PIEE.

The IC will also be responsible for drafting and implementing intensive Behavior Change & Outreach activities to ensure that: data collection tools are integrated into the application and disbursement processes are effective and data streams for MEL are of high quality and consistent. For all types of residential buildings and stakeholder engagement activities, IC will make a concerted effort to reach out to low-income, female-headed, minority and vulnerable households to support their inclusion among beneficiaries.

4.1.2. IC's Role, Responsibilities, and Core Operational Areas

The role of the IC is to be the central coordinating entity. The IC is responsible for ensuring the implementation of the HER, AER, and WEE intervention packages in such a way that incentives are disbursed to the intended target beneficiaries with the greatest impact and greatest economic efficiency. To achieve these outcomes, the IC will be expected to integrate and efficiently manage the proposed budget and resources for each operational area of the PIEE including, but not limited to:

- Incentive design and deployment
- Behavior Change and Outreach
- Technical Assistance:
- Capacity building (GoK/KEEA, ERO, etc)
- Training and support to private sector (installers, service providers)
- Gender and Social Inclusion Requirements and Activities
- Environmental, Social, Health, and Safety Compliance
- Iterative approach (which includes MEL)

4.2. Incentive Design and Deployment

One of the overarching objectives of the PIEE is to determine what types and combinations of intervention elements are most cost effective for motivating end users to invest in household energy efficiency improvements. Hence, the incentives should be designed by the IC, and use market segmentation to reach out to a wide range of beneficiaries. This approach will help to identify the most cost-effective and affordable measures for each beneficiary household. A formative assessment during the course of the pilot will provide cost-effectiveness data and guide which household-level incentives might be recommended for scale-up by the Kosovo Government. Income level and the gender of household head should be explicitly considered when the appropriate incentive level is defined.

4.2.1. Incentive Disbursement Coordination

The IC will be expected to facilitate all activities related to application and disbursement of incentives for the HER, AER, and WEE intervention packages on behalf of MFK. The IC will be responsible to mitigate any incentive disbursement barriers and ensure that disbursements to beneficiaries are equitable and timely. MFK will be responsible for monitoring the disbursement process, including the high-level financial control.

4.3. Behavior Change and Outreach

BC&O is seen as a critical part of enabling success of the PIEE in terms of securing participation in the HER, AER, and WEE intervention packages. The focus for the BC&O within the intervention packages for PIEE is the development of optimum messaging in appropriate languages and through the most effective communication channels to convince households and related target groups about the benefits of residential energy efficiency investments. This may include the use of mass media, targeted media, interpersonal communication methods or other forms of community outreach. Behavior change activities are expected to target women in particular in their roles as primary household energy managers and users.

The baseline and market price study will analyze target groups' preferred methods of receiving communication and identify information sources that potential clients consider trustworthy. Based on the results of the study, and recognizing the emphasis on behavioral economics in this RFP, the BC&O strategy is expected to be developed to ensure incentives, messages, and the methods of communication are optimized to best reach targeted beneficiary groups.

The BC&O Strategy should be focused on the intervention packages described in section 3.2, above and ensure effective outreach to diverse social groups and gender sensitive approaches in all communications and messaging taking into consideration local cultural peculiarities and tackling long-standing behavior patterns. To make this possible, the IC will research the target groups' barriers to change for each of the proposed energy efficiency retrofits (either those described in this RFP or others to be proposed by the Implementer and prioritize the most important behaviors to change and supportive behaviors that could be more widely adopted. Based on these findings, the Implementer should then develop messages that respond to identified barriers to change and pre-test messages prior to launching any campaign or interpersonal communications activities.

The Behavior Change strategy should at a minimum:

1. Consider which incentives, messages and methods of communication will engage stakeholders such as installers, financial institutions, and all other identified strategic partners;

2. Adopt inclusive and gender-sensitive practices and educational/ informational/ outreach campaigns for women, poor, minority and/or disadvantaged households to optimize their participation in the EE program.
3. Ensure energy efficiency investments are presented and offered in a manner that is attractive to potential clients and encourages further enquiries and applications for energy efficiency incentives;
4. Raise awareness within the target beneficiary groups about how incentives from the PEE can be combined with other resources (e.g. grants, lending, technical assistance) in the market to facilitate implementation of energy efficiency measures.

The Outreach strategy should at a minimum:

1. Develop, administer and use a PEE web portal as a tool that will assist the development and distribution of the campaign content through different online channels.
2. Any media communication channels should be interlinked with the PEE web portal so that the IC can use the web as a tool to centrally control media production work-flows, implement policy-based media approval processes before publication, and manage distribution to target audiences.
3. Coordinate closely with GSI intervention activities to develop the Women in Energy Media campaign as a component of the WEE intervention package. The campaign will be rolled out nation-wide and will encourage and promote women's entry into the energy sector.
4. Provide robust support to MFK for managing external relations and managing the PEE public profile.

4.4. Technical Assistance

Technical assistance will be provided based on the assessment conducted regarding the key stakeholders needs and capacities, and will include a plan on how to address the identified needs and enhance their capacities (such as, procurement support, trainings, on-the-job assistance/training, etc.).

The IC is expected to develop and deliver trainings, capacity building and ongoing support that are applicable, such as but not limited to:

- Installer qualification (see also Chapter 5. Specific Scope of Services)

- Basic energy audit (also to consider complementing with energy audit training program by German Corporation for International Cooperation (GIZ))
- MAB community/municipality participation
- GSI sensitivity training, safe and appropriate customer interaction, etc
- Environment, Health and Safety (EHS) and hazardous material and waste management
- Capacity strengthening of KEEA, KEEF
- Support to ERO on energy efficiency incentives inclusion through tariff design, etc.

Participation of women and socially excluded groups should be ensured in all abovementioned trainings, with specific targets established for ensuring women in particular benefit from skills-focused training opportunities such as those for auditing, installers.

4.5. Gender and Social Inclusion Operations

IC's will ensure to reflect social and gender requirements in all activities in compliance MFK Social and Gender Integration Plan (SGIP). IC's will develop and operationalize a strategy for ensuring the program's female employment objectives are met during implementation. IC will provide technical assistance to and support the implementation of the GSI components of the program, including the Women in Energy media campaign, the WEE intervention package, and the outreach and targeting of low-income, vulnerable, female-headed and minority populations. IC will also support BC&O and M&E functions to ensure the integration of GSI objectives into MEL and BC&O efforts.

4.6. Environmental, Social, Health and Safety Performance Requirements

The IC shall submit a detailed Operations Manual that integrates environmental and social performance into the PEE program development and implementation process. The Consultant shall ensure that all PEE implementation activities are designed and implemented in a manner consistent with the MCC Environmental Guidelines and the IFC Performance Standards, and develop a RACI (responsible, accountable, consulted and informed) matrix of the activities that clearly describes roles and responsibilities for ESP management, monitoring, reporting and supervision for the relevant parties, including the Implementers, the IC.

The IC shall assess the scope of the anticipated construction activities, site conditions, potential presence of hazardous materials (e.g. asbestos), waste management needs, and other relevant issues, to identify anticipated ESP risks and impacts. The assessment will include an evaluation of impacts, their significance and development of appropriate site-specific environmental and social management/mitigation plans, and standard operating procedures and/or protocols for protection of the health and safety for the implementers and public. These management plans, SOPs, and protocols, should seek to avoid ESP risks and impacts in the first place, and minimize and manage residual impacts.

Prior to implementation, the IC shall develop and provide training to all Implementers on the proposed environmental and social management plans, and health and safety SOPs and protocols. Additional ESP training may be required during implementation.

During implementation, the IC shall monitor and periodically inspect the implementers' ESP performance and provide monthly reports to MFK summarizing findings. The IC shall notify MFK and MCC within 24 hours or as soon as reasonably possible after the occurrence of any accident which has resulted in damage or loss of property, disability or loss of human life, or which has or which could reasonably be foreseen to have a material impact on the environment and shall submit to MFK and MCC no later than 7 days after the occurrence of such an event, a summary report thereof. In cases where Implementers are found to be noncompliant with ESP requirements, the IC will work to develop remedial action plans to bring the Implementer back into compliance in a reasonable timeframe, to be agreed with the MFK.

4.7. Monitoring, Evaluation, and Learning (MEL) Operations

One of the overarching objectives of the PIEE is to determine what types and combinations of intervention elements are most cost effective for motivating end users to invest in household energy efficiency improvements. In order to enable the achievement of this objective, the MEL framework encompasses the designing of data collection tools and methods, provides real-time analysis of implementation outputs and interim outcomes (where measurable and appropriate), and impact evaluation and sharing of learning outcomes between operational areas (e.g., BC&O especially techniques that worked best for reaching minority, low-income/poor and female-headed households (FHHs)). IC will manage the implementation of the MEL framework for the PIEE. The MEL component actively liaises with other operational areas of the IC organization to ensure that information produced from the MEL cycle is relevant and is of sufficient quality and accuracy. It is expected that certain indicators that are evaluated within the MEL framework will warrant additional, dedicated studies beyond the normal PIEE implementation processes. The MEL Operations Team will have the responsibility of designing and coordinating implementation of these additional studies in collaboration with the MFK M&E lead.

The key idea behind the paradigm of behavioral change is to understand the core contextual factors or motives that influence choice and “nudge” these factors through messaging and interventions targeted to create behavioral change and achieve the desired impact, which is the reduction in household electricity consumption for heating. After identifying the core contextual factors or motives that influence energy efficiency behavior in the Kosovo context, the IC will be expected to implement the PIEE by conducting a series of pilots with the overall goal of achieving the greatest level of end user investment in energy efficiency measures and energy savings with the least expenditure of PIEE budget resources. The IC will employ an

experimental approach for implementation which adjusts key intervention design variables in an iterative design cycle. Ultimately, implementation of the PIEE will result in clear lessons learned and best practices that will be useful to national stakeholders which will inform the design of future residential energy efficiency incentive schemes.

All of the above, including monitoring of indicators should be reported to MFK on continuous basis.

Examples of intervention design variables could include, but are not limited to:

- Monetary level of rebates and incentives;
- Energy savings performance based incentives;
- Media modalities used for BC&O campaigns;
- Community social and behavior change campaign media modalities, frequency, and identification of trusted messengers to deliver PIEE information via media modalities (e.g. peer, community leader such as teacher, religious person, mayor, etc..., or national political leader)
- Different messages targeting different core contextual factors or motives to changing energy efficiency behavior such as drivers (comfort, fear) or emotions (status, affiliation).
- Lending arrangements with local financial institutions;
- Use of demonstration projects and champions;
- Use of contests;
- School education programs;
- Training programs for women and socially excluded groups;
- Utility bill marketing campaigns.

The intention is to evaluate the potential cost-effectiveness of the interventions to changing behavior by adjusting the incentive design as the program moves through execution and, adapting the BC&O and TA using an ongoing, intra-project MEL cycle. The MEL cycle will be the engine for iterative design of the intervention package through the duration of the PIEE.

4.7.1. Iterative Design Framework for the HER implementation package

In addition to the above-presented MEL framework elements, the IC is expected to employ an iterative design framework for the HER intervention package which is based on the principles of behavior economics. Intervention elements to be adjusted and tested include monetary incentives (rebates), as well as lending instruments and financing schemes (the BC&O component of the HER is excluded from iterative design framework). The identification of the appropriate intervention and comparison households will be done through an appropriate randomization process. Baseline data will be collected on both groups to establish their comparability regarding the relevant behaviors/outcomes.

4.7.2. Roles and Responsibilities of IC

IC's MEL roles and responsibilities are highlighted and referenced throughout the document, hence in this section we are just re-emphasizing some of the crucial elements. IC's MEL component will be responsible for managing the intra-project MEL activities (which should be in line with MFK's M&E Plan) and using the outcomes of evaluations (through iterative study for HER) to identify strategic changes to design variables to increase the volume and impacts of incentive disbursements. In addition to overall impacts, those to be evaluated include determining the degree to which low-income/poor, FHH, minority and vulnerable groups and other non-vulnerable groups have benefitted from intervention activities. IC will have the responsibility of developing and maintaining data collection tools integrated into project operations (e.g. rebate and grant applications, outreach feedback tools, etc.) and ensuring that data for evaluations is collected efficiently and is of good quality.

IC will also be responsible for preparing periodic (e.g. monthly or quarterly) monitoring reports for the MFK M&E lead to update indicators for the PIEE already developed by MFK (please see MFK M&E plan). All indicators will be discussed and confirmed by both teams in the inception period.

IC will also develop and supervise implementation of periodic pricing and market studies. These studies are to be conducted for the first time during the project Pre-Implementation Phase soon after the IC is engaged. The objective of the market study is to establish the baseline for key indicators associated with consumer behaviors.

5. Specific Scope of Services

To achieve the objectives of the PIEE, an estimated USD 13.5 Million to USD 14.5 Million will be available for grants.

The following description outlines the IC's tasks during execution of the services in managing the implementation of HER, AER and WEE intervention packages, including the integration of

cross-cutting components (GSI, ESP, MEL).

5.1. Key Assumptions

The outlined assumptions below should be taken into consideration when developing the approach and determining the level of effort to complete the services described in this section.

HER intervention package estimations

- Geographic Region: open to all eligible applicants throughout Kosovo
- Individual Residence Retrofits: estimated 2,600
- Date for Completion of all Retrofits: September 30, 2021

AER intervention package estimations

- Participating Municipalities: 5
- Apartment Retrofits per Municipality: 5
- Apartment buildings: 25
- Date for completion of all AER intervention package retrofits: September 30, 2021.

WEE intervention package estimations

- Geographic region: open to all eligible applicants throughout Kosovo
- Female entrepreneurs receiving TA: TBD
- Female entrepreneurs receiving partial grants: TBD
- Grant funding disbursed: \$1 million
- Date of completion: September 30, 2021

5.2. Provision of services

The IC is expected to execute the services in implementing PEE through the following three main phases (the first two phases could possibly happen concurrently, and depend on the IC's proposed workplan):

- Pre-implementation Phase
- Implementation Phase
- Project Closure Phase

5.2.1. Pre-implementation Phase

Inception

At the initial stage, the IC will conduct inception activities, such as kick-off meeting with MFK/MCC and all the relevant stakeholders (please refer to Annex 1), interviews with key stakeholders, review projects status, including a review of all existing available documentation and background information, update the implementation planning and clarify pending issues likely to create problems during the Implementation Phase.

The IC will provide an inception report which includes a confirmation of key staff and other inception activities, such as kick-off meeting, meetings/interviews with the stakeholders, review

the current situation etc.

Implementation plans, studies and frameworks

The IC will prepare implementation plans, studies and frameworks, as preparatory activities that will support the Implementation Phase. The IC will develop the operations manual covering operations related to each of the three intervention packages, managing the incentives/grant schemes; beneficiary and installer eligibility, selection, qualifications, award processes, work implementation; the accounting aspects; documentation and reporting; as well as integration of BC&O, GSI, ESP, MEL components.

The ESP framework will be developed as part of Operations Manual (in accordance with MCC Environmental Guidelines, the IFC Environmental and Social Performance Standards and Applicable Kosovo legal framework on environment, energy efficiency and construction). The ESP Framework will articulate how environmental and social risks and impacts will be screened, identified, avoided, and mitigated, and monitored as part of the IC program activities.

The IC will develop all operating procedures to be in place to guide day to day operations of the HER, AER, and WEE intervention package, as well as cross-cutting components. Specific list of tasks includes, but is not limited to:

HER intervention package operations framework and planning

- Develop a detailed annual operations plan largely describing the activities, roles and responsibilities foreseen within this intervention package. The plan will include, but is not limited to incentive design modalities and testing, operational procedures for BC&O, trainings, installer qualification, number of applications, application processing, retrofit installments, disbursements, energy savings. The operational procedures for fulfilling the relevant requirements deriving from BC&O, TA and the crosscutting components - GSI, ESMP, MEL– will also be included in the Operations Plan. This plan will be updated and extended for year 2 and 3 of the project in due time.
- Baseline survey on ownership and legal status of residential dwellings. Review of eventual redevelopment plans (urban regulatory plans, zoning maps, detailed plans, or other relevant plans), the likelihood of their implementation and the zones on which they will be implemented.² In addition, the baseline survey will include consideration of health and safety issues including hazardous materials that may be encountered during implementation.

² The zones/buildings with a high likelihood of being demolished on order to be redeveloped should be excluded from the project (same applies for AER)

- Conduct an initial market/pricing study through rapid prototyping approach to gather/analyze data for the purpose of refining the HER intervention package interventions, implementation approach and establishing baseline behavior change oriented indicators. Initial market/pricing study to be repeated annually for evaluation of value of sub-projects proposed for incentives (see also MEL operations framework and planning);
- Design the rebate incentive modalities (based on the baseline and market pricing study findings) that determine types and combinations of intervention elements that are most cost effective for motivating end users to invest in household energy efficiency improvements;
- Develop BC&O plan to promote the HER intervention package (see BC&O operations framework and planning);
- Develop the rebate application and documentation process. The Application should include a very simple, form-based energy audit used to document project development for small residential dwellings;
- Develop and operationalize the HER intervention package disbursement process and form-based disbursement application which requires the installer to document the completed retrofits using photos, invoices issued to residents, etc;
- Develop a detailed installer qualification program - trainings (see also TA operations framework and planning);
- Develop and operationalize an HER quality control framework based on random sampling to verify disbursement claims in terms of quality of workmanship, materials, scope of works and energy savings (see also MEL operations framework and planning);
- Develop data collection and management plan for the HER which will be well integrated into implementation processes including HER intervention package applications, baseline studies, implementation supervision and post implementation evaluations (see also MEL operations framework and planning).

AER intervention package operations framework and planning

- Develop a detailed annual operations plan largely describing the activities, roles and responsibilities foreseen within this intervention package. The plan will include, but is not limited to incentive design modalities, operational procedures for BC&O, trainings, MAB community consolidation support, procurement process, number of applications, application processing, retrofit installments, disbursements, energy savings. The operations plan will also describe the strategy for engagement of municipal government partners and working with existing or formation of homeowner associations. The operations plan should also elaborate the capacity building strategy for municipalities that are less advanced in planning through strategic paring with other more advanced municipalities. The operational procedures for fulfilling the relevant requirements deriving from BC&O, TA and the crosscutting components - GSI, ESMP, MEL– will also be included in the Operations Plan;
- Baseline studies for each apartment building retrofit project, including the investment grade energy audits, assessment of environmental and social management risks, assessment of infrastructure defects, etc. These studies will support project preparation and development of tendering documentation;

- Review of eventual redevelopment plans (urban regulatory plans, zoning maps, detailed plans, or other relevant plans), the likelihood of their implementation and the zones on which they will be implemented;
- Conduct a market/pricing study through rapid prototyping approach to gather/analyze data for the purpose of refining the AER intervention package interventions, implementation approach and establishing baseline behavior change oriented indicators (see also MEL operations framework and planning);
- Determine the grant/financing modalities as well as types and combinations of intervention elements are most cost effective for motivating end users to invest in household energy efficiency improvements (based on the baseline and market pricing study findings)
- Assist MFK with selection of participating municipalities (if needed);
- Assist MFK with developing MOUs for participating municipalities and apartment communities documenting funding contributions, roles and responsibilities, apartment retrofit key objectives, etc;
- Develop BC&O plan to promote the AER intervention package (see BC&O operations framework and planning), including apartment community engagement strategy and selection of community energy champions, HOA development support framework, etc;
- Develop the AER intervention package process guidelines including:
 - project preparation and grant application requirements,
 - apartment resident organization support (e.g. formation of HOAs),
 - high level procurement strategy;
- Work with MFK to confirm the AER tendering strategy and develop pro-forma procurement documentation including outlines of TORS, selection criteria, etc.
- Begin initial apartment community engagement activities in selected municipalities (see also BC&O operations framework and planning);
- Develop prioritization lists of target apartments for retrofits in selected municipalities;
- Develop and operationalize an AER quality control framework based on random sampling to verify disbursement claims in terms of quality of workmanship, materials, scope of works and energy savings;
- Develop data collection and management plan for the AER which will be well integrated into implementation processes including AER intervention package applications, baseline studies, implementation supervision and post implementation evaluations (see also MEL operations framework and planning).

WEE intervention package operations framework and planning

For the intervention package focused on women's entrepreneurship:

- Develop a detailed annual operations plan. This operations plan will develop procedure and eligibility criteria for TA and partial grants for women entrepreneurs. The plan will include, but is not limited to all operational procedures for grant applications, grant outreach to inform potential beneficiaries about the TA/Grant program and encourage female enterprises to apply for grants outreach and communication Activities. Establish mechanisms to oversee the implementation and disbursement of TA and grants, and track grantee performance.

- Prepare Grant and TA design and implementation processes
- Develop beneficiary outreach, selection, application procedures
- Develop disbursement, reporting requirements and processes

Database of qualified materials and products (for HER, AER, and WEE)

Review and adopt the existing EBRD/Green Economy Financing Facility (GEFF) for the development of the product/material technical criteria and database³;

BC&O operations framework and planning

- Develop a BC&O Strategy and Implementation Plan including but not limited to:
 - National & municipal level outreach
 - Institutional outreach (HER, AER, WEE)
 - MFI outreach (HER, AER, WEE)
 - Installer outreach (HER)
 - Community behavior change and outreach– households, MABs etc (HER, AER, WEE)
 - Media campaign Women in energy
 - An overall external relations management including:
 - public profile monitoring,
 - media releases,
 - risk identification and mitigation strategies
- Develop annual BC&O operations plan as part of each intervention package annual operation plan, outlining activity types, frequency, and target beneficiaries;
- Develop the BC&O content production policy and work flow including processes for creation, review and approvals according to content type and audience;
- Work with other operational areas to develop an integration strategy – especially how evaluation results from MEL Operations will be used in a periodic, systematic review of BC&O strategy to improve participation and impact in the intervention packages.
- Develop media campaign **Women in Energy**

TA operations framework and planning

- Develop training to support intervention package operations:

³ The IC should minimize cost of development of product and material database by adapting existing resources from current or previous development partner initiatives, such as EBRD GEFF.

- Installer qualification training modules on (HER intervention package):
 - HER Core Training Module,
 - Energy Auditing,
 - Financial Literacy,
 - Sales and Marketing Skills,
 - Procedures for obtaining construction permits for retrofit implementation (installer support for the beneficiaries)
 - ESP (including MCC Environmental Guidelines/IFC Performance Standards, Health and Safety training, hazard materials/waste management training),
 - GSI behavior orientation training to ensure sensitivity to and appropriate, professional behavior (e.g. on sexual harassment) with females and vulnerable groups on teams and in consumer households
- A training program for community energy auditors (HER intervention package)
- Contractor training modules on (AER intervention package):
 - ESP (including MCC Environmental Guidelines/IFC Performance Standards, Health and safety training, hazard materials/waste management training),
 - GSI sensitivity
- MAB community participation training (AER intervention package), including but not limited to:
 - Community consolidation & organization
 - Condominium management (administration, financing, maintenance etc)
 - Procedures for obtaining construction permits for retrofit implementation
- Develop a procurement plan based on selected apartment communities and expected retrofit scopes of work (AER intervention package);
- Capacity strengthening of KEEA, KEEF
- Support to ERO on energy efficiency incentives inclusion through tariff design, etc.

GSI framework

The following measures to be implemented across all activities of the Implementer:

- Ensure inclusion of low-income, female-headed, minority and vulnerable households in EE measures through targeted incentives and income-adjusted rebate amounts to ensure uptake among such groups;
- Develop staff and organizational policies that are women friendly and inclusive, e.g., gender and social behavior orientation training to ensure sensitivity, anti-harassment and anti-discrimination policies, training and mentoring opportunities for female employees at partner organizations and contractor companies;
- Support participation of contractors and staff in MFK efforts on flexible work and child care pilot program pilots, upon request by MFK.
- Develop incentives, requirements and targets for inclusion of female professional staff in procurements and recruitment, hiring and on-the-job training phases of intervention packages (e.g. requirement that at least one female be part of any audit team interacting with households);
- Ensure the inclusion of appropriate language –targeted messaging to minority groups through communications channels they access in all publicity, education, and outreach campaigns;

- Support the placement of female interns and/or apprentices with service providers working on RELP activities (interns to be recruited through a internship/apprenticeship program being implemented separately by MFK);
- Ensure that the outreach and behavior change campaigns to households are socially inclusive and gender-sensitive change, and that information and education campaigns target women in their roles as managers of household heating practices;
- Develop and implement training programs for all personnel on beneficiary engagement and GSI sensitization. This includes 1) customer interface teams working with households to explain EE program details or modification of behavior, 2) procedures and trouble-shooting post installation of equipment;
- Ensure that team composition for all those interfacing with household heads (HHs), customers and vendors will require at least one female team, one female intern/apprentice, and ensuring that each team is able to communicate in the relevant languages of the target HHs;
- Support the consideration for the appropriateness of technologies for less educated and persons with disabilities (PwDs), in order to assure that accessibility concerns are addressed for these groups. Targeted assistance to households requiring special assistance, such as PwDs or the elderly, to help them to understand and fully take advantage of energy efficiency technologies.
- Report on these measures as part of overall reporting requirements, as well as monitoring and oversight of the MFK Social and Gender Integration Plan.

MEL operations framework and planning

- Confirm the list of indicators for monitoring and evaluation at the following levels:
 - MCC level M&E framework as described in the MFK M&E Plan
 - Intra-project MEL framework (to be used to drive the iterative design cycle)
- Establish MEL operational procedures for data collection and management, monitoring, evaluation methodologies, and integration strategy with other intervention package and components;
- Conduct a market study to identify barriers to rebate uptake and establish initial rebate levels. Rebate levels will need to be adjusted as part of the programs iterative design process to understand the most cost-effective intervention packages for different socio-economic group. The market study will include examining barriers and proposed subsidy levels related to low-income/poor, FHHs, minority, and other vulnerable HHs;
- Establish program MEL reporting indicators, data sources and reporting cycles, including coordination with BC&O, TA, GSI, HER, AER, WEE, and MCC/MFK.

ESIA and ESMP development and implementation planning

ESIA and ESMP Development and Implementation Planning tasks include, but are not limited to:

- Develop ESIA and ESMP framework (in accordance with MCC Environmental Guidelines, IFC Environmental and Social Performance Standards and Applicable Kosovo legal framework on environment, energy efficiency and construction).;
- Ensure all operational processes align with relevant national legal and regulatory frameworks on energy efficiency, environment and construction currently in force in Kosovo.

- Once specific project sites have been selected and baseline surveys completed, then develop site-specific ESMPs to control and mitigate environmental, social, health and safety issues and risks for all intervention packages:
 - Guidelines for best practice construction safety practices for all contractors;
 - Guidelines for management of construction site hazards (e.g. noise, dust generation, equipment use, secure storage of equipment and materials, etc.)
 - Construction waste management practices for site storage;
 - Hazardous material/waste management practices and a documentation process to track the chain of custody for verification of appropriate disposal in a site certified to take the wastes;
 - Guidelines to ensure appropriate actions are taken for protection of vulnerable populations during construction activities particularly for women, the disabled, and the elderly;
 - ESMP screening instructions to include in incentive applications.

PIEE web portal design and operationalization

The web portal should be developed as a robust set of web applications and provide a range of services to support various aspects of the PIEE. The IC will be expected to develop the portal, provide technical support and administration services, develop all content, and ensure that useful web traffic data is collected from web portal and linked social media platforms. Inputs from market/pricing study and BC&O Strategy to be considered.

The web port should have, at a minimum, the following core characteristics and capabilities:

- Built on well established, free, open source, extensible content management system etc.
- Support production workflows with the capability of assigning roles and permissions that facilitate content authoring, content review, publication approval, etc.
- Has the capability to facilitate team-oriented content production including tracking changes, commenting, etc.
- Assign content categories and key words.
- HER participation application with database integration;
- HER disbursement request application with database integration
- HER Qualified Installer with database integration
- AER participation application with database integration
- PIEE qualified equipment and product database
- PIEE project database with key metrics for individual projects and PIEE wide project summary statistics;
- Simple PIEE project planner / calculator web application allowing a user to model an individual residence retrofit project using basic input data.
- External viewing interface (public) and internal viewing / management interface for all web applications;
- User interest forms via embedded link to request more information on the basis of content categories;

- Form to request content publishing by potential partners / market actors (vendors of services, products, etc.);
- Website survey that can be customized based on content category.
- The IC will be expected to develop and manage technical criteria and database for qualified products and materials, which should be available online. This database should have the capability of displaying currently qualified products and materials and taking user submission requests for adding new products and materials. In order to minimize cost of development of these technical criteria and database, the adapting of existing resources from current or previous development partner initiatives, such as EBRD GEFF should be considered.
 - Addition / deletion of records
 - Structured Query Language (SQL) based queries and reporting
- Content Syndication
 - Packaging of syndicated web content for various audiences (media, beneficiaries, finance partners, civil society, etc.);
 - Web traffic analytics for syndicated content;
 - Embedded content attribution to PIIIE;
 - Feed (RSS / Atom, etc.) creation with customization by content category;
 - Packaged content syndication categories:
 - General media releases;
 - RELP project statistics;
 - Intervention level beneficiary participation information.
- Capability to develop mini-sites for each PIIIE Activity;
- Magazine style front page interface with featured articles and links to mini-sites;
- Main page and mini-site key features:
 - Featured post photo and video carousel;
 - Magazine style layout with featured posts;
 - Capability to share posts on all key social media sites;
 - Capability to print and post in a professionally formatted PDF file;
- Capability for users to comment on all hosted content;
- Enable / disable content commenting based on category;
- Commenting will be threaded with the user able to follow comment threads through registration;
- Mobile device friendly presentation
 - Smart phone form factor
 - Tablet form factor
- Data Analytics (service to be provided as part of web portal)
- Search Engine Optimized
 - The web portal and generated content will be designed to ensure the best possible exposure in web searches;
 - Website summary to appear in search summaries;
 - Search optimization for news site specific web searches.

5.2.2. Implementation Phase

The Implementation Phase *comprises* the tasks for the implementation of HER, AER, and WEE intervention packages, including the cross-cutting components BC&O, TA, GSI, ESMP, and MEL. During the Implementation Phase, the IC will put in place an implementation and management framework for the three intervention packages which supports an iterative design process to support modification of key design variables that will contribute to the continuous improvement towards maximizing participation within beneficiary groups and minimizing the cost of required financial incentives.

The Implementation Phase tasks are presented in the following sections.

IC operation level services

Specific tasks to include, but are not limited to:

HER intervention package Operations Services

Complementary to the tasks foreseen within BC&O, TA, GSI, ESMP, and MEL, HER intervention package Operations Services include (but are not limited to):

- Marketing of services and products (by qualified installers)
- Application Processing
 - Application Preparation Procedures (Conduct energy audits by qualified installers or other locally trained auditors, recommend energy efficiency investments; Finalize Implementation Design; Obtain required permits; Complete and submit the rebate application)
 - Designation of beneficiaries
 - Grievance management
- Manage/supervise the retrofit installments
- Rebate processing (see also section *Grant disbursement*)
 - Disbursement requirement processing
 - Disbursement execution

The implementation progress and evaluations will be presented through monthly and quarterly reports, including the cross-cutting components - BC&O, TA, GSI, ESMP and MEL (see also Section 8)

AER intervention package Operations Services

Complementary to the tasks foreseen within BC&O, TA, GSI, ESMP, MEL, AER intervention package Operations Services include (but are not limited to):

- Support the consolidation of MAB Communities
- MAB community Beneficiary Application Processing
 - Review the application
 - Conduct an appropriate investment grade energy audit

- Designation of beneficiaries
- Grievance management
- Finalize MAB Community Project Preparation Procedures
 - Finalize Implementation Plan & Design;
 - Develop Stakeholder Investment Plan
 - Develop procurement strategy and model bid documents (RFP)
 - Obtain required permits (i.e. construction permit)
- High level supervision of retrofit implementation;
- Grant processing (see also section *Grant disbursement*)
 - Disbursement requirement processing
 - Disbursement execution

The implementation progress and evaluations will be presented through monthly and quarterly reports, including the cross-cutting components - BC&O, TA, GSI, ESMP and MEL (see also Section 8)

WEE intervention package Operations Services

Complementary to the tasks foreseen within BC&O, TA, GSI, ESMP, and MEL, WEE intervention package Operations Services include (but are not limited to):

- Beneficiary outreach
- Grant applications and selection
- Oversee the implementation and track grantee performance.

The implementation progress and evaluations will be presented through monthly and quarterly reports, including the cross-cutting components - BC&O, TA, GSI, ESMP and MEL (see also Section 8)

BC&O Operations Services

(In accordance with MFK's General Communication Outreach Plan, and BC&O operations framework)

- National level campaigns for HER, AER, WEE intervention packages (based on BC&O operations framework and planning)
- Municipal level campaigns for HER, AER (Assume 5 municipalities), and WEE intervention packages (based on BC&O operations framework and planning)
- External relations management
- The implementation progress and evaluations will be presented as part of monthly and quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8), including:
 - Monthly content updates
 - Monthly social and behavior change communication campaigns
 - Quarterly BC&O activity assessment report
 - Quarterly BC&O plans

- Quarterly update on outreach campaign on WEE intervention package
- Quarterly BC&O plans on women in energy media campaign

TA Operations Services

- HER intervention package TA support services:
 - Installer qualification training
 - Community energy auditors training
- AER intervention package TA support services
 - Contractor training
 - Apartment community grant participation training
 - Apartment community energy champions training
- Support the Contractor Procurement process
 - Support drafting of the bidding documents
 - Support the selection of the contractor
- The implementation progress and evaluations will be presented as part of monthly and quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8), including:
 - Monthly TA support report
 - Quarterly TA training report
 - Quarterly TA procurement report

GSI Operations Services

(In accordance with MFK's SGIP, and GSI operations framework)

- Strategy for GSI inclusion across EE activities, and for meeting the cross-cutting GSI requirements, including for targets and goals on female employment in energy.
- The implementation progress and evaluations will be presented as part of monthly and quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8), including:
 - Monthly report with key GSI information on trainings, RELP beneficiaries disaggregated by key variables, numbers and % of women employed across activities.
 - Monthly report on Female Entrepreneur TA and Partial Grants component
 - GSI quarterly reports

MEL Operations Services

(In accordance with MFK's M&E Plan and MEL operations framework)

- Ensure project data flow
- Ensure reporting of RELP project level M&E indicator data
- Provide evaluation inputs to each round
- The implementation progress and evaluations will be presented as part of monthly and quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8), including:
 - Monthly indicator reporting, disaggregated by key variables
 - Quarterly evaluation and design revision recommendations
- Other specific MEL research at other times/frequencies as required e.g. semiannual public attitudes survey

WEB portal administration

The IC is expected to be responsible for comprehensive administration services for the PIEE web portal.

Web Portal Administration tasks of service will include, but not limited to:

- Web hosting services
- Web portal application configuration day to day operational stability
- User support for day to day content creation requirements and comprehensive CMS user training as needed
- Design and configuration of all web pages including presentation, underlying code and scripting, and back end database support
- The implementation progress and evaluations will be presented as part of monthly and quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8)

ESMP services

(In accordance with MCC environmental guidelines and the IFC Environmental and Social Performance Standards and Applicable Kosovo legal framework on environment, energy efficiency and construction)

During the Implementation Period, the IC will provide services on monitoring and implementation of site-specific ESMPs.

ESMP tasks of services will include, but are not limited to:

- Maintain ESMP reporting on the identified potential risks or incidents, as well as the database on the actions undertaken as a response;
- Update, as necessary ESMPs to respond to previously unidentified risks and impacts;
- Coordinate ESMP related trainings with TA;
- Provide a monthly report on compliance with ESMPs risks, incidents and actions taken;
- IC will document mitigation actions for the identified potential risks and impacts, and any reported incidents. Weekly report documenting ESMP actions involving beneficiary complaints
- In cases of accidents and serious environmental or property damages, the reporting should be done within 24 hours, including the undertaken actions, if any. Plans on related responsive actions need to be delivered by IC in due time.

Grant disbursement

The IC will be expected to disburse the incentives for the HER and WEE intervention packages.

Grant Disbursement services are to include but not limited to:

- Maintain a database of incentive applications which tracks all key qualification criteria and status for approval by Intervention package;
- Maintain a separate incentive disbursement authorization and/or deployment database which tracks the status of criteria required for incentive disbursement authorization and/or deployment and recipient payment details by Intervention package;
- Generate a weekly incentive disbursement authorization report;

- Generate a monthly and quarterly incentive disbursement report showing application status and disbursement authorization and/or deployment status, as part of monthly/ quarterly reports drafted for HER, AER and WEE intervention packages (see also Section 8).

5.3. Project Closure

The IC will have the responsibility for completing the tasks related to project closure. These tasks are expected to include the following:

- Planning project closure evaluations;
- Identifying best practices, lessons learned, and project infrastructure that can be transferred to national organizations associated with residential energy efficiency, such as the energy efficiency fund and Kosovo Agency for Energy Efficiency;
- Supporting MFK with planning a final dissemination workshop;
- Ensuring all useful media content and project tools are transferred to appropriate designated national institutions;
- Ensuring finalization of all retrofit activities and reconciliation of all grant disbursements;
- Other appropriate project-closure activities.

6. Responsibilities

The Implementer contracted through this RFP process will report directly to the MFK Energy Director, who will also be represented by the MFK Energy Specialist and Private Sector Development Specialist. The IC will also work with MFK's CEO, the Communication and Outreach Specialist, the Gender and Social Inclusion Specialist, Environmental Consultant, the Monitoring and Evaluation Specialist, and the Procurement Specialist.

MFK staff will interface with the Implementer on a number of issues, including, but not limited to:

- Ensure compliance of MCC infrastructure technical standards through appropriate assessment and development of proposals with infrastructure components (Energy Specialist and Supervising Engineer);
- Ensure compliance with General Communication Outreach Plan (Communication and Outreach Specialist);
- Ensure compliance with MFK's Social and Gender Integration Plan (SGIP) through training and information sharing (GSI Specialist);
- Procurements for AER retrofit installments to follow MCCs Program Procurement Guidelines (Procurement Specialist);
- Ensure compliance with MCC Environmental Guidelines and IFC Performance Standards, through training, information and document sharing, developing risk management tools for the grants program, and development, implementation and monitoring of site specific ESMPs. (Environmental Consultant).

- Ensure compliance with MFK's M&E Plan (Monitoring and Evaluation Specialist)

Although the IC will be contracted by and directly report to MFK, the success of this project will be based on the ability of the IC to develop and manage professional relationships, including with:

- The Government of Kosovo, and especially the Ministry of Economic Development;
- Other Government Ministries, including, but not limited to: (Energy Efficiency Agency, Energy Efficiency Fund, Energy Regulatory Office)
- MCC staff and consultants;
- Industry and business;
- Other stakeholders in the Energy Efficiency sector (donors, NGOs, businesses, government, etc.).

As noted above, the Implementing Contractor will be responsible for collaboration with the MFK M&E Specialist.

7. Specific requirements on IC's Staff capacities

The services required by this ToR shall be rendered by a team of international professionals and local experts. The IC will ensure that appropriately qualified experts are available as required for each of the different tasks outlined above. The assignment will be led by the Project Director who is responsible for the overall management of the project and all contractual matters. The Team Leader will be in charge to coordinate all activities in Kosovo, especially the project team, to ensure progress according to plan, to communicate with project beneficiaries and to report/highlight critical issues in the project execution.

7.1. List of personnel⁴

The firm shall provide the appropriate number of key and non-key personnel to provide the services described in this ToR. This includes program management, capacity development, communications and outreach, monitoring & evaluation, gender and social inclusion, environment, health and safety, finance, procurement, and technical experts. CVs must be provided for all proposed staff, including the reasons they were selected for this assignment and the roles they will fulfill in the project.

MFK shall approve the project team structure, qualifications, and level of staffing. Job descriptions will be provided along with the team structure by IC. With the approval of MFK, the Project Director will have the opportunity, while remaining within the original budget, to revise its staffing requirements upon the completion of the Inception Phase and at each annual review.

It is expected that all personnel have proficiency in English, considering that it is a working language within MFK. It is within the IC's responsibility to ensure an adequate communication in Albanian or other local languages in Kosovo as needed, with the beneficiaries and other local stakeholders.

Identification of the team members and their designated positions will be the responsibility of the IC.

⁴ Attention should be given to the gender balance among the staff composition.

Key Professional Personnel Qualifications for the Assignment	
1.	<p>Project Director</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate level degree in economics, engineering, or business; • Minimum 15 years of professional experience; • Minimum 10 years of management experience in resource efficiency incentive program development and the international development sector • Demonstrated successful experience and past performance in accomplishment of similar projects. • Experience in the region or other similar developing country contexts
2.	<p>Team Leader</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate level degree in economics or engineering, • Masters by research qualification in a related discipline; • Minimum 10 years of professional experience including the resource efficiency incentive program development and the international development sector; • Demonstrated experience in the design, implementation, and evaluation of incentive programs for resource efficiency or utility demand side management; • Demonstrate experience in development and implementation of monitoring and evaluation frameworks for resource efficiency programs. • Experience in the region or other similar developing country contexts
3.	<p>Behavior Change, Outreach, and Marketing expert</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in behavioral economics, marketing, communications or a related discipline; • Minimum ten years of experience in behavior change research, programming, or marketing and promotion, minimum five of which in energy efficiency programs; • Demonstrated experience in designing or implementing programs influencing economic decisions related to energy consumption in developing countries (regional experience preferred); • Demonstrated experience in rapid prototyping and testing of marketing modalities for behavior change. • Demonstrated experience in designing behavior change, communications and outreach for resource efficiency programs; • Experience in the region or other similar developing country contexts

4.	<p>Monitoring Evaluation and Learning (MEL) expert</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in economics, statistics, international development or other related technical discipline; • Masters by research qualification in a related discipline; • Minimum of 10 years of experience in the design, implementation, monitoring and evaluation of incentive programs for resource efficiency or utility demand side management; • Demonstrated experience in piloting and evaluation of programs, including experimental or quasi-experimental evaluations involving incentives design. • Experience in the region or other developing countries.
5.	<p>GSI expert</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in public policy, social science, law, anthropology, or related discipline; • Minimum ten years of related professional experience; • Five years of experience in the development, design and evaluation of projects promoting gender and social inclusion; • Five years of regional experience in the development, implementation, and evaluation of projects specifically involving promotion of entrepreneurship for women through MSMEs. • Experience in the region or other similar developing country contexts
6.	<p>EHS expert</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate degree in environment • Minimum five years of experience in the environment management plan design and implementation in the building sector • Education and training, including proficiency of English and proficiency in written and spoken languages of Kosovo. • Demonstrated successful experience and past performance in accomplishment of similar projects.

7.	<p>Grant Manager</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate level degree in business administration, energy efficiency, or another relevant field,

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| | <ul style="list-style-type: none">• Minimum 5 years of experience in designing and implementing rebate/grant programs in developing or transition country contexts. Preference will be given for managers who have experience managing grant programs in efficiency incentive programs.• Experience in financing modalities for rebate/grant disbursement in energy efficiency investments.• Experience in supervising the flow of finances to grantees, in particular ensuring compliance with financial management procedures• Experience in similar/relevant projects in the region or other similar developing country contexts |
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8.	<p>Procurement Specialist</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in business, finance, law or related discipline; • Minimum five years of experience in assistance programs in the international development sector related to procurement; • Demonstrated successful experience and past performance in accomplishment of similar projects. • Experience in the region or other similar developing country contexts
9.	<p>Financial administration and auditing Specialist</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in finance or related discipline; • Minimum five years of experience in assistance programs in the international development sector related to finance and grants/incentives; • Demonstrated experience in financing modalities related to energy efficiency investments. • Demonstrated successful experience and past performance in accomplishment of similar projects. • Experience in the region or other similar developing country contexts
10.	<p>Technical expert (construction, energy efficiency, energy auditing)</p> <p>Minimum qualification:</p> <ul style="list-style-type: none"> • Graduate in engineering, science, or related technical discipline; • Demonstrated experience in development and delivery of energy efficiency programs; • Demonstrated experience in implementing programs in developing country context. • Demonstrated successful experience and past performance in accomplishment of similar projects. • Experience in the region or other similar developing country contexts

8. Deliverables and Payment Schedule

A detailed list of prescribed deliverables divided by time periods is outlined in the tables below. Deliverables are categorized into three main phases, including:

- Pre-implementation Phase (2019)
- Implementation Phase (2019, 2020, 2021)
- Project Closure Phase (2021)

Pre-Implementation Phase deliverables are expected to be completed within 20 weeks after the commencement of services, which requires consolidation and commitment of sufficient professional and technical capacities by the IC. Following the successful completion of Pre-Implementation Phase deliverables, the IC is expected to start with the Implementation phase of Year 1, which will take place in 2019. Subsequently, implementation of Year 2 will take place during 2020, and the last Implementation year is expected to be completed during the first 9 months of 2021, including RELP finalization deliverables.

In case there is a request by MFK for interim or ad hoc reporting, the IC is expected to deliver such reports/information within a reasonable time-frame.

Note: All the required deliverables will be revised within 5 business days by the IC, upon receipt of comments from MFK. The payments will be proceeded only after the required deliverables are accepted as satisfactory by the MFK.

Deliverables for Pre-Implementation Phase (2019)

DELIVERABLE	DESCRIPTION Note: See ToR for more detailed information.	DUE DATE	TOTAL PAYMENT, %
Inception Report	The Inception Report on key staff, and inception activities.	Within 4 weeks after commencement of services	5%
Operations manual (HER, AER, WEE operations)	The operations manual should cover operations related to each of the three intervention packages, including key components such as BC&O, GSI, ESMP, MEL.	Within 10 weeks after commencement of services	10%
HER Detailed annual operations plan	Draft detailed annual operations plan, including the specific targets to be achieved	Within 12 weeks after commencement of services	
AER			

Detailed annual operations plan			
WEE Detailed annual operations plan			
Web-portal design & development	Design & develop a PIEE web portal content management system (CMS) as a primary tool to develop and distribute campaign content through channels such as web pages, various social media platforms, smartphone applications, text messaging, etc.	Within 16 weeks after commencement of services	15%
Product and Material Database	Develop and maintain an online technical criteria and database (on the web portal) of the approved materials/products, ad database of qualified installers. Note: An initial development of the material and product technical criteria and database can be done using EBRD Green Economy Finance Facility Technology Database	Within 16 weeks after commencement of services	
HER related frameworks and studies	Baseline study; Market/pricing study; BC&O Strategy and Implementation Plan; Incentive modalities design; Beneficiary Application Process Design; Rebate disbursement process design; Installer Qualification Process Design; Training Programs Development; MEL process design; ESMP Framework	Within 20 weeks after commencement of services	
AER related frameworks and studies	Baseline study; Market/pricing study; BC&O Strategy and Implementation Plan; Incentive modalities design; Beneficiary Application Process Design; Grant disbursement process design; Training Programs Development; MEL process design; ESMP framework	Within 20 weeks after commencement of services	
WEE related frameworks and studies	Prepare Grant and TA design and implementation processes Develop beneficiary outreach, selection, application procedures Develop disbursement, reporting	Within 20 weeks after commencement of services	

	requirements and processes		
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**Total Pre-Implementation Phase
(2019) - 30%**

Deliverables for Implementation Phase - Year 1 (2019)

DELIVERABLE	DESCRIPTION Note: See ToR for more detailed information.	DUE DATE	TOTAL PAYMENT, %
HER Monthly Reports	Intervention package incentive deployment and testing Intervention package Field Operations Report will document the field level operations for input into the MEL framework, monitoring operational effectiveness, and other diagnostic purposes. Intervention package BC&O Update will document the audience, scope, and mode of content delivery, including a summary account of the activities of the BC&O component related to community outreach. Intervention package TA Operations Report will highlight important TA related issues at the intervention package level, and provide a detailed documentation of all monthly TA activities. This report should describe any strategic operational issues for mitigation by IC.	First Report 4 months after commencement of services	(through payments for quarterly reports)
AER Monthly Reports		First Report 4 months after commencement of services	
WEE Monthly Reports		First Report 4 months after commencement of services	
HER Quarterly Report	Evaluation and Design Revision Recommendations which is a key part of the iterative design framework for the RELP, makes a critical evaluation of indicators against quarterly targets and provides recommendations on revision of key design variables to improve project performance - incentive design and deployment, and other	First Report 6 months after commencement of services, and then quarterly	15% in total, to be paid in quarterly installments

<p>AER Quarterly Report</p>	<p>relevant components BC&O Activity Assessment Report provides a critical assessment of BC&O activities in the context of the intervention package project performance as reported by the MEL component. Intervention package BC&O component Plan will take the findings from BC&O Activity Assessment Report and other inputs within IC and MFK and describe the BC&O strategy for the next six months. This report describes recommended revisions to key BC&O related project variables to improve performance.</p>	<p>First Report 6 months after commencement of services, and then quarterly</p>	
<p>WEE Quarterly Report</p>	<p>GSI Activities will provide a high level summary of key actions undertaken to meet the intervention package GSI requirements TA Activity Assessment Report provides a critical assessment of TA activities in the context of the project performance as reported by the MEL component. Intervention package TA Plan will take the findings from TA Activity Assessment Report and other inputs within IC and MFK and describe the TA strategy for the next six months. This report describes recommended revisions to key TA related project variables to improve performance.</p>	<p>First Report 6 months after commencement of services, and then quarterly</p>	

Total Implementation Year 1 (2019) - 15%

Total Year 1 (Pre-Implementation + Implementation, 2019) - 45%

Deliverables for Implementation Phase - Year 2 (2020)

DELIVERABLE	DESCRIPTION Note: See ToR for more detailed information.	DUE DATE	TOTAL PAYMENT, %
<p>HER Detailed annual operations plan</p>	<p>(refer to Pre-Implementation Phase description)</p>	<p>Within first 4 weeks of 2020</p>	<p>5%</p>
<p>AER Detailed annual</p>	<p>(refer to Pre-Implementation Phase description)</p>	<p>Within first 4 weeks of 2020</p>	

operations plan			
WEE Detailed annual operations plan	(refer to Pre-Implementation Phase description)	Within first 4 weeks of 2020	
HER Monthly Reports	(refer to Year 1 description)	monthly	(through payments for quarterly reports)
AER Monthly Reports	(refer to Year 1 description)	monthly	
WEE Monthly Reports	(refer to Year 1 description)	monthly	
HER Quarterly Report	(refer to Year 1 description)	Each quarter	20% in total, to be paid in quarterly installments
AER Quarterly Report	(refer to Year 1 description)	Each quarter	
WEE Quarterly Report	(refer to Year 1 description)	Each quarter	

Total Implementation Year 2 (2020) -25%

Deliverables for Implementation Phase - Year 3 (2021)

DELIVERABLE	DESCRIPTION Note: See ToR for more detailed information.	DUE DATE	TOTAL PAYMENT, %
HER Detailed annual operations plan	(refer to Pre-Implementation Phase description)	Within first 4 weeks of 2021	5%
AER Detailed annual operations plan	(refer to Pre-Implementation Phase description)	Within first 4 weeks of 2021	

WEE Detailed annual operations plan	(refer to Pre-Implementation Phase description)	Within first 4 weeks of 2021	
HER Monthly Reports	(refer to Year 1 description)	monthly	(through payments for quarterly reports)
AER Monthly Reports	(refer to Year 1 description)	monthly	
WEE Monthly Reports	(refer to Year 1 description)	monthly	
HER Quarterly Report	(refer to Year 1 description)	Each quarter	10% in total, to be paid in quarterly installments reports
AER Quarterly Report	(refer to Year 1 description)	Each quarter	
WEE Quarterly Report	(refer to Year 1 description)	Each quarter	

Total Implementation Year 3 (2021) - 15%

Project Closure Phase (2021)

DELIVERA	DESCRIPTION Note: See ToR for more detailed information.	DUE DATE	TOTAL PAYMENT, %
RELP Final Report	Report of overall activities performed including lessons learned. The report should also include financial report in the format agreed with MFK Financial Officer. Upon receipt of comments from MFK, the IC will revise within 10 business days	Third quarter of 2021	15% (propose a single final payment upon the completion of RELP finalization activities)
RELP Dissemination Workshop		Third quarter of 2021	
RELP Dissemination Report		Third quarter of 2021	

Handover to GoK		Third quarter of 2021	
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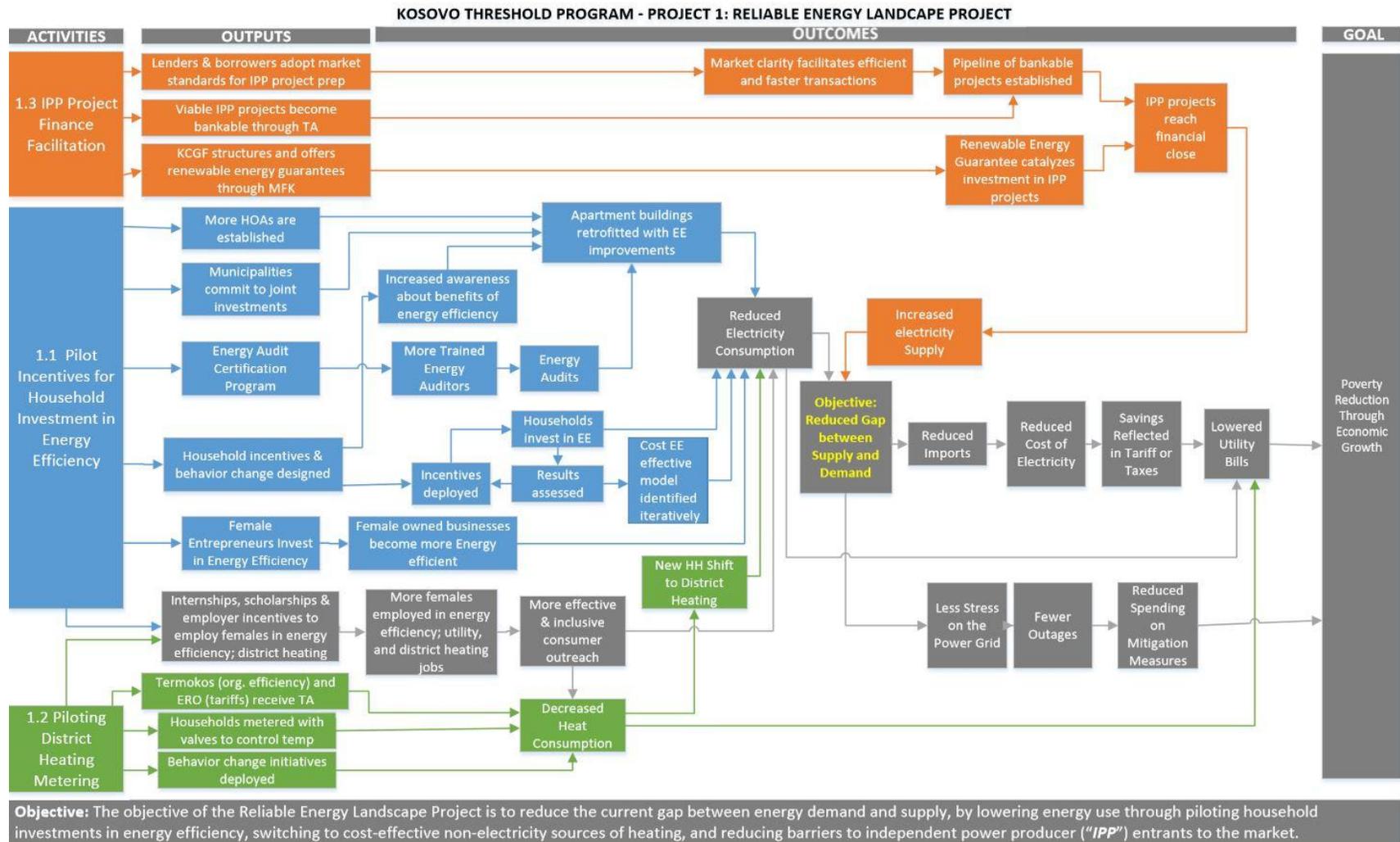
Total Project Closure Phase (2021) - 15%

Total Year 3 (Implementation + Closure, 2021) - 30%

All reports are to be submitted in English in electronic copy using WINDOWS based MS-Office 2010 (or later versions) products including WORD for text, data tables in EXCEL, appropriate MS-Office 2010 programs for exhibits, and schedules using MS-Project. Files containing graphs, flowcharts or diagrams should be submitted in PDF printable version. Digital photo files should be submitted in JPG format. Presentations should be prepared with PowerPoint. All work files shall be submitted to the MFK – Energy Team, and the CEO.

9. Annexes

9.1. PIEE logical framework



9.2. List of Stakeholders

This is an initial list of project stakeholders, and as such it is not exhaustive and should be updated and confirmed during the Pre-Implementation Period.

Stakeholder

MCC	Millennium Challenge Corporation
MFK	Millennium Foundation Kosovo
GoK	Government of Kosovo
MED	Ministry of Economic Development
MESP	Ministry of Environment and Spatial Planning
WB	World Bank
EBRD	European Bank for Reconstruction and Development
ERO	Energy Regulatory Office
KEEA	Kosovo Energy Efficiency Agency
HOA	Home Owner Associations
KEK	Kosovo Electricity Corporation
KEDS	Kosovo Electricity Distribution Company
PHE	Public Housing Enterprises

9.3. Kosovo's Legal Framework relevant for P1EE

The list of Kosovo laws which are relevant the P1EE is presented below. This is an initial list and as such it is may be updated and confirmed during the Pre-Implementation Period.

- Law no. 06/L-079 on Energy Efficiency,
<https://gzk.rks-gov.net/ActDetail.aspx?ActID=18216>
- Law no. 05/l-101 on Energy Performance of Buildings,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=13176>
- Law no. 05/l-084 on the Energy Regulator,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=12694>
- Law no.04/L-110 on Construction,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2833>
- Law no. 06/l-024 on Treatment of Constructions Without Permit,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=17767>
- Law no. 04/l-181 on Construction Products,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=8825>
- Law no. 02/l-30 the Waste Law,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2497>
- Law no. 04/l-161 on Safety and Health at Work,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=8689>
- Law no. 04/l-134 on the Condominium,
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=8859>
- Law no. 03/L-212 on Labor
<https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2735>