

The Ministry of Electricity and Renewable Energy

The Ministry of Electricity and Renewable Energy (MoERE) of the Arab Republic of Egypt has received financing from the Agency Française de Développement (AFD) to provide technical assistance in supporting the Implementation of Key Measures toward the Reform of the Energy Sector in Egypt". The objective is to modernize the energy sector and increase the share of renewable energy in the energy mix in line with Integrated Sustainable Energy Strategy (ISES) 2035.

In this context, the MoERE aims to improve the performance of distribution companies therefore an Expression of Interest REOI for the prementioned topic is shown below under the title « Performance of distribution companies and incentivized regulations »

MOERE of the Arab Republic of Egypt hereby invites consulting firms to submit their Expressions of Interest for the above mentioned consultancy service project. Each Applicant is required to submit a his Expression of Interest Application. The details of the requirements and guidelines for the Application can be in the attached REOI.

The Expressions of Interest shall be submitted to the email address below as following:

- 1- Expression of Interest no (1/2024/2025) for : Performance of distribution companies and incentivized regulations no later than 23 of June 2025

To the attention:

Eng. Abdelwahab Qamar: abdelwahab.eeu@gmail.com

the Ministry of Electricity & Renewable Energy, Governmental District, New Administrative Capital, Cairo, Egypt, Headquarter Building 2nd floor, procurement and warehouse dept

Tel +2-0220532824

Request for Expressions of Interest No.: AFD-MOERE-1/2024/2025

Performance of distribution companies and incentivized regulations

Agence Française de Développement



May 2025

ARAB REPUBLIC OF EGYPT

Performance of distribution companies and incentivized regulations

CONSULTING SERVICES

Expressions of Interest

The Ministry of Electricity and Renewable Energy (“**MoERE**”) of the Arab Republic of Egypt has received financing from the Agence Française de Développement (“**AFD**”). It intends to use part of the funds thereof for payments under the following project: Comprehensive Framework Technical Loss Assessment in Distribution Network.

The Agence Française de Développement (AFD) a bilateral financial institution implementing French development policy financing- (“The Grand Financier”) has agreed to provide a budget support financing to the Government of Egypt (GoE) to accompany the implementation of the energy reforms that it deems essential for the sustainable development of the energy sector. This support includes technical assistance (TA) to the Ministry of Electricity and Renewable Energy (MoERE) and its affiliates (jointly referred to as “The Client”) on the topic concerned with procurement and coordination expert (“The Assignment”). This assignment is part of the TA Program supporting **actions and policy reforms for the Egyptian energy transition**.

Within this context, the AFD has agreed to make available to the GoE a Global Grant of up to 1 million Euro (EUR 1,000,000) to finance technical assistance (the "Project") aiming at supporting the implementation of key measures towards the reform of the energy sector in Egypt and under the objectives presented in this Request for Expressions of Interest “**REoi**”.

The performance of distribution companies (DISCOs) is vital for achieving energy efficiency and sustainability goals. Through incentivized regulations and strategic partnerships, DISCOs need to reduce losses, improve service delivery, and contribute to a more reliable energy system. By focusing on performance metrics and leveraging innovative solutions, DISCOs can enhance their operational effectiveness and drive positive change in the energy sector.

The Services of the Consultant shall consist of, but not limited to the following:

- Comprehensive regulatory analysis and review current status of the discos: Examine the current legislative and regulatory framework that oversees distribution companies (discos), taking into account market regulations, tariff policies, compliance requirements, and service quality guidelines. Assess the ways in which the financial incentives, subsidies, or fines currently used for discos promote operational effectiveness and service quality, and examine the discos' present operational performance, taking into account key performance indicators (KPIs) such client satisfaction, service reliability, and electrical distribution losses.
- Case studies and international best practices: Global benchmarking thorough analysis of the best practices adopted by high-performing distribution companies globally. The consultant should select case studies in which the performance of distribution companies was significantly enhanced by incentive rules, such as by reducing losses, improving service reliability, and summarize the most important key lessons from case studies and international best practices, and offer suggestions for how they might be adjusted or used for the local distribution industry and regulatory agencies.
- Governance and auditing framework: Evaluate the discos' current governance structure, taking into account management procedures, board configurations, and ownership models

(public, private, or mixed); examining the twelve KPIs established by EgyptERA, which are used to assess distribution corporations under incentive regulations also assess the discos' internal auditing procedures then find any shortcomings in the current auditing framework, carry out a comprehensive gap analysis, and Make sure that auditing and governance procedures comply with national and international best practices, particularly with regard to the regulation of rewarded performance.

- Technical and economic modelling for investment analysis based on the regulatory incentives: Develop models to simulate the discos' technical performance, paying particular attention to KPIs such as demand growth, grid modernization, energy losses, and reliability (SAIDI, SAIFI). The models should forecast how performance can be enhanced by technical interventions (such as smart grid technology, increased metering, and improved distribution infrastructure); Use economic modeling to assess the advantages and disadvantages of certain investments discos could undertake in order to take advantage of the tax breaks. This covers return on investment (ROI), capital expenditure (CapEx), and operating expenditure (OpEx), and evaluate the financial risks connected to various investment scenarios, such as regulatory changes, shifting demand, or cost overruns.
- Performance metrics and data driven incentives for all distribution companies: Create a framework for gathering data by determining the kinds of information needed to track each performance metric and where to find it, create incentive programs that compensate discos for reaching predetermined performance goals based on performance metrics, and make sure incentive structures are in line with each disco's actual performance patterns by using the data gathered to dynamically modify them.
- Business models optimization based on the assessed KPIs: Assess current business models, this includes examining revenue streams, cost structures, operational strategies, customer engagement practices, and regulatory compliance, Analyze how the distribution companies' business objectives align with their KPI's, and to identify gaps between the current business models and the present business models, use the evaluated KPIs.
- Advanced capacity building program for the governance framework implementation and the performance metrics: Design a capacity-building program that addresses the needs of different groups within the distribution companies, conduct a gap assessment of the current skills of the staff within the discos, especially those involved in governance, regulatory compliance, and performance management, Create training modules that cover the fundamentals of governance, including transparency, accountability, and regulatory compliance. Also, capacity-building program should focus on the practical implementation of governance frameworks, provide detailed training on how to understand and interpret KPIs specific to the distribution companies, how KPIs are linked to performance-based incentives. Finally, implement a system to monitor and evaluate the effectiveness of the capacity-building program.

The MoERE of the Arab Republic of Egypt hereby invites Applicants to show their interest in delivering the Services described above.

This Request for Expressions of Interest is open to:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Consulting firms | <input type="checkbox"/> Individual consultants |
| <input type="checkbox"/> NGOs | <input type="checkbox"/> Joint Venture between NGO(s) and consulting firm(s) |

Eligibility criteria to AFD financing are specified in sub-clause 1.3 of the "Procurement Guidelines for AFD-Financed Contracts in Foreign Countries", available online on AFD's website: www.mooc-campus.afd.fr.

The Applicant shall submit only one application, either in its own name or as a member of a Joint Venture (JV). If an Applicant (including any JV member) submits or participates in more than one application,

those applications shall be all rejected. However, the same Subconsultant may participate in several applications.

If the Applicant is a JV, the expression of interest shall include:

- A copy of the JV Agreement entered into by all members,
- or
- A letter of intent to execute a JV Agreement, signed by all members together with a copy of the Agreement proposal,

In the absence of this document, the other members will be considered as Subconsultants.

Experiences and qualifications of Subconsultants are not taken into account in the evaluation of the applications.

Interested Applicants must provide information evidencing that they are qualified and experienced to perform those Services. For that purpose, documented evidence of recent and similar services shall be submitted.

Determination of the similarity of the experiences will be based on:

- The contracts size and duration;
- Experience profile and advisory services on distribution technical losses calculation, technical losses reduction, studies on technical losses in distribution companies, modelling and simulation of technical losses, and technical operational efficiency on the distribution level;
- Technical area and expertise in developing and delivering capacity building program, including on-the-job training for technical loss calculation and reduction, as well as enhancing the performance of the distribution network;
- Demonstrated experience in providing consulting services to Electricity Utilities;
- Regional experience working in Egypt, Middle-East and North Africa;
- Working experience in developing cooperations projects.

The Client will also take into account for the evaluation of the applications the following items:

- Technical skills and availability of the in-house experts;
- Availability of local representation and partners;
- Quality assurance procedures and certifications of the Applicant such as ISO 90001.

Among the submitted applications, the MoERE for the Arab Republic of Egypt will shortlist a maximum of six (6) Applicants, to whom the Request for Proposals to carry out the Services shall be sent.

The Expressions of Interest must be submitted to the address below no later than the 23rd of June 2025.

Eng. Abdelwahab Qamar: Project Manager

E-mail: abdelwahab.eeu@gmail.com

Interested Applicants may obtain further information at the addresses below during office hours 09:00 am to 03:00 pm:

- Eng. Abdelwahab Qamar: Project Manager
Phone: 002 01008825495, E-mail: abdelwahab.eeu@gmail.com

The Governmental District, New Administrative Capital, Cairo, Egypt, The Head Quarter Building 6th Floor, International Cooperation.

Attention : Eng. Abdelwahab Qamar

Tel : + 202 22 63 98 14

**Appendix to The Request for Expressions of Interest
(To be submitted with the application, signed and unaltered)**

Statement of Integrity, Eligibility and Environmental and Social Responsibility

Reference of the bid or proposal _____ (the "Contract")

To: _____ (the "Contracting Authority")

1. We recognise and accept that *Agence Française de Développement* ("AFD") only finances projects of the Contracting Authority subject to its own conditions which are set out in the Financing Agreement which benefits directly or indirectly to the Contracting Authority. As a matter of consequence, no legal relationship exists between AFD and our company, our joint venture or our suppliers, contractors, subcontractors, consultants or subconsultants. The Contracting Authority retains exclusive responsibility for the preparation and implementation of the procurement process and performance of the contract. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.
2. We hereby certify that neither we nor any other member of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations:
 - 2.1 Being bankrupt, wound up or ceasing our activities, having our activities administered by the courts, having entered into receivership, reorganisation or being in any analogous situation arising from any similar procedure;
 - 2.2 Having been:
 - a) convicted, within the past five years by a court decision, which has the force of *res judicata* in the country where the Contract is implemented, of fraud, corruption or of any other offense committed during a procurement process or performance of a contract (in the event of such conviction, you may attach to this Statement of Integrity supporting information showing that this conviction is not relevant in the context of this Contract);
 - b) subject to an administrative sanction within the past five years by the European Union or by the competent authorities of the country where we are constituted, for fraud, corruption or for any other offense committed during a procurement process or performance of a contract (in the event of such sanction, you may attach to this Statement of Integrity supporting information showing that this sanction is not relevant in the context of this Contract);
 - c) convicted, within the past five years by a court decision, which has the force of *res judicata*, of fraud, corruption or of any other offense committed during the procurement process or performance of an AFD-financed contract;
 - 2.3 Being listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight-against-terrorist financing or threat to international peace and security;
 - 2.4 Having been subject within the past five years to a contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;
 - 2.5 Not having fulfilled our fiscal obligations regarding payments of taxes in accordance with the legal provisions of either the country where we are constituted or the Contracting Authority's country;

- 2.6 Being subject to an exclusion decision of the World Bank and being listed on the website <http://www.worldbank.org/debarr> (in the event of such exclusion, you may attach to this Statement of Integrity supporting information showing that this exclusion is not relevant in the context of this Contract);
- 2.7 Having created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of this Contract.
3. We hereby certify that neither we, nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations of conflict of interest:
 - 3.1 Being an affiliate controlled by the Contracting Authority or a shareholder controlling the Contracting Authority, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
 - 3.2 Having a business or family relationship with a Contracting Authority's staff involved in the procurement process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
 - 3.3 Being controlled by or controlling another bidder or consultant, or being under common control with another bidder or consultant, or receiving from or granting subsidies directly or indirectly to another bidder or consultant, having the same legal representative as another bidder or consultant, maintaining direct or indirect contacts with another bidder or consultant which allows us to have or give access to information contained in the respective applications, bids or proposals, influencing them or influencing decisions of the Contracting Authority;
 - 3.4 Being engaged in a consulting services activity, which, by its nature, may be in conflict with the assignments that we would carry out for the Contracting Authority;
 - 3.5 In the case of procurement of goods, works or plants:
 - a) Having prepared or having been associated with a consultant who prepared specifications, drawings, calculations and other documentation to be used in the procurement process of this Contract;
 - b) Having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for this Contract.
4. If we are a state-owned entity, and to compete in a procurement process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
5. We undertake to bring to the attention of the Contracting Authority, which will inform AFD, any change in situation with regard to points 2 to 4 here above.
6. In the context of the procurement process and performance of the corresponding contract:
 - 6.1 We have not and we will not engage in any dishonest conduct (act or omission) deliberately intended to deceive others, to intentionally conceal items, to violate or vitiate someone's consent, to make them circumvent legal or regulatory requirements and/or to violate their internal rules in order to obtain illegitimate profit;
 - 6.2 We have not and we will not engage in any dishonest conduct (act or omission) contrary to our legal or regulatory obligations or our internal rules in order to obtain illegitimate profit;
 - 6.3 We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to (i) any Person who holds a legislative, executive, administrative or judicial mandate within the State of the Contracting Authority regardless of whether that Person was nominated or elected, regardless of the permanent or temporary, paid or unpaid nature of the position and regardless of the hierarchical level the Person occupies, (ii) any other Person who performs a public function, including for a State institution or a State-owned company, or who provides a public service, or (iii) any other person defined as a Public Officer by the national laws of the Contracting Authority's country, an undue advantage of

any kind, for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity;

- 6.4 We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to any Person who occupies an executive position in a private sector entity or works for such an entity, regardless of the nature of his/her capacity, any undue advantage of any kind, for himself or another Person or entity for such Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations;
 - 6.5 We have not and we will not engage in any practice likely to influence the contract award process to the detriment of the Contracting Authority and, in particular, in any anti-competitive practice having for object or for effect to prevent, restrict or distort competition, namely by limiting access to the market or the free exercise of competition by other undertakings;
 - 6.6 Neither we nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or France;
 - 6.7 We commit ourselves to comply with and ensure that all of our suppliers, contractors, subcontractors, consultants or subconsultants comply with international environmental and labour standards, consistent with laws and regulations applicable in the country of implementation of the Contract, including the fundamental conventions of the International Labour Organisation (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the environmental and social commitment plan (ESCP) provided by the Contracting Authority.
7. We, as well as members of our joint venture and our suppliers, contractors, subcontractors, consultants or subconsultants authorise AFD to inspect accounts, records and other documents relating to the procurement process and performance of the contract and to have them audited by auditors appointed by AFD.

Name: _____ In the capacity of: _____

Duly empowered to sign in the name and on behalf of¹: _____

Signature: _____

Dated: _____

¹ In case of joint venture, insert the name of the joint venture. The person who will sign the application, bid or proposal on behalf of the applicant, bidder or consultant shall attach a power of attorney from the applicant, bidder or consultant.