REQUEST FOR PROPOSAL – Linking South Asia with Burma & Southeast Asia to Advance Cross Border Electricity Trade: A Political Economy Study

Closing date of RFP: January 6, 2017

Implementing Agency: United States Energy Association

Funding Agency: United States Agency for International Development

The United States Energy Association (USEA) is inviting prospective organizations through this Request for Proposal (RFP) to submit proposals for conducting the “Linking South Asia with Burma & Southeast Asia to Advance Cross Border Electricity Trade: A Political Economy Study.” This is an activity implemented by USEA under the United States Agency for International Development (USAID) South Asia Regional Initiative for Energy Integration (SARI/EI) program.

Proposals are due by 17:00 hours EST of the closing date. Please forward your proposal in soft copy with a read receipt to Ms. Sarah Blanford, Senior Program Coordinator, at sblanford@usea.org.

As this is a USAID-funded program, the RFP follows USAID Procurement Regulations and Laws. All bidder details will be kept confidential.

I. INTRODUCTION

The U.S. Energy Association is the U.S. Member Committee of the World Energy Council (WEC). USEA, headquartered in Washington, DC, is an association of public and private energy-related organizations, corporations, and government agencies.

Through a cooperative agreement with the United States Agency for International Development (USAID) Bureau for Economic Growth, Education and Environment (E3), the United States Energy Association implements an Energy Utility Partnership Program (EUPP) available to all USAID assisted countries and USAID Missions. EUPP assists developing countries to increase environmentally sustainable energy production and use and improve the operational efficiency and increased financial viability of their utilities and related institutions. The goal of the EUPP is to increase access in USAID-assisted countries to environmentally sound energy services.

Under the Energy Utilities Partnership Program (EUPP) mechanism, USEA implements activities for the USAID South Asia Regional Initiative for Energy Integration (SARI/EI) program. USAID first launched the South Asia Regional Initiative for Energy (SARI/E) program with USEA in 2000 covering the eight countries of Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. The first three phases of the program focused on cross-border energy trade (CBET), energy market formation and regional clean energy development. The current phase,
entitled the South Asia Regional Initiative for Energy Integration (SARI/EI), aims to further the earlier objectives of advancing regional energy integration and increasing CBET.

II. SUMMARY

This “Linking South Asia with Burma & Southeast Asia to Advance Cross Border Electricity Trade: A Political Economy Study” will discuss the political, economic and institutional considerations among the foremost issues in South Asia that need to be resolved if the prospects of cross-border energy trade are to be improved. The paper will trace progress made in advancing political support to cross-border energy trade in the South Asia (SA) region (e.g. Bhutan-India, India-Bangladesh, India-Nepal) and the potential for political support for CBET in Burma and Southeast (SE) Asian countries. The political economy analysis report will aim to situate development interventions on sub-regional energy trade within an understanding of the prevailing political and economic processes in the region. The study will mark the transition of SARI/EI assistance towards increased country ownership.

The purpose of this RFP is to solicit proposals from various candidate organizations, conduct a fair and extensive evaluation, and select the organization deemed most suitable to conduct the study.


III. BACKGROUND

Over the past several decades South Asia has witnessed the steady growth of electricity inter-connections between India and Bhutan and, more recently, between India and its other eastern neighbors – Nepal and Bangladesh. Despite tremendous benefits to be derived out of regional co-operation, the region has had limited energy co-operation in the past. It lags significantly behind most, if not all, regions of the world in energy trade and regional integration. There is a clear recognition that the energy sector has not been able to keep pace with the needs of the region and continues to experience chronic problems of shortage of supply and poor quality of service. Concurrently, since climate change and energy security have emerged as key global challenges of the 21st century, policies and programs facilitating regional energy trade and large-scale adoption and deployment of clean and renewable energy will need to play a central role in SA. To that end, the SA nations should capitalize on the complementarities of their resource base and energy needs.

The emergence of Burma as an important player straddling both SA and SE Asia as an energy supplier, as well as a potentially major energy consumer, has significant implications for the growth of regional energy trade among the countries of the eastern wing of the Indian subcontinent (Bangladesh, Bhutan, India, Burma and Nepal). Given the severity and the inevitability of the looming energy supply crunch, the only conceivable long-term solution to South Asia’s dire energy security predicament is to be found in opportunities for energy and electricity trade within the region that includes Burma and the adjoining countries of SE Asia (e.g. Thailand, Cambodia, Lagos). Regional sharing and diversifying the use of available energy resources would address many of the growing energy security concerns, advance USG’s geopolitical interests and accelerate economic development of the region.

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1 Cross-border trade could improve the welfare of all countries by allowing lower relative prices arising from the comparative advantage of their neighbors’ energy resource endowments. For example, India could fuel its growing economy through cheaper clean energy imports, thereby avoiding additional reliance on its low quality coal. Power grid interconnections enhance supply reliability, peak load control and opportunities for capturing economies of scale. The extreme seasonality of both generation and demand among South Asian countries increases these potential benefits.

2 Compared to Europe’s integrated markets (Western and Central Europe –UCTE; Scandinavia –NORD POOL; SE Europe regional market; Baltic Electricity Market), or South America electricity markets or the mature North American markets where there is extensive electricity and gas trade between US and Canada and the Greater Mekong sub-region initiative for integrated electricity markets in East Asia.

3 It is estimated that the regional average economic growth rate of 6% per year is constrained by 2-3% annually due to lack of energy resources. The International Energy Agency (IEA) has projected that South Asia could have the highest growth rate of energy consumption in the world by 2020. With a regional population of nearly 1.5 billion, more than half do not have access to commercial energy sources.

4 Referred to as “focus countries” for the purposes of this study.
USAID initiated the SARI/E program in 2000 aimed towards promoting energy security through energy cooperation and integration in the SA region. SARI/E began with the first phase (2000-2003) focused mainly on advocacy activities designed to demonstrate to a skeptical audience the advantages of regional cooperation in energy in the form of information exchange and sharing of best practices. Phase two (2003-2006) activities dealt primarily with building consensus among regional actors on energy requirements and laying out potential avenues for collaboration. Phase three (2007-2011) was engaged in creating the institutional capacity, the policy/regulatory framework and national energy markets as a precursor to regional energy integration. In its current fourth phase (2012-2017) the SARI/EI program is focused on advancing cross-border energy trade (CBET) through an inter-governmental consultative process involving three distinct Task Forces (TF) of member SA countries. These are: i) TF 1: Coordination of policies, legal and regulatory frameworks, ii) TF 2: Advancement of transmission system interconnections, and iii) TF 3: South Asia regional electricity markets.

SARI/EI’s role in advocating energy co-operation is beginning to focus on opportunities in the eastern wing of the Indian sub-continent where country policies and energy markets make it conducive to promote the deployment of regional cross-border energy projects. India already has transmission grids connected to Bhutan, Bangladesh and Nepal. These existing, developing, and prospective interconnections could represent the first steps in building a sub-regional energy grid. Thus these bilateral connections can evolve into multi-lateral connections involving India and two or more neighbors (e.g., Bhutan-Bangladesh-India-Nepal- Burma) to establish the eastern sub-regional interconnection. The countries of South Asia, especially eastern and northeastern parts of India, and Bangladesh, could immensely benefit from the development of multipurpose hydro projects in Nepal and Bhutan and, gas-fired power generation systems in Burma. The energy demand and supply of these countries can be met through the development of multi-seller and multi-buyer pooling systems such as Nord Pool and the Southern Africa Power Pool (SAPP). The Nepal-India transitory scenario can be expanded to be linked with the existing India-Bhutan interconnections and more fully over the medium term with Bangladesh to arrive at a full regional sub-grouping of Bangladesh-Bhutan -India-Nepal (by 2022) and over the longer term (by 2025) with the addition of Burma followed by the South Asia-East Asia Pacific Power Corridor that could include Cambodia, Thailand and Laos.

As India and its immediate eastern neighbors begin to put into place the “hardware” for such sub-regional grids, it has been SARI/EI’s role in partnership with local regional groups to help to design, develop and debug the “software” that will permit the interconnectivity of the fledgling sub-regional eastern grid to include Burma and to expand further to connect with SE Asia. There is a thus a need to reconfigure SARI/EI’s approach to analyze political considerations, address regulatory inconsistencies and advance policy underpinnings that facilitate cross-border energy trade beyond the evolving sub-regional eastern grid to encompass Burma and SE Asia.

IV. RATIONALE: ADDRESSING POLITICAL AND POLICY BARRIERS

In addition to the challenges inherent in pursuing a regional energy trade, South Asia faces particular issues in this area. SARI/EI is helping bridge the gap of barriers and distrust among South Asia governments. It showcases examples of the benefits of regional cross-border energy exchange; provides counterpart funding and resources; provides unbiased support for regional initiatives; presents a platform to discuss cross-border trade; and promotes infrastructure interconnections. It also helps create markets and mechanisms for transparent trade practices, clean energy access, efficiency, conservation and renewable sources. SARI/EI has already played an instrumental role in bridging political divisions within the region. India’s on-going and recent power agreements to evaluate opportunities for bilateral energy exchange with Bangladesh, Nepal and Sri Lanka are illustrative. In these instances, SARI/EI successfully brought these parties to the MoU stage, despite ongoing political tensions. SARI/EI has also facilitated technical information exchange and feasibility studies to assess the interconnection opportunities. Notably, it promotes these linkages indirectly every time it creates platforms for information exchange on the full spectrum of regional energy issues.

Despite the efforts of SARI/EI, there is a long way to go before cross-border energy trade is developed to its full potential in the region. It is a complex issue having multiple dimensions of political, policy and regulatory implications that need to be constantly assessed. The wide variations among SARI/EI countries on various factors like
politics and governance, economic structure, policy frameworks and concerns, regulatory practices, technical expertise, energy resource mix, legal jurisprudence, and financial resources all greatly affect and influence the pace and prospects of regional cross-border energy trade. These factors gain additional significance as one examines the prospects for expanding energy trade with Burma and other countries in South East Asia.

V. STATEMENT OF WORK

Political, economic and institutional considerations are foremost amongst the issues in South Asia that need to be resolved first if the prospects of cross-border energy trade are to be improved. Political economy analysis aims to situate development interventions within an understanding of the prevailing political and economic processes in the region. USAID has recognized the importance of understanding the political and economic processes that promote (or block) cross-border energy trade. In 2011 SARI/E conducted a study on Political Economy Analysis for CBET in SA. The study recommended a shift in its programmatic focus to promote and advance CBET among the eastern countries in South Asia. Acting upon its recommendations, the current phase of SARI/EI has initiated a consultative process to address the institutional, policy/regulatory and energy market issues and barriers. The efforts thus far have led to a changed environment with gradual appreciation and acceptance of sub-regional CBET in the eastern part of SA. Given the changes in the political scenario in Burma and emergence of parliamentary system in Burma, there have been discussions to progress and expand electricity connectivity with Burma and the neighboring nations of SE Asia. As a first step, there is a need to conduct a political economy analysis to clearly analyze and understand the policy underpinnings that facilitate cross-border energy trade between Burma and its South Asian neighbors as well as those in SE Asia. There is also the expectation that sound analytical work will provide a firmer footing for the policy reforms agenda and provide more common ground for working with several countries. It is in this context that the current study on “Linking South Asia with Burma & Southeast Asia to Advance Cross Border Electricity Trade: A Political Economy Study” needs to be viewed.

The SA region faces a dearth of politicians, bureaucrats and technical experts versed in the intricacies of intra-regional markets, with the possible exception of India. Individual countries (notably Burma) are lacking the expertise needed to handle their own domestic energy needs. Therefore, major capacity-building efforts that SARI/EI has been engaged in, needs to be further scaled up. In addition, redundant bureaucracies overseeing the energy/power sector should be reformed to facilitate more efficient intra-regional collaboration.

The study will provide a comprehensive analysis of five dimensions of the sub-regional energy trade environment: (1) political, social and market dynamics; (2) harmonization of energy policies; (3) legal and regulatory framework; (4) structural and institutional framework; and (5) supporting institutions. Through these five dimensions, a strategic paradigm is expected to emerge for understanding the focus countries’:
- political, economic, social and institutional systems for cross-border energy trade and information exchange
- holistic view of their ability to trade efficiently and securely, and
- support business development, sector reforms and commercial transactions.

VI. SCOPE OF WORK

This study will focus on the current political, policy, economic and institutional barriers to increased regional cross-border energy trade and regional energy markets formation. The objectives of the study assessment are as follows:

- Analyze the political, economic and policy underpinnings that facilitate regional energy market formation and cross-border energy (to include but limited to power) trade between Burma and the rest of South Asia; between South Asia and the SE Asian nations
- Prioritize a policy, regulatory and institutional reform agenda in Burma
- Offer recommendations for capital mobilization to finance electricity interconnections within countries in the eastern region of SA, Burma and SEA
Recommend short term strategies and a long term road map aimed towards harmonization of regional energy policies and promotion of legal and regulatory frameworks conducive to regional trade between SA and Burma

The study will cover Bangladesh, Bhutan, India, Nepal and Burma as a priority focus with the addition of SE Asian nations (Thailand, Cambodia and Laos) over the longer term and shall include the following tasks.

Task 1: Background Review

The proposed study is a quantitative and qualitative assessment of the policy, political, and economic dimensions of energy trade among the SA countries and Burma. A positive trend is the emergence of sub-regional grids that are taking shape among these countries. This development should be the subject of scrutiny to understand and analyze future trends leading up to a well connected regional grid that connects the eastern nations of SA with Burma and SE Asia. The broad situational analysis of the status of cross-border energy trade in the eastern wing of SA is as follows:

Subtask 1.a: Sub-regional Cooperation: India, Bangladesh, Bhutan and Nepal: The four countries are complementary not only in their geographical proximity but also in terms of the basket of energy resources available, the seasonal characteristics of energy demand and supply, and the vast pool of institutional and technological expertise available within the region. The “Four Borders Study” prepared by SARI/E has determined that it is technically feasible to build transmission interconnection in the Four Border area that would benefit all four countries in the region.

Subtask 1.b: Bilateral Cooperation: India and Nepal: Nepal has significant potential in hydropower, although only 3% of Nepal’s demand is met through hydro. There is a significant potential for exploiting the inherent load pattern diversity between India and Nepal to improve the overall system availability of the two countries. The bilateral exchange of energy at the borders received a major boost with the inking of the Power Trade Agreement in September 2014 between the two countries. Since then work is underway to develop four 400/220 kV transmission lines that will connect their national grids. Nepal plans to develop 2,230 MW of hydropower that includes 400 MW for export to India by 2020.

Subtask 1.c: Bilateral Cooperation: India and Bhutan: India has already assisted Bhutan technically and financially in the development of several hydroelectric projects that send excess energy to India’s power grid, reflecting the unique protectorate relationship that colors the countries’ historic partnership. As Bhutan possesses approximately 30,000 MW of hydropower potential, the two countries have entered into an agreement for 10,000 MW of hydropower projects to come online by 2020 and supply power to India. Currently, Bhutan supplies about 1500 MW of power exports to India from principally the Chukha and Tala hydroelectric power projects that were developed and financed by the Government of India as a joint venture with the Royal Government of Bhutan.

Subtask 1.d: Bilateral Cooperation: India and Bangladesh: With approximately 580 billion cubic meters of proven gas reserves, Bangladesh presents opportunities for both gas and electricity supply. The Bangladesh-India Electrical Grid Interconnection project (Behrampur-Behemara HVDC 1000 MW interconnection) currently allows 500 MW to flow from India to Bangladesh with the ability to expand to 1000 MW. In addition to addressing Bangladesh’s energy shortages, the project will allow both countries to benefit from the asynchronicity in demand (e.g. the countries’ different peak demand times and weekly and seasonal holiday differences) to achieve better power deployment with the same amount of supply.

The contractor will review past and current studies on Burma’s energy scenario and prospects for electricity connectivity in the region between Burma and its neighbors in SA and SEA. In this connection, the contractor shall review progress of regional groupings such as BIMSTEC5; in addition to the efforts by the South Asian Association for

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5 BIMSTEC: The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) instituted the “BIMSTEC Trans Power Exchange and Development Project” for power trade between BIMSTEC countries comprising Bangladesh, Bhutan, India, Nepal, Burma, Sri Lanka, and Thailand. A MoU was prepared based on the “Declaration of First BIMSTEC Energy Ministers’ Conference” held on October 4, 2005. This covered trans-power exchange
Regional Cooperation (SAARC), Asian Development Bank (ADB) and the World Bank (WB). Examples of cross-border energy trade investigations in parts of the world such as in the seven countries around the Black Sea region (Bulgaria, Georgia, Moldova, Romania, Russia, Turkey, and Ukraine) and the South Caucasus region (Armenia, Azerbaijan and Georgia), as well as other notable examples elsewhere, might provide insights on feasible strategies.

Task 2: Political Economy Analysis

This political economy analysis should be able to support SARI/EI in devising more effective and politically feasible strategies for cross-border energy trade, as well as develop more realistic expectations of what can be achieved, over what timescales and the risks involved. Consultant will conduct a risk assessment (including political, development and credit risks) over the short to medium/long term, including strategies to address the risks. Below is a list of subject matter areas for the analysis.

1. National and regional economic, trade and policy perspectives (including those related to energy security and climate change)
2. Energy demand, supply diversification and economic indicators
3. Barriers, including political consensus and will
4. Government responsiveness, governance, accountability, and transparency
5. Energy sector planning and investment mobilization
6. Energy sector reforms, Institutional capacity, legal and regulatory frameworks
7. Role of civil society and media

Task 3: Sub-regional Energy Trade Environment Analysis

The proposed study will address five dimensions of the trade environment: (1) political, social and market dynamics; (2) harmonization of energy policies; (3) legal and regulatory framework; (4) implementing institutions; and (5) supporting institutions. Through these five dimensions, a strategic paradigm emerges for understanding the countries’ political, economic, social and institutional systems for cross-border energy trade and information exchange, as well as a holistic view of their ability to trade efficiently, securely and support business development, sector reforms and commercial transactions. As a multi-dimensional analysis, the contractor will develop detailed quantitative scorings, along with a qualitative report, in each of the above-mentioned areas, using the following framework:

Subtask 3.a: Political, Social and Market Dynamics: In addition to the challenges inherent in pursuing a regional energy market, South Asia faces particular issues in forging intra-regional cooperation. The first and foremost obstacle is the complicated political scene. Political concerns will weigh heavily on any plans for a regional energy exchange in South Asia. India’s relationship with Bangladesh has improved with the successful operation of the existing electricity interconnection and the India-Bhutan transmission interconnection is a model for bilateral trade in energy trade in SA and is sought to be replicated with additional market driven caveats with Nepal and Sri Lanka. Social and market challenges must also be addressed in order to move towards a South Asia Regional Energy Cooperative, beginning with the favorable political landscape and market opportunities that present themselves in the eastern wing of SA. How well do the countries’ political systems respond to the needs for cross-border energy trade? How receptive to change are the key stakeholders (e.g. politicians, bureaucracies, civil society)? What forces or factors govern the pace and direction of change in the system?

Subtask 3.b: Harmonization of Energy Sector Policies: The development of harmonized energy sector policies in South Asia presents the greatest impetus to a regional energy exchange and therefore offers the greatest opportunity for cross-border energy trade. This will catalyze compatible power sector reforms in all and grid interconnection, hydropower development, energy security of the region, and the establishment of the BIMSTEC Energy Center (BEC). The fourth Task Force meeting on trans-power exchange, held in January 2013 in New Delhi, reviewed the draft MoU.
of these countries, facilitating the creation of transparent, independent regulatory commissions, the unbundling of monopolies, and competitive pricing that incorporates the value of clean and renewable energy.

In 2016, SARI/EI Task Force-1 issued a paper entitled “Suggested Changes/Amendments in Electricity Laws, Regulations and Policies of South Asian Countries for Promoting Cross-Border Electricity Trade in the South Asian Region.” The detailed study reviews and analyses the electricity laws, regulations, and policies in each SAARC country and recommends a Regional Regulatory Guideline for promoting cross-border electricity trade in South Asia. This report recommends specific changes in the electricity regulations and policies of each country including short-, medium- and long-term roadmaps. How do existing country energy policies advance cross-border trade? What is the status of power sector reforms in the focus countries? Is there political consensus to reforms that unbundle vertically integrated monopolies and address transmission bottlenecks? At a minimum, have the country authorities separated generation from transmission and established clear wheeling rights and market trading platforms to promote generator competition and accurate price signals at the wholesale and retail levels? Are there any specific social obligations to be addressed (i.e. requirements to subsidize or serve rural populations before exporting, etc.)?

**Subtask 3.c: Legal and Regulatory Framework:** For interconnection, all countries will need to develop a regulatory driven common market design supported by a legally enforceable policy of open, non-discriminatory access to transmission systems. Though power purchase agreements (PPAs) could provide a legal structure for bilateral trade, PPAs might offer limited efficiency gains because political pressures and bargaining imbalances often prevent rational tariff schemes. Rather, an optimal market design would likely involve either a regional energy exchange or a regional power pool. Only then can a regional treaty or trade arrangement successfully be implemented after harmonizing national grid codes, establishing cross-border tariffs and other surcharges such as royalties and custom duties, and applying existing legal agreements that avoid double taxation.

How closely do existing laws reflect global standards? How well do they respond to commercial realities? Do they embed the realities of an optimal market design? Can clean energy policies drive cross-border trade?

A detailed TF-1 study, entitled “Harmonization of policies, legislations and regulatory frameworks for promoting cross-border electricity trade (CBET)” is available with SARI/EI and will be made available to the consultant. This report covers much of the above mentioned issues for SA. However, these same measures should now be examined for Burma and the SEA region.

**Subtask 3.d: Structural and Institutional Framework:** Independent regulatory institutions provide the greatest impetus to a regional energy exchange and therefore existence of a robust regulatory mechanism is a precursor to cross-border trade. In addition, a regional energy market requires close cooperation of national transmission utilities that serve as transmission system operators. Safe and reliable cross border trade will require advanced and real-time coordination among the countries’ transmission system operators (TSOs). TSOs will need to coordinate and share: i) grid standards, ii) carrying and transfer capabilities, iii) open-access tariffs, iv) congestion management, v) regional grid expansion, vi) dispute resolution procedures, and vii) general operating standards. Whether the regional structure occurs as an energy exchange with a common dispatch center, or as a loose pooling arrangement with a common dispatch center for each country – the regional trading system will require a common information center to supply each country with real-time information regarding supply, demand and transmission constraints.

TF-2 has issued a draft report (public dissemination is pending) “Harmonization of Grid Codes, Operating Procedures and Standards to Facilitate/Promote Cross Border Electricity Trade in South Asia Region.” A similar review should be taken of Burma and Southeast Asia. What is the ability of implementers (e.g. TSOs) and enforcers (independent regulators) to discharge their duties in an effective, transparent and predictable way?
**Subtask 3.e: Supporting Institutions:** A functional energy market requires consistent, transparent methods for settling transactions, raising capital and allocating capital. Consistent and transparent markets allow public and private supporting institutions alike to trade according to best available information, efficient pricing, with minimum transaction costs. These supporting institutions include, government agencies, energy trading organizations, generation, transmission and distribution utilities, financial institutions, private investors, business community, and civil society (as consumers).

How deeply rooted are the laws and institutions that govern energy markets in the countries? Do the many needed individual “parts” of the system exist, and if so, do they work together?

**VII. IMPLEMENTATION AND APPROACH**

The contractor conducting the analysis should propose a team of 1-2 subject matter experts and political economy specialists experienced in using the tools for political economy analysis. The team must be led by a senior expert with experience of leading similar analysis preferably in South Asia. The subject-matter experts must have the detailed knowledge of the design and development of energy markets and the political, economic and technical issues associated with regional energy trade. The team is expected to be well aware of the polity and economy of the South Asia and neighboring regions with prior experience of working on infrastructure issues in the region. The team lead shall be responsible for compiling the different report sections into one document and preparing the executive summary and recommendation charts. In addition, a coordinator may be engaged to help with the local support responsible for scheduling interactions with the stakeholders, providing copies of relevant documents, coordination between different team members and looking after logistics. Use of local/regional staff is encouraged with strategic direction and oversight and QA from the team lead can be utilized to reduce costs associated with travel.

The analysis activity should also include the use of local expertise to provide background information, insight into reform progress and local issues/circumstances, and to validate findings and recommendations.

More specifically, USEA/USAID suggests the analysis be performed as follows:

**Preparation:**

- Utilize easily available existing data, including previous reports and documents available at SARI/EI, SAARC, BIMSTEC, ADB and WB websites, including country power utility websites, to generate a detailed snapshot of the cross border energy trade in the region under examination (i.e. Eastern SA countries including Burma).
- The issues will be discussed with all stakeholders in the designated countries, including the governments, electricity regulatory commissions, utilities, financial institutions, developers and consumer organizations. Inputs on issues and recommendations will be sought from the stakeholders and will be included in the report, as appropriate.

**Fieldwork:**

- Interact with the stakeholders identified by USEA and USAID/India to get their perspective on the subject matter. Such interactions should encompass a 360 degree review of each of the subject matter areas, i.e. include consultations with members of the government, energy utilities, business chambers and associations, small and medium businesses as well as multinational corporations, legal practitioners, trade officials, and members of civil society. These interactions will include a combination of face-to-face meetings, conference calls and e-mail exchanges, depending on the preference of the stakeholders and USEA/USAID. The contractor will organize and participate in targeted face-to-face meetings and roundtable discussions with stakeholders in India, Burma and Bangladesh. Visits to India will be four days in duration. Visits to Burma and Bangladesh will be two days in duration each. Phone interview will be made with appropriate officials in Nepal and Bhutan.
• Utilize policy analysis tools to facilitate collection of data, analysis and implementation monitoring, reduce costs, as well as increase quality and uniformity of the overall analysis results.

• Work in close partnership with USAID Missions, as well as other U.S. government agencies and SARI/EI implementing partners to understand and strengthen SARI/EI activities and how they can be refocused toward enhancing cross-border energy trade

Conference participation:

• Participate in a three-day regional conference in Delhi organized by USEA to present the preliminary results of the study and obtain feedback on the views of country governments and other stakeholders on the issues that impact the political and policy environment, including other related areas.

Report:

The contractor will prepare a final report providing the recommendations, methodology, findings and analysis. Prior to developing the report, the contractor will prepare a draft Table of Contents including the illustrative number of pages/sections that comprise the report for review by USEA and USAID SARI/EI.

VIII. SCHEDULE

The study will commence no later than January 30, 2017 and will be completed by May 12, 2017. The following schedule might be taken as a guideline:

Preparation Time: 2 weeks

Country Analysis: Country assessments to be conducted back-to-back over a 10 week period

Report Preparation: 3 weeks (The regional report will be submitted to SARI/EI for review, comments and approval within 4 weeks of the end of the country assessments.)

Total: 15 weeks

IX. DELIVERABLES

The following deliverables are anticipated:

1. Political economy analysis of South Asia and Southeast Asian countries for cross border energy trade – The contractor will provide a detailed report for Burma, and brief analysis of the SA and other SEA countries. These reports will give country specific recommendations about policy reforms to be achieved for facilitation of cross-border energy trade.

2. Summary of stakeholder discussions on cross border energy trade – A holistic discussion will be held with the stakeholders for Bhutan, Nepal, Bangladesh, India, and Burma to collect their opinion(s) on priorities and recommendations, and identify key reform issues. Suggestions made by the local participants will be included in the country reports.

3. Regional analysis report – This report will address the regional political economy analysis, underscore the priority of policy reforms needed, highlight the risk and identify the activities that SARI/EI should work on for facilitation of cross-border energy trade. The report will also include short-term activities and a long-term roadmap, timeline and potential partners for SARI/EI (including government and civil society).
4. Detailed analysis for Burma, and brief overviews of the other SEA and SA countries, of the political, economic and policy underpinnings that facilitate regional energy market formation and cross-border energy trade.

5. Prioritize the policy reforms areas amongst a whole set of complex, inter-disciplinary issues to facilitate the cross border energy trade. Also highlight priorities for regulatory and institutional reform agenda.

6. Quantitative report, including individual scorings, corresponding to Task 3.

X. REPORTING

The contractor will report to USEA, and keep USAID/India and the relevant USAID missions informed on matters related to the study.

XI. PROPOSAL CONTENT

The proposal must contain the following:

a) A cover letter to the proposal
b) A technical proposal, including:
   - Demonstration of an understanding of the issues to be addressed under the proposed scope of work specified above by providing a summarized technical approach for each of the tasks listed (Maximum 2 pages).
   - Proposed project schedule to perform the tasks under this project highlighting any deviations to the proposed scope of work specified above.
c) A financial proposal, including:
   - Detailed justification (i.e. line item budget)
   - Labor, other direct costs, indirect costs, and level of effort for each employee proposed for this project

d) Bio sketches of personnel, including at least 1 – 2 subject matter experts including team leader that will be dedicated to the project

e) Summary of relevant experience within the past 10 years.
f) Completed USAID Contractor Employee Biographical Data Sheet forms for each employee proposed for this project (https://www.usaid.gov/forms/aid-1420-17)
g) Summary of the work to be performed by each employee proposed for this project

XII. EVALUATION CRITERIA

Selection of an offer for contract award will be based on an evaluation of proposals against technical merit and budget justification. Proposals shall first be evaluated from a technical standpoint based on the technical proposal without regard to proposed budget justification. For those proposals determined to be technically acceptable, budget justification will be evaluated.

15%: Experience with similar projects
20%: Subject matter expertise
25%: Technical Approach
40%: Cost
XIII. PROPOSAL TIMEFRAME

E-mail Notification of Intent to Bid
The required e-mail notification of intent to bid should be e-mailed to sblanford@usea.org with a read receipt. Please include “SARI/EI RFP – Linking SA with SEA” in the subject line and provide your name or name of organization and contact email address as well as a short note describing your intent to respond to this solicitation in the body of the e-mail.

All questions related to this RFP should be submitted via email to Sarah Blanford at sblanford@usea.org no later than December 12, 2016. All questions and answers will be provided to all prospective bidders.

Interested parties are requested to submit final proposals no later than January 6, 2017. Proposals should be sent via email with a read receipt to Sarah Blanford at sblanford@usea.org.

END OF RFP