

Addendum to the Terms of Reference for “Examining the fiscal environment for incentivising local assembly and manufacturing options for off-grid appliances” research

We are writing to you to remind you of an opportunity with Energy Saving Trust’s request for proposals, as well as inform you of an addendum to this proposal.

The ‘[Examining the fiscal environment for incentivising local assembly and manufacturing options for off-grid appliances](#)’ research project is being commissioned by GET.invest and the Low Energy Inclusive Appliances (LEIA) programme with funding from the IKEA Foundation and UK aid.

Addendum

a. Submission deadline

The deadline for application has now been revised to 5 pm BST, Sunday 19 September 2021. Proposals must be emailed to Richa Goyal at Richa.Goyal@est.org.uk. Given the revised timeline for proposal submission, the expected timescales for delivery of draft reports can also be amended by similar timelines.

b. Rationalisation in scope of work

Based on feedback received from applicants, we have reduced the scope of work by the following work components, without reducing the overall budget. If you have already submitted your proposal, you are free to submit a revised proposal. We would still consider your proposal for evaluation should you wish not to revise the proposal based on this amendment, and we can reduce the scope of work by the following work components during the contract signing stage.

c.1 Work component no. 3, estimation of the landed cost of the refrigerator: This work component can be reduced to only estimate the contribution of taxes on the landed cost of refrigerators from the FOB price, and ignore other price variables such as insurance, freight, transport, any licence fees, and inspection costs etc.

c.2 Limit work component no. 6 to an economic impact analysis based on comparison of different import vs local assembly tax regimes alone. Impact analysis from job creation and other non-tax based parameters such as savings in foreign currency, etc. can be omitted. Effectively, work components 6.1, 6.3.1, 6.3.2, 6.4 and 6.5 can be omitted. Consequently, deliverable 4, will be revised to ‘Economic assessment based on different import vs. local assembly/manufacturing tax regimes’ instead of a socio-economic assessment.

c. Other clarifications

d.1 Work component no. 1, bullet 4. Incumbents refers to large refrigerator manufacturers serving on-grid markets such as Samsung, Hisense, etc.

d.2 Work component no. 5, A local assembly/manufacturing guide: It is recognized that given the nascent stage of the solar off-grid refrigerator sector, sales volumes are low. Therefore, a local assembly model may not always be the most cost-efficient model for procuring the appliance in the country of interest, unless local supply chains and manufacturers of on-grid refrigerators could serve both on- and off-grid sectors. Based on the outcome of the research investigation of the economic feasibility for local assembly, the local assembly/manufacturing guide component can be adapted to reflect such a conclusion.

d.3 The consultation process during this research should include engagement with the relevant industry associations such as the renewable energy associations and/or relevant policy stakeholders of the country of interest so we can document the issues with importing or local assembly appropriately and take these into account during the research process. The consultant is also encouraged to use this engagement process to attempt to validate or get a buy-in for some of the deliverables such as the local assembly or importation guide. You will notice, under bullet 4, section 7, "Ability to consult with relevant renewable energy associations and tax authorities for establishing the validity and usefulness of the research outputs" is one of the criteria for consultant selection.