

CALL FOR APPLICATION: Targeted Facilities to participate in the CAPRED's ESCO Pilot Demonstration Program

Cambodia Australia Partnership for Resilient Economic Development (CAPRED) Program	
CFA Number	CFA25-056
Project Name	Pilot Demonstration of the Energy Service Company (ESCO) Model for Energy Efficiency Services in Cambodia
Domain Name	Infrastructure
Target sector	Agriculture production and processing enterprises, ice-making factories and hotels
Application Closing Date	31 December 2026 <i>(The submitted applications will be reviewed on a rolling basis, starting one to two weeks after this announcement is posted, and CAPRED will engage the eligible ESCOs before this due date)</i>
Program Duration	Jan 2026 – June 2027

1. Background

1.1. About CAPRED

The CAPRED Facility is Australia's flagship bilateral economic development program in Cambodia, focusing on economic recovery and resilience over the next five years, with a possible three-year extension. The Facility supports Cambodia in implementing a range of important economic reforms to support the country's economic transition. These interventions and reforms aim to encourage more productive and inclusive public and private investment, promoting a resilient, inclusive, and sustainable economy (RISE).

CAPRED interventions fall under three technical components, including Agriculture and Agro-processing; Trade, Investment and Enterprise Development and Infrastructure Development; and three Cross-Cutting components: Gender Equality, Disability and Social Inclusion (GEDSI); Climate Resilient initiatives, and policy support.

1.2. About the ESCO Pilot Demonstration

In 2023, the Cambodian government released the National Energy Efficiency Policy (NEEP). One of the key strategies within NEEP is fostering the development of the Energy Service Company (ESCO) market. ESCOs offer a unique and attractive business model in which they guarantee a specific level of energy savings over a contracted period.

While ESCOs are a well-established concept globally, Cambodia currently lacks a developed ESCO market. Recognising the potential of ESCOs to contribute to Cambodia's energy efficiency goals, CAPRED aims to pilot potential investment models between ESCOs and businesses. In late March 2024, CAPRED launched a Call for Applications (CFA) or Express of Interest (EOI) from interested businesses or project owners in the rice milling, food processing, and animal farming sectors. Building on the positive response to the initial call, CAPRED is extending the deadline for receiving the applications until **31 December 2026**. This is to expand the demonstration of ESCO business model in other high-energy-consuming industries, particularly **ice-making factories and hotels**.

The process will involve the following key stages:

- **Project owner selection:** Project owners from the targeted sub-sectors will be invited to submit the Expression of Interest (EOI) to CAPRED. 10 project owners will be selected considering factors like size, energy consumption patterns, and commitment to sustainability.



- **Energy audit:** the selected project owner will undergo the energy audit process conducted by a team of qualified energy auditors and supported by CAPRED. The energy audit will assess their current energy usage and identify opportunities for energy savings.
- **Consultation with project owners and ESCOs:** After the energy audit, CAPRED will conduct consultations with project owners and potential ESCOs to present the findings and discuss their interest and capacity to implement the recommended energy efficiency measures.
- **Pilot demonstration:** Based on the energy audit and consultation results, CAPRED will select projects with the highest energy savings and successful implementation potential. These projects will then proceed as pilot demonstrations.

2. Purpose and Scope of the Program

CAPRED is extending this call to invite applications from companies and factories that operate their business in ice-making, hotel rice milling, food processing, and animal farming companies that have proven high energy consumption and are interested in improving energy efficiency to participate in the ESCO Pilot Demonstration Program.

The objectives of this program are as follows:

- **Demonstrate the viability of ESCO business:** assess the technical, financial, and economic feasibility of the ESCO model starting with the above sectors and potentially expanding to other major energy-consuming sectors.
- **Informing policy:** generate insights to inform policy development and regulatory frameworks for ESCO market development in Cambodia.

3. Target Participants

Applications are open to all Cambodia-based companies – in the rice milling, food processing, animal farming, ice-making and hotel sectors – that meet the following criteria. Women-led businesses are encouraged to apply.

Eligibility Criteria:

- The facility is a registered company in Cambodia.
- The facility has operated for at least 3 years.
- The facility falls under one of the targeted sub-sectors: rice milling, food processing, and animal farming.
- The facility owns the land and facilities it operates on. If leased, the leasing term should be at least 5 years.
- The facility has spent on energy bill more than US\$8,000 monthly.
- The facility has utilized energy-intensive equipment or processes such as cooling systems, dryers, millers, air compressors, boilers, heavy machinery, etc.
- The facility is committed to improving energy efficiency and sustainability will be prioritized.
- The facility is committed to embracing gender equality, disability, and social inclusion (GEDSI) in business management will be prioritised.
- The women-led facility will be prioritised.

Other eligibility criteria include:

- Demonstrating integrity and high ethical standards.
- Displaying sensitivity and adaptability to cultural, gender, religious, racial, national, and age differences.
- Treating all people fairly without favouritism.
- Fulfilling obligations to GEDSI sensitivity and maintaining a zero-tolerance policy for sexual harassment.
- Strictly comply with DFAT Child Protection Code of Conduct and Policy.
(<https://www.dfat.gov.au/sites/default/files/child-protection-policy.pdf>)

4. Evaluation Criteria:

CAPRED will use an objective and reliable process to evaluate each application. The applications will be evaluated on the following criteria (in no particular order):

- Compliance with this Call for Applications.
- Understanding and ability to meet the eligibility criteria.
- The applicant is willing and open to participating in the energy audit process.
- The applicant is willing to improve the energy efficiency in their business model as a pathway to growth.



- The applicant's business contributes to GEDSI (gender equality, disability, and social inclusion), sustainability, and/or the environment.

5. What CAPRED will Cover

In the process of implementing this demonstration project, CAPRED will provide the following support:

- All costs associated with the energy audit process. This support aims to reduce the transaction cost for project owners.
- Technical and legal support for investment-grade energy audit (IGA) and the energy savings performance contract (ESPC) arrangement and negotiation
- Financial incentive package that helps de-risk first movers' investments. Below is the incentive package for different ESCO business models **per project**:

Shared Saving Model:

- The minimum size of investment per project is at least USD 75,000.
- CAPRED will provide a grant to ESCO (at a maximum of USD 50,000) to bring the payback period of the investment to 4 years
- CAPRED will arrange the grant agreement with ESCO on an output basis.

Guaranteed Saving Model:

- The minimum size of investment per project is at least USD 75,000.
- CAPRED will provide a grant to the facility owner (at a maximum of USD 50,000) to bring the payback period of the investment to 4 years
- CAPRED will arrange the grant agreement with ESCO and/or the facility owner on an output basis.

6. How to Apply

Interested facility owners are invited to submit the application form in the attachment **by 31 December 2026** to CAPRED's Procurement through the email address: procurement@capred.org. CAPRED will review the submitted applications on a rolling basis, starting one to two weeks after this call is posted.

CAPRED will host two Q&A sessions. The first session will be virtually hosted on **15th January 2026 at 2:00 pm (Phnom Penh Time)**, and the second one will be hosted on **16th February 2026 at 2:00 pm (Phnom Penh Time)**. Applicants interested in joining the briefing need to inform their participation at least a day before the date of each session to procurement@capred.org.

CAPRED is available to answer questions or provide more details on this call for application. Please email procurement@capred.org with "Pilot Demonstration of ESCO Model- Enquiry" in the subject line.

Attachment:

- Application form

Cowater International is an equal opportunity employer, basing employment on merit and qualifications as they relate to professional experience and position expectations. Cowater does not discriminate against any employee or applicant on the basis of race, religion, sex, gender identity, disability, age, or any other basis protected by law. CAPRED aims to have a diverse workforce and a workplace that is supportive of gender equality, disability, and social inclusion. Women, people with disabilities, and other minorities are highly encouraged to apply.

