



Managing Entity for a financing program aiming at  
the promotion of private initiatives in green mini-grids  
improving access to electricity in Kenya



## Terms of Reference for Green Mini-Grid Facility Independent Verification Agent (IVA)

### 1 Background

The Green Mini Grid Facility Kenya aims to enhance access to energy in Kenya by encouraging private investment in renewable energy based mini-grids. Access to energy is recognised as a basic human right by the Kenyan 2010 Constitution. Subsequently the Kenyan Government is committed to ensuring that all Kenyans have this access by the year 2020, in line with Vision 2030.

The GMG Facility Kenya has been established to support the Government's commitment towards Kenya's electrification, with funding from the UK Department for International Development (DfID), for investment in milestone based investment grants; output based grants; and technical assistance, for both mini-grid developers and the sector as a whole.

The Agence Française de Développement (AFD) is the implementing partner for the Facility. AFD has strong regional experience in managing programmes aimed at promoting renewable energy resources and energy efficiency. AFD has partnered with Innovation Energie Développement to be the Managing Entity. IED will manage the day-to-day operations of the GMG Facility, in partnership with I-DEV and Practical Action Consulting.

The GMG Facility provides assistance to the private sector in a responsible manner to develop sustainable and scalable businesses supporting a market driven approach, ultimately to provide energy access to all Kenyans. The GMG Facility Kenya was rolled out in March 2017 at the GIZ Financing for Mini-Grid workshop, where Kenya's Cabinet Secretary for Energy and Petroleum, the Hon. Dr. Eng. Joseph Njoroge, emphasized the importance of mini-grids to the mix of energy solutions to meet the goal of reaching all Kenyans with affordable power.

The GMG Facility Kenya is seeking an Independent Verification Agent (IVA) to monitor, verify, and report on output based grant awards requested by the recipient GMG developers. The timeframe for this assignment is November 2017 to October 2018.

### 2 Objective of the Assignment

The overall objective of the assignment is to design and implement a programme to support the verification of output based connection and investment grant disbursements based on meeting predefined milestones defined in contracts between GMG developers and the GMG Facility Managing Entity.

To achieve this objective, the IVA will be responsible for

- Reviewing GMG Facility eligibility and selection criteria of developers outlined in Manual of Procedures.
- Assessing the grant agreement terms for up to 3 developers and providing recommendations to verify the key milestones identified. Deliverable: Recommendation Note for each developer contract.
- Provide an inception report communicating the understanding of the scope of the project, timeline and overview of the methodology of how the IVA will go about designing and implementing the programme.
- Writing a *GMG Facility Independent Verification Plan Report*, including timeline, cost and specifics for each developer.
- Develop and provide tools to use in communicating results of verification methodology.
- Develop an activity plan including timeline and milestones for each developer assessed.
- One to two field visit per quarter to conduct on-site verification and interviews with recipients scheduled pending accomplishment of milestones by developers. .
- Collaborate with the Managing Entity to meet quarterly payment deadlines.
- Provide quarterly verification reports and present those results to the GMG Facility Managing Entity.

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### 3 Roles and Responsibilities

The GMG Facility Managing Entity has selected GMG developers to participate in the programme and have entered into a formal agreement with each developer. The contracts define key milestones, the timing of those milestones, and the required verification documents to be provided by each developer.

Developers will provide key verification documents on a monthly or quarterly basis, pending final review of the IVA *GMG Facility Independent Verification Plan*, which will confirm the proper cadence.

On a quarterly basis, the GMG Developers will provide invoices along with required verification documentation to the GMG Facility Managing Entity. These documents will be passed on to the IVA for review, to plan field visits and to verify.

The IVA will provide a comprehensive Quarterly Verification Report within 15 days of receiving the supporting documents from the GMG Facility Managing Entity.

The IVA will deal with confidential company information and will therefore be required to maintain confidentiality over the contents of the results claims of companies. The field visit requires independent travel by public transport and potentially multi-day field trips.

### 4 Qualifications:

The IVA is either an independent consultant or a consulting company. The persons carrying out the tasks mentioned above should have demonstrated experience with rural Kenya field visits, be fluent in Kiswahili and English, and have intermediate Excel skills. Experience with electronic data collection is a bonus and will be required contingent upon proposed tools to be used or to be developed. Knowledge or experience in energy and rural development is an asset.

The consultant has to declare to have no affiliation to any of the developers participating in the GMG Facility and to maintain confidentiality over the contents of the results claims of companies.

The consultant(s) or consulting company should demonstrate the following:

- Experience in monitoring and evaluation of result based milestones;
- Management of complex result based verification processes and tools;
- Have existing software tools and processes that can be used or adapted easily to verify results;
- Excellent organizational, time management skills, and report writing;
- Strict adherence to deadlines and change management processes.

The profile, responsibilities and quality assurance of staff must be described in the offer and will be fixed in the consultancy contract. CVs of all staff must be included in the offer. The CV must also include 3 reference persons providing their contact details.

### 5 Scope of tasks

Upon selection, the IVA shall develop, in consultation with the GMG Facility Managing Entity, a comprehensive Independent Verification Plan and tools, for the GMG Facility to ensure accurate accounting and verification of payment requests by the GMG developers. The consultant's scope of work shall include but is not limited to the following:

#### **Task 1: Review of GMG Facility developers' contracts and provide inception report (est. 5 person days)**

Within 5 days of the date of effectiveness of the contract, the IVA shall:

- Participate in a kick-off meeting with the GMG Facility Managing Entity (ME);
- Review the eligibility requirements of the GMG Facility selected projects outlined in the Manual of Procedures;
- Review the template and/or draft version of the GMG Facility grant contracts for each developer;

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- Provide an Inception Report that summarizes the intended outcomes and detailed action plan including a timeline for the assignment, and incorporating other topics discussed during the kick-off meeting.

**Task 2: Develop the GMG Facility Independent Verification Plan and review Developer 1 (est. 10-15 person days)**

Within 14 days of the date of effectiveness of the contract, the IVA shall:

- Provide draft, review, and final version of a GMG Facility Independent Verification Plan to the GMG Facility ME;
- Develop and present draft version or timeline to develop tools to be used in communicating results of verification methodology. Including a standard template for quarterly verification reports;
- Review the GMG Facility grant contract for Developer 1;
- Present a Recommendation Note for Developer 1 to the GMG Facility ME and incorporate feedback in Developer 1 Activity Plan;
- Develop an Activity Plan including timeline and milestones for assessing and verification for Developer 1.

**Task 3 Revise the GMG Facility Independent Verification Plan and review Developer #2 and Developer #3 (est. 7-10 person days)**

Within 30 days of the date of effectiveness of the contract, the IVA shall:

- Revise GMG Facility Independent Verification Plan as necessary;
- Review the GMG Facility grant contracts for Developer 2 and 3;
- Present a Recommendation Note for Developer 2 and Developer 3 to the GMG Facility ME and incorporate feedback in Developer 2 and Developer 3 Activity Plan;
- Revise tools to be used in communicating results of verification for Developer #2 and Developer 3;
- Develop an Activity Plan including timeline and milestones for assessing and verification for Developer 2 and Developer 3;

**Task 4 Quarterly field visits and verification reporting (est. 20-30 days)**

Within 60 to 90 days of the date of effectiveness of the contract and ongoing until October 2018, the IVA shall:

- Implement activity plans as defined and approved previously;
- Attend at least one field visit per quarter per Developer to conduct on-site verification and interviews with recipients, and gather any other data ( including photographs) as necessary to include in verification report to confirm milestones and/or connections.
- Combining the field visits as appropriate for Developers 1, 2, 3;
- Collaborate with the Managing Entity to meet quarterly payment deadlines;
- Provide quarterly verification reports and present those results to the GMG Facility Managing Entity, including notifications and objective calculations for milestones that have not been met, and recommendations for Developers to adjust and to reach objectives;

## 6 Timeline

The contract will be for 11 months, ending in October 2018.

The IVA will work part-time, in mutual agreement with GMG Facility Managing Entity Kenya about timing. The level of work required will be mutually agreed between the IVA and the GMG Facility Managing Entity, and will depend on monthly or quarterly claims by the Developers.

On average it is estimated that field visits will take up to 2 days of work per mini-grid site, however, that will vary based on the detail Verification Plan for each developer. On-site verification will be attended by the IVA and they shall not be escorted by the GMG Facility ME.

## 7 Budget Proposal

The IVA will propose a budget specifying main lines for Tasks 1, 2, 3 and 4 above giving consideration for the following.

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- Inception and planning report writing up to 2-4 days per report as appropriate;
- Quarterly documentation and report writing up to ½ day per claim;
- Field visit average of 2 days per claim (based on up to 10 claims);

The offer should be based on up to 10 claims to be verified, and an estimate total number of person days for the programme of 50 days. Working hours should be clearly separated between IVA key experts and their support staff. Daily rates for key experts and support staff should be clearly indicated. Each field visit will need to be pre-approved.

Budget should include reasonable rates for transport and accommodation outside Nairobi.

Cost-related information including the total cost of the assignment and the unit costs for each expert should be provided in the budget section of the proposal.

## 8 Format and content of responses

The responses to this solicitation must be straightforward and concise, and must be rendered in the required format. *Maximum 10 pages (excluding appendices)*

A. Presentation of your company:

- Brief history and description of your firm's business;
- Organizational chart;
- Number of employees (in general, and in the particular sector involved in the assignment);
- Contact for this assignment (name, position, address, telephone, email);
- Brief summary of current or past activity with AFD, DFID, or GMG Facility Managing Entity;

B. Summary of the proposal:

- Comprehension of GMG Facility Managing Entity expectations;
- Summary of methodology, planned phases, and general calendar for performance of the assignment;
- Indication of availability within timeframe indicated.

C. Description of methodology, services and means that are employed:

- Phases (planning, diagnostic, analyses, scenario, action plan, reporting...);
- Practical arrangements for supervision and monitoring of performance.

D. Recommendations – prerequisites – constraints

E. Chart of activities, milestones and/or deliverables, timelines

F. Financial and budget request (provide summary and excel file details)

G. Identification and description of the qualifications of key participants (attach CVs)

H. References:

- Summary descriptions of similar projects undertaken;
- Principal references with respect to this type of assignment, and particularly in the field of verification of energy programmes;
- References of customers for similar services that may be contacted (name, position, telephone, email).

## 9 Selection of IVA

The GMG Facility will select the IVA on the basis of the proposals received, and will pursue negotiations with one or more solicited IVA after delivery of the proposals. The IVA will be selected after a thorough analysis of the proposals based on criteria indicating an ability to satisfy the GMG Facility needs to the greatest possible extent.

The IVA will be selected based on a technical and financial evaluation of the offer. The technical evaluation will assess the outputs, the methodology and approach, the schedule and organization, and the IVA qualification concerning the assignment.

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Proposals that are incomplete, delivered late, or not responsive to GMG Facility needs will be rejected.

## 10 Confidentiality

The service provider must keep strictly confidential all information regarding GMG Facility, its' developers, included in this solicitation or provided separately. The service provider commits to refrain from disclosing or publishing any information with respect to this solicitation.

By the same token, all documents transmitted by the service provider shall be deemed confidential.

## 11 Quality

The service provider must take into consideration the fact that the quality of material and services offered hereunder constitutes an essential element of its proposal. The service provider guarantees that the levels of quality delivered shall not be lower than those that are defined by the GMG Facility Managing Entity.

The GMG Facility Managing Entity will pay special attention to compliance with the deadlines, professionalism and pertinence of the proposal, the quality of the elements contained in the proposal, and to the quality of the approach and description of deliverables.

## 12 Social and environmental responsibility

In the contracts it awards, AFD takes into account objectives for sustainable development that combine economic development, environmental protection and enhancement, and social progress.

Under the direction of AFD, the GMG Facility draws its suppliers' attention to the fact that their efforts to act with social and environmental responsibility will be taken into consideration in the final selection as criteria for awarding the contract.

## 13 Prices

Negotiated prices shall not be increased during the effective period of the contract, even if an increase occurs in the service provider's published prices. These prices will be all-inclusive for the type of services provided.

The negotiated price shall include all of the expenses incurred by the service provider, especially all miscellaneous fees, expenses and charges related to the service provided.

## 14 Where the proposals are to be sent

The complete proposal must be sent by email and use the standard Microsoft Office versions (Word / Excel / PowerPoint) to: [j.demucci@ied-sa.fr.org](mailto:j.demucci@ied-sa.fr.org) with cc to [contact@gmgfacility.org](mailto:contact@gmgfacility.org)

## 15 Delivery deadlines for proposals

The proposals must be delivered on or **before 12 o'clock noon, Nairobi time, on 6<sup>th</sup> November 2017.**

Any questions related to this solicitation must be sent by email to [contact@gmgfacilitykenya.org](mailto:contact@gmgfacilitykenya.org)

Any questions related to the terms and conditions of this **solicitation must be sent by email prior to 30<sup>th</sup> October 2017.** The GMG Facility ME will respond thereto within 3-5 business days.

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