



In association with



Managing Entity for a Financing Program aiming at the promotion of private initiatives in green mini-grids improving access to electricity in Kenya. Mid-term and Final *EVALUATION Terms of Reference*

Terms of Reference for: Evaluation of the DFID funded component of the GMG Kenya Programme

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1 General Description and Context

The Green Mini Grid (GMG) Facility Managing Entity is seeking independent Consultancy for the Evaluation of the DFID funded part of the GMG Facility Kenya programme. The timeframe for this assignment is starting immediately until September 2020.

The GMG 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 programme, in place since October 2016, is implementing the DFID funded mini grid program closes in Sept 2020 with sites construction and household connections to be completed by April 2019. The program is expected to achieve the following results:

- 3 companies supported with investment grants
- 13,000 – 17,000 new connections
- 65 000 to 85,000 people with new access
- 1.5 megawatts capacity installed through mini grids
- increased private finance flows into the sector
- GMG sector technical assistance to support a self-sustaining GMG sector in Kenya,
- Contribute to improving mini-grid regulations and policy,

The Managing Entity provides two main kinds of support to GMG Facility Recipients:

- **Technical assistance** (TA) and “market development activities” structured on a demand-driven basis at the project level,



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- **Financial support** through the grant facility to encourage private operators to build and operate green mini-grids providing access to electricity in Kenya.

Both the technical assistance and the financial support facilities are tailored to the specific needs of the eligible GMG Facility Recipient. A flexible approach is used to design and implement the service awarded, taking into consideration the level of advancement of the recipient projects: pre-feasibility, development or execution phase of the project cycle.

The GMG **Technical Assistance**:

- is focused on providing support **at the project level** like:
 - o Early-stage support (Market Willingness to Purchase (MWTP) study for electricity and associated services, site selection, market development studies, etc.),
 - o Demand assessments with output taken into consideration for GMG designs,
 - o Tariff studies with output taken into consideration in business models,
 - o Environmental and Social Impact Assessments and NEMA application support.
 - o Legal review and compliance advisory services,
 - o GMG engineering support including methods and tools ready for replication on other sites, and system design optimisation,
 - o The development of financial models,
- And also provides support or “market development activities” **at the sector level** to bank, local stakeholder, industry association, for assessments, awareness raising, training, dissemination of results, etc.

The GMG Facility Kenya also provides **financial support** in the form of a **grant** to encourage private operators to build and operate mini-grids in Kenya that extend access to electricity to as many customers as possible.

For eligible GMG project, the grant aims at bringing the project to financial viability and allowing operators to sell the electricity at a price close to the national tariff.

Two types of grants are considered:

- **Investment Grants**: Grants to assist developers cover the capital expenditure costs of establishing a mini-grid, including power generation, distribution and associated infrastructure. These grants are disbursed on a cost calculation basis when specific milestone of the project implementation are met,
- **Output-Based Grants**: Grants disbursed on a per connection basis (e.g. as X euros per connection). The amount of the per-connection grants may vary from project to project depending on the choice of technology, level of service, approved end-user tariff, local conditions of the site, etc.



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-To date, the GMG Facility has contracted with developers to grant awards for upwards of 50 sites after launching the first call for proposals; provided or is in the process of providing 4 technical assistance projects to support the sector; and provided support to 3 developers for various technical assistance projects – including demand assessments, tariff studies, engineering design optimization, business and financial model development, and financial structuring.

2 Objective of the Assignment

The overall objective of the assignment is to evaluate the part of the GMG Facility Kenya programme funded by DFID covering the period Oct 2016 to June 2019.

The evaluation is expected to cover the following aspects of the project:

- Assessing the relevance, efficiency, effectiveness of the organization put in place
- Assessing the relevance, efficiency, effectiveness, impact and sustainability of the Financial support,
- Assessing the relevance, efficiency, effectiveness, impact and sustainability of the Technical Assistance

The Consultant may have to deal with confidential information and will therefore be required to maintain confidentiality over the contents when reporting.

3 Qualifications

The Assignment will be implemented by a team composed by 1 or 2 key Experts (and can be accompanied by a junior expert) with the following expertise:

Technical skills

- Experience in implementing, monitoring and evaluating decentralized programs in East Africa (experience in Kenya would be an asset)
- Expertise in Mini grid and/or off grid solutions

Management skills

- organizational, time management skills, and report writing
- Strong written and oral proficiency in English,
- Strict adherence to deadlines and change management processes.

The consultants have to (i) declare to have no affiliation to any of the stakeholders and suppliers/distributors participating in the GMG program, (ii) disclose past working experience with IED



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and other stakeholders (Ministry of Energy, KPLC or Kenyan authorities, AFD / DFID / UE), and (iii) maintain confidentiality.

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.

4 Scope of Tasks

The consultant's mission is to evaluate the project including but not limited to the following:

- Make a technical, financial and organizational assessment of the implementation of the project,
- Assess the objectives and results achieved,
- Evaluate the difficulties encountered, implemented solutions and recommendations, Make recommendations for replication of the project post evaluation.

The consultant must be able to:

- assess the management of the project,
- check to what extent project objectives/results have been achieved,
- assess the organizational, technical and financial arrangements put in place within the framework of the project to ensure the sustainability of the GMG sector,
- identify positive and negative results and impacts,
- provide professional feedback and recommendations for both achievements and challenges encountered,
- present findings in a clear manner,
- evaluate and be direct with all stakeholders engaged in the programme implementation at all levels,

The themes to be addressed in this evaluation are presented in appendix 1

5 Deliverables

Deliverables will be:

- A draft interim report will be submitted in English 2 weeks prior to the deadline for review and feedback. This report will be transmitted in electronic files to AFD and to the Managing Entity (ME). All eventual comments and observations from AFD, ME and any other stakeholders will be sent to the Consultant within two weeks after receipt.,
- A final report will be delivered within one week after receipt of the comments on the interim report.
- The final report will contain an executive summary of 10 to 15 pages, summarizing the main findings of the Evaluation.

6 Budget

The Consultant will propose a budget specifying main lines for all the Tasks above giving consideration for the following.

- Reasonable daily rates,
- Number of days per activity as it corresponds to the deliverables required.

The offer should be based on activities outlined above and may include other estimates as it relates to the Consultants proposal. Daily rates for key experts and support staff should be clearly indicated.

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

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.

7 Timeline

The duration of the assignment is up to 4 months starting not later than 1st June 2019 and ending in 30 Sept 2019 with the delivery of the final report .

Once agreed, the Contract will be a lump sum Agreement based on completion of deliverables.

It is estimated that the work effort will take up to 40 working days:

- Preparation: 3 to 7 working days
- On site evaluation : 12 to 16 working days
- Draft report preparation: 7 working days
- Finalization of the report: 10 working days

8 Format and content of proposals

The responses to this solicitation must be straightforward and concise and must be rendered in the required format. *Maximum 15 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, EU;

B. Summary of the proposal:

- Comprehension of ToR;
- 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 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) – lump-sum

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).



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9 Selection

The GMG Facility will select Consultants on the basis of the proposals received and will pursue negotiations with one or more solicited consultants after delivery of the proposals. The consultant 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 consultant will be selected based on a technical (weighted 80% of total assessment) and financial (20%) evaluation of the offer. The technical evaluation will assess the outputs, the methodology and approach, the schedule and organization, and the consultant's qualification concerning the assignment.

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 considers 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.



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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: g.hendriksen@ied-sa.fr ; d.rambaudmeasson@ied-sa.fr ; s.holt@ied-sa.fr and p.deloge@ied-sa.fr with cc to contact@gmgfacility.org

15 Delivery deadlines for proposals

The proposals must be delivered before **30 April 2019 at 1200 noon**.

Any questions related to this solicitation must be sent by email to contact@gmgfacilitykenya.org

Any questions related to the terms and conditions of this solicitation must be sent by email prior to **20 April 2019**. The GMG Facility ME will respond within 3 business days.

Annex 1 – Themes to be addressed

Task 1 - Relevance

QUESTIONS: To what extent are the objectives of the project consistent with the expectations of the beneficiaries and the needs of the territory? What is the added value of the project? Is the implementation of the project relevant?

The consultant will have to answer these questions about the relevance of the project, based mainly on its design: do the objectives envisaged by the project respond correctly to the problems identified and / or the real needs? Relevance concerns the adequacy of the project with the problems to be solved.

As an example, the consultant will assess:

- Consistency of objectives with regard to the institutional/legal/regulatory framework and electricity/renewables/off-grid policies in force,
- Technologies promoted in relation to the local context, with regard to other possible technologies,
- Etc.

In the event that changes have occurred, both in terms of the problems initially identified and the context (physical, political, economic, social, environmental or institutional), an adaptation of one or more objectives could be proposed.

Task 2 - Effectiveness

QUESTION: To what extent are the expected results achieved or on the way to be achieved?

The GMG Facility Kenya Programme is in the process of setting up an internal “Monitoring System”, that aims at tracking output indicators and impact indicators. Concerning output indicators:

- Output indicators that are indicated in the log frame, related to technical assistance / grants deployed and to field green electricity generation are followed up,
- Other outputs indicators, beyond those that are indicated in the log frame, related to green mini-grids operation are also followed up.

The consolidated file for monitoring of these outcome indicators will be shared with the consultant, who will then be in charge of figuring out how results achieved are in line with results expected, and to estimate, if some of them do not move forward at a good speed and present a risk not to be achieved, why and how to overcome such a situation, through a qualitative analysis:

QUESTION 2: To what extent do the project implementation procedures and activities contribute to meeting the expected results?



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The Consultant will evaluate the effectiveness of the project in relation to:

- GMG online platform and call for proposals' operation as published in the GMG Manual of Procedures,
- GMG Facility procedures, project classification), eligibility criteria, stages of evaluation/pre-selection, due diligence, contracting and implementation,
- Type of contract/agreement, amount and terms of disbursement for investment grants / result-based grants, related to GMG promoters' other (financial) partners and ambition,
- Scope and type of TA provided at project level (pre-feasibility stage, development stage and execution stage) related to GMG promoters' needs,
- Target, content and type of TA/studies provided at sector level (private-sector involvement, market development, regulatory framework, development of productive uses) related to GMG sector's state of maturity, demand and critical path to self-sustaining.
- The maintenance service to integrate access to electricity in a sustainable perspective.

Task 3 - Efficiency

QUESTION: What is the cost-effectiveness ratio of the actions implemented?

The Consultant will evaluate the efficiency of the actions undertaken:

- Assessment of the quality, realism and orientation of the work plans,
- Analysis of the implementation, causes and consequences of delays and the measures taken to address them,
- Assessment of the management and financial monitoring carried out by the Managing Entity,
- Relevance and realism of budgetary allocation to achieve the expected results,
- Adequacy of contractual amendments and budget revisions to the implementation needs and objectives of the project,
- Implementation rate at the evaluation time related to the work plans.

Task 4 – Impact perspectives

QUESTION: What are the prospects for impacts, direct and indirect, positive and negative, of the project?

The expanding electricity coverage to off-grid customers (households, social services, entrepreneurs) aims to:



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- Improve the living conditions of rural families, especially women and children: reducing expenditure on energy, safety, access to information, reduced toxic fumes, ability to study at night, etc.
- Promote local growth economic activities: small businesses, crafts, market centres, etc.
- Promote social services: schools, health centres, etc.
- Reduce GHG emissions from power generation by displacing the use of diesel generation in off-grid areas with renewable energies.

As mentioned before, the GMG Facility will set up an internal “Monitoring System”, that aims at tracking output indicators and impact indicators. Concerning impacts, a battery of impacts quantitative metrics related to poverty reduction (savings, well-being, economic development), access to education, access to healthcare, gender equality, environmental protection, and access to information/communication will be monitored through:

- a baseline carried out through field surveys to a cross section of symbolic target population – households, schools, health centres, women, small entrepreneurs –, where GMG will be installed and operated - impact indicators matrix filled in "reference situation",
- an impact study through field surveys to the same cross section, where GMG have been installed and are operated – impact indicators matrix completed after electrification.

The consolidated matrix for monitoring of these impacts’ indicators will be shared with the consultant, who will then be in charge of assessing the impact perspectives in a more qualitative way, thanks to direct interviews with selected key local resource persons including some households, schools, health centres and women.

Task 5 – Viability / Sustainability

QUESTION: Does the operational approach of the project ensure the sustainability of its benefits?

The project aims at ensuring sustainability through the establishment of green mini grids projects that are financially viable while proposing a tariff close to the national tariff in Kenya during the lifetime of the license provided to the project. Grants are therefore calculated to ensure as much as possible this sustainability.

The Consultant will assess the programme sustainability vis-à-vis:

- Technical viability of installations and maintenance arrangements,
- Perception of electrification by renewable energies rather than fossil fuels and by off-grid solution rather than national network connection, concerning end-users,
- Viability of the GMG operator's revenues in relation to electricity tariffs, payment capacity and payment uses / collection rates,



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- Financial viability of GMG project and GMG developers, in particular after the Facility,
- Degree of ownership of TA results with local stakeholders (ERC, REA, Ministry of Energy, etc.),
- Contribution of the project to the sustainable management of natural resources and the fight against climate change,
- Prospects for replication of this type of action by the various technical and financial partners.



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Annex 2 – Indicative list of organizations to be consulted

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- AFD
- EU-AITF
- DFID
- IVA
- Ministry of Energy
- ERC
- KPLC
- REA
- NEMA
- SUNREF team
- GMG promoters
- GMG beneficiaries and end-users (households, small entrepreneurs, women, schools, health care, other social infrastructure)