



## Terms of Reference Independent Verification Agent (IVA II)

### 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 has supported a number of developers in the first round of support by providing over € 7m technical assistance and grants supporting private investments in mini grids. GMG is now embarking on a second round of support over 2019/20.

The GMG Facility Kenya is seeking an Independent Verification Agent (IVA) to monitor, verify, and report on output based and investment grant awards requested by the Call 2 recipient GMG developers. The timeframe for this assignment is November 2019 to August 2020.

### 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 milestones defined in grant agreements between Call 2 GMG developers and the GMG Facility.

The IVA shall develop and implement, in consultation with the GMG Facility Managing Entity, a comprehensive Independent Verification Plan 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: Prepare and present an inception report** communicating the details of how the IVA will design and implement the verification programme. This will reflect GMG Facility's eligibility and selection criteria of support to be provided to developers as outlined in GMG's 2018 Manual of Procedures. The Inception report will also assess the investment and output based grant agreement terms for the three developers

and providing recommendations how to verify the key milestones identified in the grant agreement. Within 10 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
- Provide an Inception Report that summarizes the intended outcomes and detailed action plan including a timeline for the assignment, and an activity/verification plan, while incorporating other topics discussed during the kick-off meeting

• **Task 2: Develop activity plans including timeline and recommendation note for each of the 3 developers.** These will be agreed with the GMG Managing Entity and the concerned developers before the start of the verification process. Within 20 days of the date of effectiveness of the contract, the IVA shall:

- Develop and present draft versions of the tools to be used in carrying out the verification and communicating results, this will include a standard template for verification reports
- Review the GMG Facility grant contract for each one of the Call 2 Developers
- Present a Recommendation Note for each Developer outlining the verification process

• **Task 3: Provide verification reports including recommendations for disbursement for each fund request submitted by the developers** to the managing entity. At this stage, it is planned that 2 requests for disbursement will be submitted per developer over the course of the assignment. Developers will submit requests for disbursement as stipulated in their grant agreement indicating the timing and the outputs to be provided at that stage. Within 21 days after the date of fund request sent by the developers the IVA will:

- Implement verification activity plans as defined and approved previously
- Plan and carry out for project site visits as per milestones verification needs for each Developer to conduct on-site verification and interviews with recipients and gather any other data (including gender and social impacts, photographs and any other tangible impacts) as necessary to include in verification report to confirm milestones and/or connections. For cost effectiveness, the visits to the different developers' sites can be combined
- Collaborate with the Managing Entity to meet deadlines

Provide a verification report for each request of funds received by the developer 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

• **Task 4: Prepare an end of assignment report** providing the overall results of the verification process for all the developers agreements and key messages

### **3 Roles and Responsibilities**

The GMG Facility Managing Entity has selected GMG developers to participate in the programme and has entered into a formal agreement with each developer. The agreements 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 according to implementation and defined milestones together with the grant request as defined in their contract.

These documents will be passed on to the IVA for review, to plan field visits and make all necessary verifications. The field visits are potentially several days each and require independent travel by public or private transport.

The IVA will provide a comprehensive Verification Report for each grant request within 21 days of receiving the supporting documents from the GMG Facility Managing Entity.

The IVA will deal with confidential information of the developers and will therefore be required to maintain confidentiality over the contents of the results of the verification process of the developers. .

## 4 Qualifications:

The IVA can only be a consulting company. The staff assigned by company to carry out the tasks mentioned above should have demonstrated experience with similar verification assignments, familiar with carrying out field visits in rural Kenya, 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 consulting company must declare to have no possible conflict of interest with any of the developers participating in the GMG Facility and to maintain confidentiality over the contents of the results claims of companies.

The consulting company should demonstrate the following:

- Good experience in monitoring and evaluation of result based milestones;
- Management of complex results-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 key staff must be included in the offer. The CV must also include 3 reference persons providing their contact details.

## 5 Timeline and expected site visits

**The contract will be for up to 12 months, ending in September 2020.**

The IVA will work 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 the fund requests made 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 location of the sites, since not all have the same configuration in terms of accessibility. The IVA will independently organize on-site verifications and the GMG Facility ME shall not escort them.

The sites are scattered in different counties: around 20 villages within Busia county, around 30 sites in Kericho county, 2 sites on the coast (Lamu and Tana River counties), 3 sites in the rural area of Kajiado county and an island on Lake Victoria (Siaya County).

## 6 Budget Proposal

The IVA will propose a budget specifying the main lines for the 4 tasks as described above giving consideration for the following.

- Planning, review of documentation provided by developers and reports are estimated as 2-4 days per verification
- Field visit average of 2 to 3 days per request of funds by the developer (but this may as per actual requirement)
- The budget should be based on a total of 6 requests for disbursements (2 requests from each developer)

- Working days needed should be clearly separated between IVA key experts and their support staff. Daily rates for key experts and support staff should be clearly indicated.
- Budget should include reasonable rates for transport and accommodation outside Nairobi and include any other miscellaneous changes.
- The budget should be inclusive of all applicable taxes
- The budget should be calculated and indicated in Euro