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Resilient Nations.

Terms of Reference
Ref: PN/FJ/018/19

Consultancy Title: Energy Systems Project Financing Specialist

Project Name: Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN)

Duty Station: Nauru and homebased

Duration of the Contract

- Number of working days: 42
- Commencement date (tentative): 8th April 2019
- Completion date (tentative): 24th June 2019

Consultancy Proposal should be sent via email to **etenderbox.pacific@undp.org** no later than **2nd April 2019 (Fiji Time)** clearly stating the title of consultancy applied for. Any proposals received after this date/time will not be accepted. Any request for clarification must be sent in writing, or by standard electronic communication to procurement.fj@undp.org. UNDP will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants. Incomplete, late and joint proposals will not be considered and only offers for which there is further interest will be contacted. **Failure to submit your application as stated as per the application submission guide (Procurement Notice) on the above link will be considered incomplete and therefore application will not be considered.**

Objectives

1. To review and assess the markets for and financing of renewable energy and energy efficiency technologies in Nauru, and for recommending the appropriate financial instruments that will be promoted and implemented in the country.
2. To design in detail the financing sub-component of the planned Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN) project.
3. To provide input to the detailed design of the technology demonstration and the Energy Policy & Regulatory Framework Strengthening components of the SMARTEN project.

Background

The United Nations Development Programme (UNDP), acting as an Implementing Agency of the Global Environment Facility (GEF), has been requested by the Government of Nauru (GoN) through the Department of Commerce, Industry & Environment (DCIE) to support with the development and implementation the planned GEF Full Size Project (FSP) Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN). The objective of the planned project is enabling the increased applications of feasible renewable energy and energy efficiency technologies for supporting socio-economic development in Nauru in accordance with the country's energy roadmap targets. The project consists of four substantial components, namely: 1) Energy Policy & Regulatory Framework Strengthening; 2) Supporting Renewable Energy & Energy Efficiency Initiatives; 3) Promotion of Renewable Energy & Energy Efficiency Technologies Applications; and, 4) Improvement of Energy Sector Capacity. The project concept, including a project preparation grant (PPG), was approved by the GEF in June 2018,[1] a logical framework analysis (LFA) workshop was conducted in August 2018, and, in November 2018 the PPG Team Leader - Project Development Specialist visited Nauru for the first time. As part of the detailed project design, inputs from a financing and market specialist are required to prepare the UNDP-GEF Project Document and the GEF CEO Endorsement Request Document.

Scope of Work

The expected outputs of the consultancy are:

[1] https://www.thegef.org/sites/default/files/project_documents/Revised_PIF_dpcument.pdf

1. Completed assessment of Nauru's markets for and financing of renewable energy and energy efficiency technologies.
2. Completed detailed design of the SMARTEN project's financing sub-component.
3. Inputs provided to the detailed design of the technology demonstration and the Energy Policy & Regulatory Framework Strengthening components of the SMARTEN project.

Activities for the consultancy will include, but not necessarily be limited to the following (in relation to specific deliverables):

INCEPTION NOTE

- Write-up a note comprising: a) the successful Contractor's understanding of the consultancy and associated tasks; b) final proposed work plan for the consultancy; c) identification of issues crucial to the viability of the consultancy; and d) comments on this TOR. Subsequently, if required and approved by the UNDP Pacific – Fiji Office, the Department of Commerce, Industry & Environment (DCIE), Government of Nauru and NUC, activities can be elaborated, modified, etc.

DEBRIEFING NOTES

- Write-up a report for mission(s) to Nauru summarizing key findings and recommendations vis-à-vis successful completion of this consultancy.

ASSESSMENT REPORT OF MARKETS FOR AND FINANCING OF RENEWABLE ENERGY AND ENERGY EFFICIENCY TECHNOLOGIES IN NAURU

- Consult relevant national and local level stakeholders from the public and private sectors and civil society, including DCIE, Nauru Utility Corporation (NUC), Department of Justice and Border Control (DJBC), Planning and Aid Division, Republic of Nauru Phosphate Company (RONPHOS), etc.
- Consult relevant external stakeholders providing ongoing or planned financial support to energy sector interventions in Nauru, such as the Global Environment Facility (GEF), Asian Development Bank (ADB), Green Climate Fund (GCF), Government of Australia, etc.
- Identify and read relevant background documents on Nauru's energy sector, including the Pacific Regional Energy Assessment 2004 – Nauru National Report (2005), Demonstration Projects to Showcase the Business Angle of Renewable Energy Service Delivery in the Pacific Islands (2005), Feasibility Study: Solar Photovoltaics for Replacing up to 50% of Diesel Generation in Nauru (2013), Nauru Energy Sector Overview (2013), Pacific Lighthouses - Renewable Energy Opportunities and Challenges in the Pacific Islands Region: Nauru (2013), Review of the Nauru Energy Road Map 2014–2020 (2018), and, Nauru Energy Road Map 2018-2020 (2018).
- Assess the current utility, industrial, commercial and household markets for and future market potential for renewable energy and energy efficiency technologies in Nauru.
- Assess the financial feasibility of proven and commercially available renewable energy and energy efficiency technologies in the various energy end-use sectors.
- Asses the current and future financing needs for renewable energy and energy efficiency technologies for power and non-power applications in the various energy end-use sectors.
- Identify and describe current and potential sources of financing for renewable energy and energy efficiency technology projects.
- Assess the current and potential sources of financing vis-à-vis the financing needed to significantly increase the utilization of Nauru's renewable energy resources and enhancing energy efficiency, meet the Government's energy and greenhouse gas emissions (GHGs) reduction targets, and, develop and implement renewable energy and energy efficiency technology projects for power and non-power applications (including from the private sector), and, identify any gaps.
- Identify and describe market and financial barriers to address the identified gaps.
- Recommend specific solutions, and how to implement such, to remove the identified market and financial barriers, including the budget needed.
- Assess the financial feasibility of the application of:
    - EE technologies in the energy end-use sectors in Nauru; as well as the financial feasibility of the different EE technology application demonstrations under the project;
    - RE technologies for power and non-power applications in Nauru; as well as the financial feasibility of the different RE technology application demonstrations under the project;

- Assess the potential financing schemes that can be developed and implemented under the project for supporting EE and RE technology application projects;
- Design project activities leading to the design and development of feasible financing models and schemes to be promoted in the project, which will facilitate financing of EE (e.g., demand side management or DSM) and non-power RE application projects;
- Design capacity building program for the existing financial institutions on financing EE and RE projects (including those on the productive and social uses of RE electricity);
- Design project activities that will involve the provision of technical assistance services to financing scheme applicants;
- Recommend design of the financing scheme for EE and RE projects, as well as for the productive and social uses of RE electricity that will be promoted and facilitated under the project;
- Recommend potential EE and RE technology application projects that can be financed either through government financing schemes; or by private sector investments;
- Evaluate the financial feasibility of potential projects on the application of EE and RE technologies that are supported by financing schemes;
- Assess potential enhanced financing policies for supporting EE and RE technology applications;
- Assess the economic and energy impacts of the operations and growth of RONPHOS and the Regional Processing Centers
- The first deliverable for this consultancy assignment is expected to include the following:
    - Assessment of identified market and financing barriers to the implementation of EE and RE technology applications, including recommendations for potential solutions
    - Assessment of the economic and energy impacts of the operations and growth of RONPHOS and the Regional Processing Centre.
    - Assessment of the financial feasibility of the application of: (a) EE and RE technologies in the energy end-use sectors
    - Assessment of current and potential sources of financing for EE and RE technology projects in Nauru
- The second deliverable for this consultancy assignment is expected to include the following:
    - Detailed design of the SMARTEN project's financing sub-component.
    - Proposed design of project activities on the: (a) design and development of feasible financing models and schemes to be promoted in the project, which will facilitate financing of EE; (b) capacity building program for the existing financial institutions on financing EE and RE projects; and, (c) provision of technical assistance services to financing scheme applicants;
    - Recommended design of the financing scheme for EE and RE projects, as well as for the productive and social uses of RE electricity that will be promoted and facilitated under the project;
    - Recommended potential economically feasible EE and RE technology application projects that can be financed either through government financing schemes; or by private sector investments

DOCUMENT DETAILING THE SMARTEN FINANCING SUB-COMPONENT AND INPUT TO THE DETAILED DESIGN OF THE ENERGY POLICY & REGULATORY FRAMEWORK STRENGTHENING AND TECHNOLOGY DEMONSTRATION COMPONENTS

- Consult with the PPG Team Leader - Project Development Specialist, DCIE, UNDP-Pacific Office in Fiji, and, the UNDP-GEF Senior Technical Advisor (STA) from the UNDP-GEF Asia-Pacific Energy, Infrastructure, Transport and Technology (EITT) team based at the UNDP Bangkok Regional Hub (UNDP BRH).
- Review the SMARTEN Project Identification Form (PIF), specifically the financing sub-component (part of the Supporting Renewable Energy & Energy Efficiency Initiatives component) and the technology demonstration and the Energy Policy & Regulatory Framework Strengthening components, including barriers, baseline, and initially planned SMARTEN outputs, activities, work-plan and budget, success indicators and targets, means of verification, and assumptions/risks.
- Asses the financial feasibility of the initially planned renewable energy and energy efficiency technology application demonstrations under the SMARTEN project.
- Compare the results from the review of the SMARTEN PIF, review of the SMARTEN Project Logical Framework Analysis report and the financial feasibility assessments of the initially planned technology

application demonstrations with the findings and recommendations from the Assessment Report of Markets for and Financing of Renewable Energy and Energy Efficiency Technologies in Nauru, and, identify any gaps in the initial design of the financing sub-component and technology demonstration and Energy Policy & Regulatory Framework Strengthening components.

- Based on the results from the above-mentioned activates, design in detail the financing sub-component and provide input to the design of the technology demonstration and the Energy Policy & Regulatory Framework Strengthening components, including prepare associated text for the following sections of the UNDP-GEF Project Document: 1) development challenge; 2) strategy, including Theory of Change; 3) results and partnerships, including expected results (outcome, outputs, activities), partnerships, stakeholder engagement, particularly on RE & EE project financing; 4) feasibility, including cost efficiency and effectiveness, risk management (description, type, impact & probability, mitigation measures), particularly the financial feasibility analysis; and, 5) project results framework table, including indicators, baseline, targets (mid and end of project), and, assumptions, particularly those relating to Component 2 of the SMARTEN Project. .
- Assist the PPG Team Leader - Project Development Specialist prepare adequate and satisfactorily responses to any relevant comments raised by the GEF Secretariat, GEF Council and GEF Scientific and Technical Advisory Panel (STAP) on issues related to the financing of renewable energy and energy efficiency technology application projects and enhancement of the market for renewable energy and energy efficiency technologies in Nauru, and, suggest necessary changes to the UNDP-GEF Project Document, including annexes.

Resources Provided

PPG Team Leader - Project Development Specialist

- Managing the PPG Team, including coordinating the consultants work.
- Reviewing draft deliverables, including checking that UNDP-GEF requirements are met.

Department of Commerce, Industry & Environment, Government of Nauru

- Desk space and access to phone (local calls).
- Assisting setting up meetings.
- Providing relevant information, including documents.
- Commenting on draft deliverables.

UNDP

- Providing background information, including documents.
- Reviewing draft deliverables, including checking that UNDP-GEF requirements are met.

Supervision/Reporting

The consultant will be contracted by UNDP and report to the Team Leader, Resilience and Sustainable Development (RSD), UNDP Pacific – Fiji Office (or his/her designate) and the International Consultant – Project Development Specialist (GEF PPG Team Leader).

Requirement for Qualifications & Experience

- Minimum University degree (or equivalent) in Finance, Economics, Engineering or a field relevant to the tasks required.
- Minimum 10 years of relevant and practical working experience with renewable energy and/or energy efficiency financing and market development.
- Substantial, relevant and practical working experience in UNDP/GEF project development, including design.
- Substantial, relevant and practical working experience in Small Island Developing States (SIDS) and/or other developing countries. Working experience in Nauru is an asset.
- Excellent working knowledge of English.

Payment Schedule

Deliverable	Percentage of Total Price (Weight for payment)	Due Date
Final version of the Inception Note	10	15th April 2019
Final version of the Assessment Report of Markets for and Financing of Renewable Energy and Energy Efficiency Technologies in Nauru	40	31st May 2019
Final version of the Document Detailing the SMARTEN Financing Sub-component and Input to the Detailed Design of the Technology Demonstration and the Energy Policy & Regulatory Framework Strengthening components	50	17th June 2019
Total	**100%**	

Evaluation

The proposals will be evaluated using the cumulative analysis method with a split 70% technical and 30% financial scoring. The proposal with the highest cumulative scoring will be awarded the contract. Applications will be evaluated technically, and points are attributed based on how well the proposal meets the requirements of the Terms of Reference using the guidelines detailed in the table below.

When using this weighted scoring method, the award of the contract may be made to the individual consultant whose offer has been evaluated and determined as:

a) Responsive/compliant/acceptable, and
b) Having received the highest score out of the pre-determined set of weighted technical and financial criteria specific to the solicitation.

Only candidates obtaining a minimum of 49 points in the Technical Evaluation would be considered for the Financial Evaluation. Interviews may be conducted as part of technical assessment for shortlisted proposals.

Qualifications	Points	Percentage
Minimum university degree (or equivalent) in Finance, Economics, Engineering or a field relevant to the tasks required	10	10%
Experience		40%
Minimum 10 years of experience with renewable energy and/or energy efficiency financing and market development	15	
Extent of experience with UNDP/GEF project development, including design	15	
Extent of experience in Nauru, Small Island Developing States (SIDS) and/or other developing countries	10	
Quality of Proposal		20%
Quality and soundness of the proposed methodology/approach	10	
Realistic work plan, including time schedule	10	
Technical Criteria		70%
**If necessary, interviews shall also be conducted as part of the technical evaluation to ascertain best value for money.		
Financial Criteria – Lowest Price		30%
Total		**100%**

Proposal Submission

Proposal Requirements

Technical Proposal

- A statement of how the applicant meets the qualifications and experience requirements.
- A Detailed CV with contact details of minimum 3 referees
- Proposed methodology/approach including preliminary work plan (covering deliverables, key activities and due dates).

Financial Proposal

- A completed Offeror's Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment including Annex A: Breakdown of Cost by Components.

Consultant must send a financial proposal based on **a Lump Sum Amount**. The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the Individual Consultants (IC´s) duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will be fixed output-based price regardless of extension of the herein specified duration. Payments will be done upon completion of the deliverables/outputs. In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources. In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the IC, prior to travel and will be reimbursed

Template for confirmation of interest and Submission of Financial Proposal is available under the procurement section of UNDP Pacific Office in Fiji website ***(*****www.pacific.undp.org*****)***

Consultancy Proposal should be sent via email to etenderbox.pacific@undp.org **no later than 2nd April 2019 (Fiji Time) clearly stating the title of consultancy applied for. Any proposals received after this date/time will not be accepted.**

Women candidates are encouraged to apply

Interested Candidates must accept UNDP General Terms and Conditions for Individual Consultants