



## INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

Date: 14 June 2021

Reference Number: IC-2021-089

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**Country:** Republic of Kazakhstan  
**Description of the assignment:** National consultant on Renewable Energy Finance  
**Project name:** #101058, UNDP-GEF Project "Derisking Renewable Energy Investment in Kazakhstan"  
**Period of assignment/services:** July – November 2021 (30 working days)  
**Contract Modality:** Individual contractor (IC)

Any request for clarification must be sent by standard electronic communication to the e-mail [zhanat.tileumuratova@undp.org](mailto:zhanat.tileumuratova@undp.org) and in e-mail subject please indicate **Request\_Ref.2021-089**.

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### 1. BACKGROUND

The objective of the project is to promote private sector investment in renewable energy sources in Kazakhstan to achieve the country's 2030 and 2050 renewable energy targets. The project targets both large-scale and small-scale renewable energy sources.

The goal of this project is to achieve transformation of the energy market in Kazakhstan by significantly increasing the scale of the use of renewable energy sources in electricity production, thereby increasing the share of renewable energy in the country power generation mix from 1.1% in 2017 to 10% by 2030.

To achieve its objective, the project includes activities to support renewable energy projects that are expected to bring about a collective GHG emission reductions of at least 460,000 tonnes of CO<sub>2</sub>. In addition, by the end of the project, the project would have supported the commissioning of 9.5 MW of direct, small-scale renewable energy system (RES) that will produce about 500 GWh of electrical energy.

The project is comprised of three components:

- Component 1 – Large-Scale Renewable Energy: Policy and Financial Derisking Measures
- Component 2 – Renewable Energy for Life: Policy Derisking
- Component 3 – Renewable Energy for Life: Financial Derisking and Incentives

This consultancy assignment is part of Activity 3.1.2 under Component 3/ Output 3.1.

One of the identified financial barriers that the DREI Project intends to remove is the fact that

commercial banks only accept RES devices (e.g., equipment for small solar power plants - solar panels, storage devices, inverters, etc.) as supplementary collateral (i.e., the main collateral is required) and discounted at 30-50% of the market value. So investors developing RET application projects do not have the opportunity to use these devices as part of the main collateral, and there is no way to mortgage these at a value close to their real values. Banks perceive such collaterals as high risks for two reasons: 1) the complexity of assessing RET equipment/devices; and 2) the illiquidity of these equipment/devices.

- Since reducing the risks of investing in RES is the main objective of the DREI Project, the negative perception by banks about RES devices as collateral is an area of concern for the project. The Expert is required to focus on the use of two RET equipment, solar collectors and solar PV panels, as loan collateral by commercial banks.

## **2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK**

1. Conduct a detailed study of the approaches of commercial banks (both in Kazakhstan and in other countries) to the assessment of collateral (taking into account prudential standards and current legislation in this area) - devices (equipment) of renewable energy sources, for a maximum consideration of their needs. The expert is invited to focus on the two most common devices (equipment) of renewable energy sources, and their acceptance as collateral;
2. Preparation of draft recommendations and/or clarifications by the regulatory authorities in the financial sector on the adoption of renewable energy devices as collateral;
3. Conduct of a study on the ratio of prices of new and used renewable energy devices in foreign markets (2-3 active foreign markets by choice), to include observations and conclusions in the final report and use in methodological recommendations for evaluating renewable energy devices;
4. Formulation of recommendations for the development and implementation into banking practice of a methodology for assessing collateral - RES devices, considering the long service life and slow wear of many types of devices, their demand, world experience in the turnover of RES devices in secondary markets, and other aspects of its acceptance as collateral;
5. Formulation of policy recommendations for creating a transparent market for used renewable energy devices to increase the liquidity of collateralized property, allocating renewable energy devices into a separate product category on marketplaces, including possible benefits (temporary free provision of information services by marketplaces) to manufacturers and suppliers to start forming a secondary market for such devices;
6. Provision of recommendations based on consultation with manufacturers and suppliers of new renewable energy devices regarding the formation of a secondary market for these devices, in particular, by posting information about new devices - on marketplaces, incl. used devices, the possibility of forming a trade-in market for such devices, other measures to improve the conditions for lending to buyers of renewable energy devices on the security of previously purchased devices. Consider the possibility of using the online RES calculator on marketplaces;
7. Provision of recommendations on other possible measures to simplify the assessment of pledges - RES devices and increase their liquidity, it is in process of the task occurs other solutions that are not yet obvious;
8. Assessment of the prospects for leasing RES devices as an alternative to bank loans, as a source of financing for the RES sector;
9. Conclusions and recommendations on the use of RET equipment as collateral for the financing of RET application projects.

The Contractor in his work must use the previously completed work within the framework of the

UNDP / GEF Project " Derisking Renewable Energy Investment in Kazakhstan " related to the research topic, which will be provided by the Project.

For detailed information, please refer to the Term of Reference (Annex 1)

### 3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

- Higher education in energy, economics, finance, business, environmental sciences, or in an area related to the topic of study.
- At least 7 years of experience in the field of corporate lending.
- Work experience in the energy, construction or other technical fields will be an advantage.
- At least 5 years of experience in the field of loan collateral, in the banking sector or the field of banking supervision in Kazakhstan;
- Experience in cooperation with international agencies/organizations, experience in the UN system will be an advantage.
- Knowledge of legislative and other regulatory documents in the field of collateral.
- Skills in presenting information and writing reports.

### 4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS

The following documents **in PDF** to be attached to the Offer (maximum size 25Mb per one e-mail transmission) and should be sent to [procurement.kz@undp.org](mailto:procurement.kz@undp.org) with indication of **Ref.2021-089** in the e-mail subject not later **10-00 AM (Nur-Sultan time) of June 28, 2021**:

- a) Duly accomplished Annex 4 "Offeror's Letter to UNDP confirming interest and availability for the Individual contractor" using provided UNDP template; Financial Proposal Annex-5 that indicates the all-inclusive fixed total contract price, supported by a breakdown of costs, as per template provided; the document should be provided separately from other required below documents;
- b) Detailed CV, where previous work experience in similar projects should be included, as well as contact details (email and phone number) and skills relevant to the assignment;
- c) Other documents certifying the work experience, expertise, education, and skills (diploma, qualification improvement certificates, awards, etc.).
- d) A brief essay of why the consultant considers himself/herself to be the most appropriate for the job, as well as a methodology describing which approach will be applied and how the assignment will be carried out.

### 5. FINANCIAL PROPOSAL

This contract is in the national currency tenge with a lump sum of payments for each completed output. The quotation must include all expenses of the expert, any other relevant expenses for the task and necessary to obtain the above outputs.

Payment will be made after the approval of interim reports, based on the above outputs by the UNDP Head of Governance Unit and National commission and signing of the certificate of completion for each output by the UNDP program officer.

The contract price will be fixed regardless of changes in cost components.

### 6. EVALUATION

Individual consultants will be evaluated based on **Combined Scoring method** – where the qualifications and methodology will be weighted a max. of 70%, and combined with the price offer which will be weighted a max of 30%:

- Step I: **Preliminary evaluation** of offers (ONLY fully and timely submitted applications with all required documentation (CV, Annex-4 and Annex-5, diploma, brief essay and methodology) would

be considered for evaluation of the minimum criteria;

- Step II: **Technical Evaluation** = maximum 700 points, which consists of technical scoring of qualifications and experience;
- Step III: **Financial Evaluation** = 300 points.

**Step II: Technical Evaluation – 70%:**

UNDP will conduct a desk review to technically evaluate the candidates who passed Preliminary evaluation. Only candidates obtaining a minimum of 490 points of the maximum obtainable points for the technical criteria (700 points) shall be considered for financial Evaluation.

**Technical scoring of qualifications and experience – maximum 700 points:**

Criteria	Maximum points	Assessment (points)
Higher education in energy, economics, finance, business, environmental sciences, or in an area related to the topic of study	70	Bachelor = 49 Master = 60 PhD = 70
At least 7 years of experience in the field of corporate lending	140	Less than 7 years = 0 7 years = 98 7-9 years = 110 More than 9 years = 140
Work experience in the energy, construction or other technical fields	140	Relevant experience = 140 No experience = 0
At least 5 years of experience in the field of loan collateral, in the banking sector or the field of banking supervision in Kazakhstan	140	Less than 5 years = 0 5 years = 98 5-7 years = 110 More than 7 years = 140
Experience in cooperation with international agencies/organizations, experience in the UN system	70	Relevant experience = 70 No experience = 0
Knowledge of legislative and other regulatory documents in the field of collateral	70	Knowledge available = 70 No knowledge = 0
Skills in presenting information and writing reports	70	Skills available = 70 No skills = 0
<b>TOTAL</b>	<b>700</b>	

**Step IV: Financial evaluation – 30% = 300 points:**

The following formula will be used to evaluate financial proposal:

Lowest priced proposal\*300 points/price of the proposal being evaluated.

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as (a) responsive/compliant/acceptable and (b) having the highest score out of the set of weighted criteria: technical (70%) and financial (30%).

**APPROVED BY:**

**Zhanat Tileumuratova**  
Procurement Associate

Signature:



**Vitalie Vremis**  
Deputy Resident Representative

Signature:



**ANNEXES**

**ANNEX 1- TERMS OF REFERENCES (TOR)**

**ANNEX 2- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS**

**ANNEX 3- INDIVIDUAL CONTRACT TEMPLATE**

**ANNEX 4 & 5- OFFEROR'S LETTER TO UNDP/CONFIRMATION OF INTEREST AND FINANCIAL PROPOSAL FORM**