

EXPRESSION OF INTEREST

FRAMEWORK CONTRACT TO PROVIDE CONSULTANCY SERVICES FOR THE MOBILISING PRIVATE INVESTMENT FOR NDC IMPLEMENTATION PROJECT IN KENYA

NOVEMBER 2017

Project background

In February 2016, SouthSouthNorth (SSN) on behalf of the Climate and Development Knowledge Network (CDKN) submitted a project proposal to the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) for funding under the International Climate Initiative (IKI). The title of the project is **Mobilising Private Investment for NDC Implementation**. The project duration is 3 years and runs from September 2017 to September 2020.

Project objective

This project aims to support mobilisation of private sector capital for the implementation of Nationally Determined Contributions (NDCs) and thereby assist countries in achieving their low emission, climate resilient development goals.

The objective is to support public actors and the private sector to create favourable conditions for private financing of NDC implementation by de-risking investments and increasing scale of demand.

The project supports the following actions across the 7 countries in Africa, Asia and Latin America:

- Identifying opportunities for scaling up private investment in priority NDC investment areas;
- Developing investment measures for priority sectors, including financial instruments and de-risking, policy, regulatory or incentive measures;
- Expanding the pipeline for investment (or ensuring that existing pipelines are climate compatible) in NDC priority sectors by developing the investment case, and
- Building awareness and demand for de-risking measures to address barriers to investment.

By connecting these initiatives to a broader knowledge and peer network, the project also aims to amplify learning to enable other countries to take steps towards accessing or leveraging NDC finance.

Kenya Context

Vision 2030, Kenya's national development plan, aims to transform Kenya into a newly industrialising, middle-income country providing a high quality of life to all its citizens by 2030. Kenya benefits from a well-developed private sector, which has been actively engaged at association level throughout the NDC process. The private sector consists of large multinational corporations and a vibrant and growing local SME sector. Innovation and technology are key drivers of private sector investment in Kenya, evidenced by the presence of innovation

hubs, such as the Kenya Climate Innovation Centre (CIC) and Africa Enterprise Challenge Fund (AECF).

Kenya's NDC was submitted on 28th December 2016 with a GHG reduction target of 30% to be achieved by 2030. Kenya's NDC identifies priority actions across 6 focus mitigation sectors – energy, agriculture, forestry, transport, industrial processes and waste. Kenya's NDC target is a reduction by 42.9 MtCO₂e divided across the sectors. The forestry sector has the largest contribution to the target – 47% – followed by energy at 36%, then transportation at 8%. The energy sector has a number of active players and since Kenya has a relatively well-defined and advanced financial market, there is potential to support the design of a specific lever and/or instrument with regard to renewable energy expansion and energy efficiency.

Kenya Scoping Study

Between May – September 2017, CDKN undertook a scoping study on private investment for NDC implementation in various sectors. The objective of the study was to carry out an analysis of the current private sector investment landscape in NDC implementation and apply comprehensive criteria to assess potential sub-sectors for future investment.

The scoping study identified a number of high potential sub-sectors where private sector investment could be promoted further, and these are outlined as follows:

1. **Private sector models in forestry:** focuses on two models that help reduce deforestation through wood supply management, which include: i.) Promotion of alternative fibres, and ii.) Increase in overall forest stock through promoting micro-forestry.
2. **Alternatives to wood and charcoal for residential and/or industrial processes:** aims to reduce deforestation through provision of alternative fuels for both household and industrial use, which include bioethanol, briquettes and liquefied petroleum gas (LPG).
3. **Direct Current (DC) appliances for industrial use:** promotion of energy efficient appliances that are compatible with many solar-home systems, mini-grids, and other renewable off-grid electrification technologies that have undergone rapid recent growth in Kenya.

The study then provided broad recommendations to promote further private sector investment which included addressing the regulatory and policy framework, providing technical assistance, awareness creation and market research as potential incentives to increased investment.

The IKI MPI project in Kenya intends to take forward the recommendations from the scoping study and undertake an in-depth analysis on the recommendations proposed, in a specific sub-sector.

Procurement Process

The objective of this Expression of Interest document is to outline the scope of work required to take forward the recommendations from the Kenya scoping study and assist SSN in the identification and selection of suitable service providers to undertake discrete scopes of work under the Mobilising Private Investment for NDC Implementation project in Kenya.

In order to evaluate bidders, SSN requires the information sought in this Expression of Interest document from each Bidder who wishes to be considered as a preferred supplier for one or more of the future discrete scopes of work.

A high level Project Terms of Reference (ToR) has been prepared which includes additional detail on the background and intended outcome of this project. This is included for information purposes only and bidders are not required to respond to the ToR at this stage.

The closing date for responses to this EOI is **15th December 2017**

Instructions for Bidders:

The questions set out in this EOI Document should be used to form the structure of your responses. Please use the following format and follow the guidelines in the template provided:

Section 1: Organisation Identity and information, including business name, structure, location and nature of principle business. Please note that SSN is seeking organisations with a physical presence in Kenya.

Section 2: Business capability statement including staff capacity, demonstrating previous experience in promoting private sector investment, finance mobilisation, stakeholder engagement and knowledge management.

Section 3: Please include up to 3 examples of previous projects undertaken related to this EOI

Section 4: Possible staff deployment (core staff only) not subcontractors, including 1-2 page CVs outlining key qualifications, expertise, and experience of up to three staff – from senior, middle and junior levels. Include a commercial Euro day rate for short-term (10 – 40 working days) contracts valid for the next two years.

If you have any queries regarding this EOI, please submit these electronically to procurement.mpi@southsouthnorth.org above no later than **11 December 2017**.

SSN will respond to all reasonable requests for clarification as soon as reasonably possible. All queries and responses will be dealt with by e-mail only. SSN reserves the right to issue the response to all Bidders.

If a Bidder wishes SSN to treat a request as confidential and not issue the response to all Bidders, it must state so at the time of request for clarification, stating the reasons for the desired confidentiality.

If, in the opinion of SSN, the content of a request is not considered to be confidential, SSN will inform the Bidder and it will have an opportunity to withdraw the request for clarification. If the request for clarification is not withdrawn within the timeframe specified by SSN, the response will be issued to all Bidders. In all cases the identity of the person asking the question will remain confidential.

SSN may itself issue clarification requests to the Bidder. The Bidder is asked to provide a single point of contact (including telephone and e-mail details) in their organisation for the receipt of such requests.

Each question in the EOI must be answered by the Bidder.

In addition:

Short-listed bidders will have the possibility to set up consortia if needed at a subsequent stage and/or involve subcontractors that did not participate in the Expression of Interest stage.

Questions must be answered accurately and concisely. Where a question is not relevant to the Bidder's organisation, this should be indicated with an explanation.

If a Bidder fails to provide the required information, does not make a satisfactory response to any question, or fails to supply documentation referred to in their responses, SSN may make further requests to the Bidder for the required information. If this is not supplied in the given time, or is unsatisfactory, SSN may treat the response as a non-compliant response and it will therefore score zero and this will be taken into account in the evaluation process.

SSN expressly reserves the right to require a Bidder to provide additional information supplementing or clarifying any of the information provided.

Under no circumstances should the Bidder provide general marketing brochures or other materials.

At this initial stage we are not providing guidance on the budget envelope or requiring bidders to provide budgets and prices (except for nominal day rates) in their response. We may work with successful bidders to co-develop discrete scopes of work – drawing on their expertise to refine Terms of Reference for specific deliverables. However, Bidders will wish to note that we will be selecting a preferred bidder/s that are able to innovative, add value and provide robust solutions - delivering operating efficiencies and demonstrating value for money.

1.4 Evaluation

The selection of EOI's is split into a number of 'Parts' which will be weighted in the evaluation as per the table below.

Part	Description	Evaluation weighting
1	Section 1: Organisation Identity and information, including business name, structure, location and areas of expertise. SSN is seeking organisations with a physical presence in Kenya and outreach in the East Africa region.	5%
2	Section 2: Business capability statement including staff capacity, demonstrating previous experience in promoting private sector investment, finance mobilisation, stakeholder engagement and knowledge management.	25%
3	Section 3: Examples of up to 3 previous projects undertaken related to this EOI	25%
4	Section 4: Possible staff deployment (core staff only), including 1-2 page CVs	30%
5	Section 5: Day rates and value for money for senior, mid-level and junior staff	15%

Submission Instructions

Bidders are invited to submit an EOI electronically to the following email: procurement.mpi@southsouthnorth.org detailing how they would deliver the programme of work as set out in this document.

Tender Closing Date

Bidders must email their EOI submissions by the Closing Date of 18.00 East African Time on **Friday 15th December 2017**. Submissions received after this deadline will not be accepted.

Delivery of the Tender

The EOI must be marked ***“Framework Contract to provide consultancy services for the Mobilising Private Investment for NDC Implementation project in Kenya”*** and emailed to procurement.mpi@southsouthnorth.org

High-level Terms of Reference

Service providers are sought to help scope and deliver support to the project in Kenya and possibly elsewhere in the East Africa region, focusing on one or more of the following sectors / areas of intervention:

Promotion of private sector investment in alternatives to wood and charcoal for domestic use

Phase A

1. Undertake a Comparative analysis on fuel replacement options for domestic use

This study will include a detailed analysis of the domestic (household) fuel market in a major urban centre. The study will provide insights into:

- i. market assessment i.e. types of fuel sources and uses
- ii. economic assessment i.e. analysis of average fuel costs per household (GDP / per capita)
- iii. socio-economic benefits and risks assessment of main fuel sources
- iv. policy, legal and regulatory framework of domestic fuel sources
- v. analysis of enabling environment required to support a shift in domestic fuel sources (e.g. consumer awareness; research and development; supply chain, distribution and logistics; government intervention (enforcement, taxation, subsidies)

Timelines: 3-4months

2. Stakeholder engagement at national and sub-national level

- i. Undertake a stakeholder mapping process and identify key stakeholders to engage in the promotion and uptake of alternative fuel sources. This will include an analysis of completed, ongoing and planned activities around alternative fuels for urban households.
- ii. Convening of stakeholder and special interest groups to raise awareness on alternative fuels, and gather feedback to inform the study
- iii. Engagement with existing platforms on energy efficiency, through private sector membership associations, e.g. Kenya Association of Manufacturers, Global Alliance for Clean Cookstoves, ENDEV Kenya, etc.

Timelines: ongoing

3. Undertake research on the bioethanol market, specific to Kenya (or a selection of regional countries)

The purpose of the research would be to provide the evidence base for promoting the uptake of bioethanol as a replacement for wood and fuel, in urban households. The research would focus on both supply and demand areas and:

- i. Undertake a benefits assessment for bioethanol uptake for environmental and socio-economic benefits

- ii. Identify barriers and risks to bioethanol uptake
- iii. Assess the implications of the Paris Agreement on the promotion of bioethanol uptake, specifically the use of market and non-market mechanisms to support uptake
- iv. Identify the potential supply market in Kenya (or the region) through an comparative analysis of fuel crops and feedstocks (sugarcane, sorghum, cassava, etc)
- v. Identify suitable distribution models to promote scale up across major urban centres

Timelines: 3-6months

Phase B

Based on the findings of the initial research, Phase B would focus on tackling identified risks and barriers to bioethanol uptake and the promotion of consumer awareness. Phase B would provide the opportunity to use the evidence generated in Phase A to lobby for the necessary government and private sector engagement.

4. Enhancing the Policy, legal and regulatory framework to promote the uptake of bioethanol

Policy, legal and regulatory frameworks provide guidance, regulate conduct, incentivise action, promote investment and establish sanctions that can ensure uptake and raise awareness. This would require comprehensive engagement with government regulatory agencies to formulate relevant laws, regulations and standards and /or amend existing ones. It would involve:

- i. Engagement with key agencies such as the Ministry of Energy, National Treasury, Energy Regulatory Commission, Kenya Bureau of Standards, Kenya Revenue Authority and private sector member bodies.
- ii. Technical review of existing policy documents and the suggested amendments to identify policy and legislative gaps, barriers and opportunities. Where required, outline new policy, legal and regulatory frameworks.
- iii. Engagement with government including the Legislative arm (Parliament and Senate) to finalise and enact relevant policy requirements

Timelines: 12-18 months

5. Consumer awareness and behaviour change campaigns

Using the market data analysis, it will be possible to segment target customers to promote uptake and use of bioethanol at the domestic market. The next step would be to undertake awareness raising campaigns through various media, outlining the benefits of bioethanol and promoting energy efficient practices at the household level.

Timelines: 6 months