

## **Background**

PMIC is currently deploying a PMIC KfW Renewable Energy Initiative through Microfinance - PRIME program. This is a Euro 15 million KfW supported program to finance high quality and certified solar solutions for communities residing in off-grid and poor grid areas of the country. The 10 years program aims to reach out to more than 75,000 households with access to clean energy and also focuses on building capacity of Microfinance Providers - MFPs, catalyze market development and financing of solar products. PMIC has already provided PKR 268 million financing to 38,000 clients under this program.

One of the challenges being faced under the program is the affordability of quality certified solar products at client's end. The low quality solar products available in the market are cheaper, however considering the risks of malfunctioning and subsequently loan defaults, KfW and PMIC only allow sale of quality certified solar products under the PRIME program. In order to address the challenge, KfW has allocated a Euro 5 million subsidy scheme to ease out affordability related challenges of end clients for getting access to certified quality solar products.

In order to ensure that the subsidized solar systems are sold in line with PRIME's quality standards and project scope, PMIC aims to hire an Independent Verification Agent – IVA to conduct audit and provide approval for granting subsidy for installed solar systems.

## **OBJECTIVES OF THE ASSIGNMENT**

1. The overall objective of this assignment is to verify the installation of the solar systems installed at the MFP client's premises.
2. Provide Third Party Inspection and Verification services at various locations in Sindh, Punjab and KP where solar systems will be installed. At a later stage, the scope of work could be increased to other provinces of the country. The Inspection and Verification will be performed to ensure that the equipment installed meets the design specifications and quality standards adopted in the PRIME program.
3. Ensure that the subsidized products are provided to deserving clients – in line with PRIME Program scope.

## **SCOPE OF WORK**

The contracted party ("Service Provider") shall be responsible for achieving the objectives listed above and shall act as the "independent verification agent (IVA)" on behalf of PMIC. Around 5,000 systems shall be verified carrying wattage from 500 watts to 3 KWs (could be extended till 5 KWs later) and solar tube wells (5 – 10 HP systems). The project duration will be 4 years. The systems under PRIME shall be financed by MFPs across Pakistan, however, predominantly the focus would be on Punjab, Sindh and KP – considering the financial services providers have limited footprint in other provinces/geographies of the country. Firms have the discretion to submit bids covering all the three provinces under the assignment or they could submit bid for any of the three provinces. They could also submit bids for a limited number of districts.

The IVA's approval would be mandatory for reimbursement of subsidy for installed solar systems. The MFPs, IVA and vendors will be provided access to enter information in the web-based monitoring

software, so as to bring efficiency and transparency in installation of solar systems and reimbursement of subsidy. In order to build further understanding about the project, PMIC shall organize a pre-bid meeting for the firms which submit bids against the EOI.

IVA shall carry out physical verification on installed solar system to ensure the following.

- Systems installed meets the technical specifications and quality standards adopted in the program.
- Physical verification of MFP client to whom subsidy is being provided
- Upload time stamped and geotagged digital photos of the installations.
- Test/verification of conformity of installation guidelines, effective operations of the service;
- Upload pictures of verified installations in the digital platform (e.g. beneficiary, house/shop, product);
- Preparation of regular Progress Reports, including recommendations to PMIC on scheme modifications;
- Preparation of periodic Evaluation Reports and an assignment completion report
- Evaluate whether the installed products are environment friendly
- Give a vendor-wise report on the quality of the systems installed

### **Qualification and experience of firm**

The Consultant with the following qualifications is invited to participate in the independent verification agent's assignment.

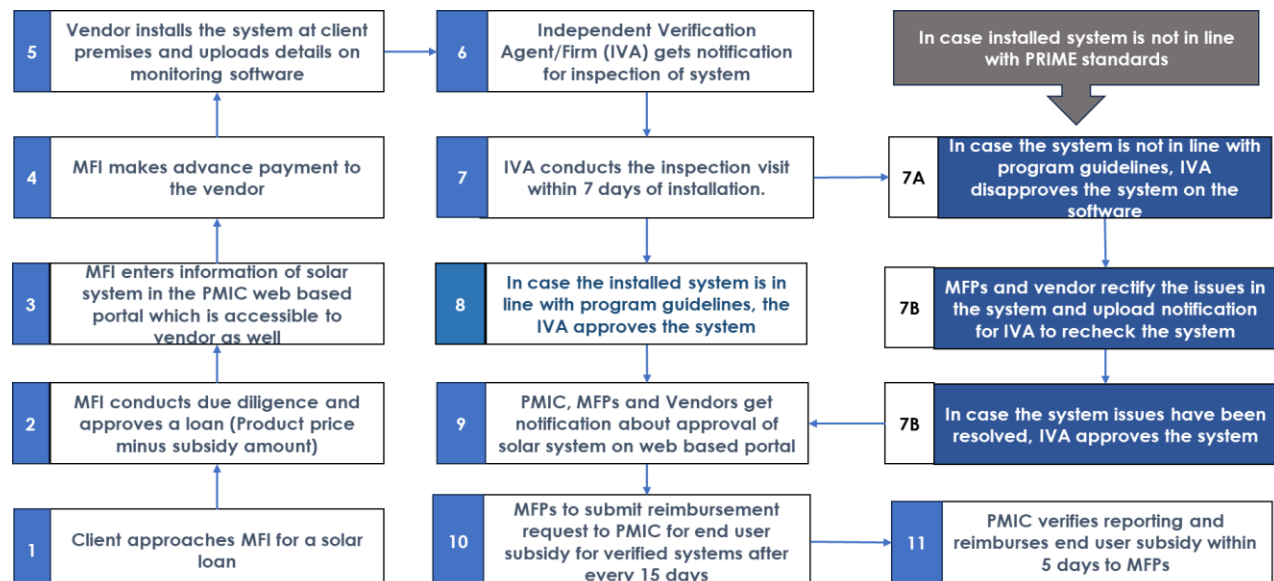
1. The firm shall be a top tier NGO or a consulting firm with a minimum of ten (10) years operational existence as an organization and must show evidence of having supervised similar types of projects.
2. The firm must have conducted at least 1 similar assignment in last 5 years
3. The firm must show evidence of annual turnover in any of the last five years of not less than PKR 50 million.
4. The firm must show evidence of a minimum amount of liquid assets and/or credit facilities net of other contractual commitments of not less than PKR 25 million.
5. The firm must have strong foot print in MFP's operational areas (predominantly Sindh, Punjab and KP)
6. The firm shall demonstrate that it has the ability to deploy resource persons in multiple rural locations if and when necessary. Those resource persons must be fluent in Punjabi, Saraiki, Pashto, Sindhi and Urdu languages.
7. The firm must have experience with rural economies through past assignments. Familiarity with rural energy interventions will be advantageous including engagement with energy access companies and equipment or service providers.
8. Updated on the latest advancements in solar technology, regulations, and industry best practices; access to resources to verify the system in line with the KfW requirements
9. Excellence in computer skills is mandatory for all proposed staff.
10. The firm must have the ability to gather data from field, upload required information through a software and capacity to track GIS coordinates for the field visits
11. The ability to deploy a robust data collection with capacity to track GIS coordinates for the field visits evidence of similar deployment in the past will be essential.

12. The firm must have basic understanding about microfinance business and how a loan is sanctioned by Microfinance Providers - MFPs

## TEAM COMPOSITION & QUALIFICATION REQUIREMENTS

The Consultant shall provide the following experienced personnel to carry out the assignment with the following minimum qualifications:

1. **Team Leader:** At least 10 years' experience in team management; Master's degree (sixteen years of education) in Business Administration, Project Management, Engineering/ Social Sciences or any other relevant qualification. Due weightage shall be accorded to an individual who has successfully led the completion of similar contracts/projects.
2. **Field Monitoring Supervisor/Officer for Punjab, Sindh and KP:** Should have experience in setting up monitoring, evaluation frameworks and use of computer-based tools; at-least 05 years of relevant experience; Bachelor's degree in Development Studies, Business Administration, Public Administration, and Social Sciences or any other relevant qualification.
3. **Solar inspector:** Should have experience in working with solar installations and is familiar with IEC standards and technical specifications; at-least 5 years of relevant experience: preferably DAE in Electrical or equivalent.
4. **Computer Operators:** Should have experience in data processing and data entering; at least 1 years of relevant experience; Intermediate with DIT.



The process for installation of the solar systems under the PRIME program and IVA's role is defined in the flow diagram provided below: