



Terms of Reference for Independent Evaluation Panel

1. Background

The Nepal Renewable Energy Programme (NREP) is a Government of Nepal programme dedicated to increasing private sector investment in distributed renewable energy (DRE) and increasing universal energy access, while facilitating a policy, planning, legal construct, and regulatory environment conducive to both enabling and sustaining progress in DRE market development and universal energy access.

Central Renewable Energy Fund (CREF), a financial mechanism of Alternative Energy Promotion Centre (AEP) has recently established a Viability Gap Funding based Sustainable Energy Challenge Fund (SECF) with funding support from UK-Aid. SECF provides financial and technical assistance to the distributed renewable energy projects, up to 1 MW in installed capacity, to ensure their financial viability and sustainable operation.

2. Independent Evaluation Panel

In order to appraise the Full Applications received for SECF support, AEP/NREP will establish an Independent Evaluation Panel (IEP). The main objective of the IEP is to appraise the Full SECF Applications in terms of technical and financial viability and innovation, cost-effectiveness of the proposed project cost, alignment with objectives of the SECF, and the applicant institutions' capacity and financial soundness to manage the proposed project in a sustainable way.

The IEP is an independent group of experts selected through a public call. Potential panel members will be selected from fields relevant to the fund (i.e., DRE technology experts and consultants, bankers, DRE project developers and investors, technology providers, Public Private Partnership experts, etc.). All the received CVs of potential IEP members will be evaluated by a committee formed by CREF investment Committee.. The CREF IC will decide the final list of experts to be included in the roster.

For each IEP meeting, the SECF Fund manager, in consultation with Investment Committee Chairperson and AEP Executive Director will select at least 3 experts based on the nature of the proposals to be evaluated.

3. Key responsibilities of the Panel Members:

Following are the key responsibilities of the Independent Evaluation Panel Members:

- To review proposals that are shortlisted after Due Diligence. Each proposal will be evaluated by at least 3 panel members.
- To appraise the proposals based on the evaluation criteria approved by the CREF IC. Mainly the proposals will be evaluated from the perspectives of
 - Technical and financial innovation, appropriateness of the proposed project cost, alignment with objectives of SECF, applicant institutions' capacity and financial soundness to manage the proposed project in a sustainable way;
 - Potential social impact,
 - Financial viability of the project.



- To provide short assessment summary of each of the projects reviewed with score secured by each of the projects (marking scores can either be by consensus or marking individually and later averaged); and
- To provide independent and transparent assessment summary and make appropriate recommendations to Investment Committee for approval.
- To support on any technical /project management related matters as required.

4. Required Skill sets and Experience of the IEP Members:

- At least Master's Degree in Renewable Energy or Engineering or Economics or Management or any other relevant field of study;
- A minimum of 10 years' experience in the field of renewable energy or banking or private sector development
- Wide knowledge on the issues and opportunities associated with renewable energy sector in Nepal
- Experience of RE sector in other countries is deemed to be an additional benefit for evaluation.

4.1 Eligibility Criteria to Become an IEP Member:

The persons having any of the following circumstances shall not be eligible to be appointed as the Panel member:

- Who is below twenty-one years of age,
- Who is not a Nepali Citizen,
- Who is of unsound mind or is insane,
- Who is a declared insolvent and a period of five years has not lapsed,
- Who is convicted of an offense of corruption or of an offense involving moral turpitude,
- who is convicted of an offense of theft, fraud, forgery or embezzlement or misuse of goods or funds entrusted to him/her, in an authorized manner, and sentenced in respect thereof,
- who has personal interest of any kind in the business or any contract or transaction of the company under evaluation,
- Who is the close relative of the key persons of the company under evaluation,
- Who is an auditor of the company under evaluation or his/her partner or family.

The persons having any of the following circumstances shall not continue to hold to be panel member:

- If one suffers from any disqualification for appointment to be the panel member as mentioned in clause 4.1
- If the resignation tendered by the member is accepted by the Investment Committee;
- If one is held by a court to have done any act involving dishonesty or ulterior motive in the activities entrusted to the panel member;



- If one is blacklisted by a competent body pursuant to the prevailing law for his/her default in repaying a loan of any bank or financial institution, and the period of such blacklisting has not expired.

4.1 Prior to holding any person to be disqualified for being appointed to be the panel member or holding such membership, AEPC/CREF shall give information thereof to him/her and provide him/her with a reasonable opportunity to defend himself.

5. Documents to be submitted by Panel Members:

- Application
- Copy of the citizenship
- Curriculum Vitae
- Copies of the relevant certificates and experiences of the qualification
- Self-Declaration

6. Process to be Adopted for Evaluation of individual project:

- Each of the members of the committee will get all proposals by hand delivered three days before the meeting date.
- The member of the committee shall sign the self-declaration form stating to be eligible to become the Panel member
- The member of the committee shall sign a conflict of Interest and non-disclosure form to maintain confidentiality of all projects to be evaluated and to avoid possible conflict of interest with any of the projects under review
- The member of the committee must inform the fund manager about the possible conflict of interest with any of the projects to be evaluated well in advance so that fund manager can assign alternative member for such projects to evaluate. During the Panel meeting, experts exchange their opinion on each proposal. The SECF Fund Manager will attend the meeting to answer any questions about the proposals if necessary.
- After discussions, an evaluation scorecard for each proposal is filled in by the Panel Members. The Panel may add a letter with recommendations for implementation. If Members of the Panel agree on selecting the proposal but not on the score, an average score will be recorded.

7. Honorarium to the Panel Members:

The Panel Members are entitled to an honorarium based on number of proposals evaluated. If one proposal is to be evaluated multiple times, the honorarium will be based on no. of project only. The rate of the honorarium will be decided by the CREF Investment Committee. Any field cost incurred during the field visit (if required) will be covered by the AEPC/NREP.

8. Time Duration of the Panel Member Tenure:

The Panel Members are selected for a time duration of one year, subject to re-enlisting in the roster for the following year, based on the interest, availability, and performance of the Panel Member.