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Planning

Climate Innovation Pull Facility (CIPF)

Department for Energy Security and Net Zero

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-023847

Procurement identifier (OCID): ocds-h6vhtk-048616

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Section I: Contracting authority

I.1) Name and addresses

Department for Energy Security and Net Zero

3-8 Whitehall Place

London

SW1A 2EG

Contact

Charlotte Finlay

Email

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Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero>

I.3) Communication

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Environment

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Climate Innovation Pull Facility (CIPF)

Reference number

prj_196

II.1.2) Main CPV code

- 75211200 - Foreign economic-aid-related services

II.1.3) Type of contract

Services

II.1.4) Short description

The UK Department of Energy Security and Net Zero is exploring the development of a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed. The planned facility is up to £185m and is part of the Department's International Climate Finance portfolio and funded with Official Development Assistance (ODA).

The Department is planning to procure two contracts:

- i) A facility manager
- ii) An independent evaluation partner

II.1.5) Estimated total value

Value excluding VAT: £185,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 72224000 - Project management consultancy services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

Please note that this PIN is issued to inform the market of an upcoming market engagement event and is not a formal PIN marking the start of a procurement procedure. More

information about the next steps and forward timeline will be provided in the meeting and in future notices. All information shared in this notice and at the event is indicative and subject to full and final approvals by the Department.

The UK Department of Energy Security and Net Zero is exploring the development of a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed.

In public innovation financing, "pull mechanisms" create incentives for innovators and other actors by creating viable market demand. They seek to reduce viability gaps and induce innovation by signalling demand for solutions to specific problems. Mechanisms often cited include Advanced Market Commitments, Results or Outcomes Based Financing, Prizes/Challenges, innovation bulk procurements, Contracts for Difference, among others. By contrast, much innovation support has to date utilised "push mechanisms" directly subsidising up-front R&D costs.

In terms of climate mitigation solutions, the Facility will have a particular focus on clean energy innovation themes. The work being explored would be linked to the Ayrton Fund commitment to support clean energy research, development and demonstration (RD&D), as part of the wider UK commitment to tackle climate change. Examples of Ayrton Fund thematic challenges are set out on [gov.uk](https://www.gov.uk).

The procurement of this requirement will be in two parts:

- i) A contract for a Facility Manager to manage the programme, source, develop, commission and oversee 6-8 climate pull projects of £10m - £50m each. This contract will also cover programme monitoring and learning.
- ii) A separate contract for an Independent Evaluator of the programme, who will conduct a mid-term and end-of-term evaluation of the programme's achievement of its development objectives, theory of change and value for money. This element of the scope will be discussed briefly at the EME in September with further detailed engagement to follow on the procurement of this contract.

The procurement will be run under the provisions of the Procurement Act (2023) and is most likely to be a Competitive Flexible Procedure. Further information will be provided at the event.

The Department hosted some initial engagement in 2022 and 2023. As the concept is now progressing further, we would like to take the opportunity to provide a further update to the market. The Department will be hosting an online presentation on 9th September 2024 at 10:30 BST to share current thinking on the scope and content of the programme as well as options for commercial structuring and forward procurement procedure. This will be followed by opportunities in the following two weeks for the market to provide feedback on a one-to-one basis via call or in writing. Opportunities for calls are time-limited at this stage but we hope to offer multiple feedback avenues to enable as much engagement as possible. The purpose of this round of engagement is to act as an opportunity for us to test our thinking and get comments on the viability of various options as we finalise our procurement approach. This may include but not be limited to:

- Role of the delivery partner
- Profile of the delivery partner
- Pull project selection process
- Procurement route to market
- Risk transfer
- Commercial approach

II.2.14) Additional information

To attend this presentation, please register interest through the following link by 5 September 2024 13:00. We will then share the link to join the session via Microsoft Teams.

<https://forms.office.com/e/3NLvQ5eWsW>

II.3) Estimated date of publication of contract notice

3 February 2025

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

