

REQUEST FOR APPLICATION (RFA)

USAID Power Africa-funded Empowering East and Central (EECA)

RFA Title: PRODUCTIVE USE OF ENERGY (PUE), MARKET EXPANSION

RFA Number: RFA/USAID EECA/01/2024

Issue Date: March 28, 2024

Closing Date: April 30, 2024

Deadline to Submit Questions: April 10, 2024.

Responses to Questions Published: April 19, 2024.

Responses to questions will be published at www.rti.org/rfp on the dates indicated above.

RFA Workshop Date: April 10, 2024 (Zoom Meeting.)

Period of performance: 12 Months

SECTION I: BACKGROUND

The purpose of the United States Agency for International Development's (USAID's) Power Africa-funded Empowering East and Central Africa (EECA) program is to increase the availability of and access to affordable, reliable, sustainable, and clean energy in East and Central Africa to reach measurable development outcomes. These measurable development outcomes include economic growth, increased resilience, improved livelihoods, and increased inclusive access to electricity-enabled services in such areas as agriculture, water provision, education, transportation, and telecommunications. EECA is implemented across 14 countries: Burundi, Central African Republic, Democratic Republic of the Congo (DRC), Djibouti, Ethiopia, Gabon, Kenya, Republic of Congo, Rwanda, Somalia, South Sudan, Sudan, Tanzania, and Uganda. RTI International is the implementing partner for the EECA program.

EECA will implement and measure progress toward three key development objectives in East and Central Africa:

- Development Objective 1 (DO1): Ending energy poverty.
- Development Objective 2 (DO2): Accelerating a carbon free future.
- Development Objective 3 (DO3): Bolstering energy sector investment and innovation

The EECA Grant Activity

Through the Grants Under Contract (GUC), EECA will provide grants to catalyze effective energy sector innovations that address Power Africa's development objectives.

EECA will be issuing several RFAs in different windows over the course of the program. The current call is Window I: Productive Use of Energy (PUE), Market Expansion.

For the purposes of this RFA, PUE is defined as the use of renewable energy to power appliances/devices to increase income and productivity. The proposed PUE devices can be in any of these main categories:

- Off-grid energy solutions for mechanization of agriculture value chain processes such as grain milling, oil extraction, refrigeration, transport, etc. It is expected that the use of the power will address business solution(s) that will generate ongoing revenue and profits to sustain the enterprise.
- Solar water pumps
- Agricultural post-harvest processing and storage devices i.e., mill, huller, thresher, crusher, paste-maker, packers, oil press, cold rooms, refrigerators/freezers.
- For dairy, poultry, and livestock - cold room, refrigerator, freezer, ice-making machine, milk tank, cold transport, egg incubator, electric fences
- For fisheries - fishing lights, solar water pumps, ice-making machine, cold transport, solar dryers
- Renewable energy powered light industry applications - sewing machine, loom, drill, hammer, soldering, iron, welder, compressor, carpentry tool kits,
- Renewable energy powered devices for restaurants and hospitality – fans, TVs, refrigerators, ovens/bakeries, phone charging, electric pressure cookers
- E-Mobility – e-bikes, electric motorbikes and tricycles

Please note that the issuance of this RFA does not constitute an award or a commitment by EECA. In addition, the project will not pay for any pre-award cost related to this RFA. This request together with its accompanying annexes can be downloaded at www.rti.org/rfp

SECTION 2: AWARD INFORMATION

i) Description

Productive use of energy (PUE) devices¹ are increasingly becoming available in East and Central Africa, pushed by firms that develop the technologies and the distributors that help them reach customers. PUE has socio-economic benefits including income generation, enhanced agricultural productivity, job creation, increased climate resilience for agriculture and often reduced workloads that frees up time for other activities (e.g., studying and leisure) among women and children from non-productive labor.

Market penetration for PUE devices remains low as companies face challenges in scaling out. Reported sales of water pumps in the first half of 2023 was 7,336 in East Africa, which was 24% lower compared to the preceding period in 2022, DC refrigerators are even lower, recorded sales were fewer than 2,000 units in 2022. Solar home systems (SHS) companies see the potential in selling PUE devices to upsell to existing customers and to ensure sustainable business models as they deepen customer value, however they must adapt their business models to accommodate more expensive and complex products.²

Despite the socio-economic potential of PUE, there are challenges in achieving scale due to low awareness and, low customer income levels in rural areas, leading to low ability to pay and high consumer financing requirements. Creating a PUE customer base takes significant effort and is complex. PUE companies must create awareness of the technology, find the customers with the ability to pay (for agricultural value chains, customers are mostly in a geographically dispersed rural area), showcase the value proposition to the customers, and train users and provide after sale support; all of which contribute to the high cost of customer acquisition further worsening the affordability challenge. Furthermore, limited access to equity and debt for PUE companies makes it difficult for them to achieve an increase in sales. PUE companies require technical assistance and grant funding support not only to raise capital but also to expand distribution and scale up sales.

Through the PUE market expansion grants window, EECA aims to de-risk market expansion and scale up the sale of PUE systems and devices in East and Central Africa. Off-grid companies selling PUE devices will use these grants to implement innovative customer acquisition approaches and activities that aim to increase sales of PUE devices. This will include innovative approaches that target women and marginalized communities.

This RFA invites private sector companies to apply for grant funding. Applicants must have experience, presence, and organizational mandate to operate in any of the East and Central African countries and contribute to the project overall goal and objectives.

Proposal must address the following challenges:

- **Affordability and consumer financing of PUE products:** This award is intended to accelerate the adoption of PUE products, particularly by women. Awardees should provide solutions such as business models that mitigate against high upfront costs of PUE products to allow rapid scaling

¹ Productive use of energy (PUE) are powered devices that can be used in commerce, industry, and agriculture.

² Lighting Global/ESMAP, GOGLA, Efficiency for Access, Open Capital Advisors (2022), Off-Grid Solar Market Trends Report 2022: State of the Sector. Washington, DC: World Bank.

and dissemination of PUE technologies. Innovative financing models that address barriers to financing especially for women should be considered.

- Awareness and customer acquisition: Proposals to implement targeted awareness, sales, and marketing activities alongside other innovative approaches to catalyze the adoption and/or utilization of PUE solutions which are encouraged.

i) Performance period

The performance period for this award under this RFA will be 12 months from the award date. USAID's Power Africa-funded EECA activity reserves the right to renew an award or incrementally fund activities over the duration of the program, if necessary, depending on the project overall period, performance against approved results indicators and availability of funds.

ii) Anticipated Grant Funding

The funding under this RFA will depend on the quality of the content, number of applications received and availability of funds. Applicants are expected to leverage the proposed activity. The funding range from USAID's Power Africa-funded EECA activity for one grant application will be between US\$ 75,000 to US\$ 150,000. Applications for grant amount which exceed this range will be rejected and will not be evaluated. The proposed budget will be reviewed to ensure it meets the cost principles requirement of allowability, allocability and reasonability. All the budget figures must be in United States Dollars (US\$).

Important note: Activity being proposed can be over US\$ 150,000 but USAID's Power Africa-funded EECA cannot fund more than US\$ 150,000.

iii) Type of award

Grants under this RFA will either be fixed amount awards (FAA) or cost reimbursement grants. The precise type of award and award agreement will be determined by, among others, pre-award assessment, the nature of the activities to be conducted and the nature of the organization seeking to receive and manage USAID funding. For the FAA, the project will make payments based on meeting measurable goals and objectives. For cost reimbursement grants, disbursement is done upon submission of an invoice by the grantee and after review and verification of the reasonability, allowability and allocability of the actual expended costs. Reimbursement is done on a periodical basis. Both types of grants will require a detailed budget.

SECTION 3: ELIGIBILITY INFORMATION

I. Types of eligible organizations

The Request for Application is open to private sector companies that have been in the PUE development, sales, and/or distribution chain for at least 3 (three) years. They include:

Important note: National and County governments being primary partners, organizations owned or affiliated to this category of partners or government entities and their employees are not eligible for this grant opportunity.

II. Technical requirements

- Applicants should be legally registered and physically established in East or Central African country with an in-depth understanding of these regions' energy sectors.
- Demonstrate capacity of the management team to implement the proposed interventions.
- Applicants must demonstrate satisfactory and proven experience in the PUE business. (Preference will be given to companies with at least 3 years of experience in operation with proven sales of at least 500 PUE devices)
- Applicants must demonstrate evidence of available inventory of PUE devices.
- Companies must demonstrate sound financial health, including two years audited financial statements, established financial management processes and procedures, and dedicated financial management staff.
- Applicants must demonstrate an understanding of country context governance, political, economic, and institutional issues associated with the energy sector in the country where the project will be implemented.
- Applicants **MUST** describe their environmental impact and waste management policy and procedures and show alignment to global and respective environmental management and regulations.
- Indicate any risks to project implementation and methods that would be used to mitigate such risks.

Note: Applicants must attach supporting documents for the above requirements.

III. Guiding Policies and regulations

a) Unique Entity Identifier (UEI):

Grants under this RFA will be required to provide UEI number at the time of the award, if the applicant already has a number, it should be included in the application. Otherwise, applicants will be required to obtain UEI number before the award is made. Applicants are encouraged to obtain their UEI number through registration in SAM (<https://www.sam.gov>). A guide to this process has been provided in Annex 4.

b) Internal Control environment

Applicants must display sound management in the form of financial, administrative, and technical policies, practices and procedures that can safeguard the assets, preventing fraud and abuse of funds as well as support achieving the project goals. USAID EECA activity will do a pre-assessment before awarding a grant and the applicant is expected to fill in the Organization Control Environment Questionnaire in annex 3. Any false information will result in cancellation of the award.

c) Provisions and regulations

Each application will be assessed to ensure it conforms to USAID Mandatory Standard Provisions and the Required as Applicable Standard provisions, the requirements of and applicable cost principles in <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>, <https://www.usaid.gov/sites/default/files/2023-02/303maa.pdf>, and other relevant USAID rules and regulations including but not limited to:

- Financial management requirements (2 CFR 200.300-309):
- Property standards, for equipment that will be procured under this grant (2 CFR 200.310-316)
- Procurement standards, for significant procurement in the award (2.CFR 200.317-326)
- Reports and records requirements (2 CFR 200.327-329, 2 CFR 200.333-337)
- 2 CFR 200 Part E: Cost principles

d) Environmental Compliance requirement

The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID funded activities on the environment be considered, and that environmental sustainability be considered in designing and carrying out development programs. The environmental impacts of USAID-financed activities must be identified prior to a final decision to proceed and appropriate environmental safeguards are adopted for all activities. As part of its response, the applicant, in collaboration with the USAID EECA activity technical staff shall review all planned activities under the grant to determine if any environmental action and/or documentation must be completed prior to implementation.

e) False Statements in Applications

Applicants must provide full, accurate and complete information as required by this solicitation and its attachments. Any false representation of fact, making false statements, or concealment of information is fraudulent and unacceptable.

f) Conflict of Interest Clause

Applicants must provide disclosure of any past, present, or future relationships with any parties associated with the issuance, review or management of this solicitation and anticipated award. Failure to provide full and open disclosure may result in EECA having to re-evaluate the selection of a potential applicant.

g) Prohibited goods and services.

Under no circumstances shall the recipient procure any of the following under this award, as these items are excluded by the Foreign Assistance Act, and other legislation that govern USAID funding. Programs that are found to transact in any of these shall be disqualified:

- a. Military equipment
- b. Surveillance equipment
- c. Commodities and services for support of police or other law enforcement activities
- d. Abortion equipment and services
- e. Luxury goods and gambling equipment
- f. Weather modification equipment
- g. Restricted goods

The following costs are restricted by USAID and require prior written approval from EECA and USAID to be allowable costs:

- a. Agricultural commodities
- b. Motor vehicles
- c. Pharmaceuticals
- d. Pesticides
- e. Fertilizer
- f. Contraceptives
- g. Used equipment.
- h. Immovable property

Further, the grant cannot be used for the activities listed below, and applications found to transact in any of these shall be disqualified.

Purchases of any equipment or services from specific companies, or their subsidiaries and affiliates, including Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company

Purchases of goods or services restricted or prohibited under the prevailing USAID source/ nationality and other regulations; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors at <http://www.sam.gov>

Construction, infrastructure, renovation, and rehabilitation projects. Definition of –Construction for purposes of this RFA means construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration, and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures. Additionally, procurement of equipment with the intent to install as a permanent fixture (e.g., fixed solar array) will be considered construction.

SECTION 4: APPLICATION AND SUBMISSION

a) Instructions to applicants

The proposed activities should be linked to this RFA objectives and clearly show their contribution to the project goal and help to solve the problem statement of USAID EECA activity to increase the availability of and access to affordable, reliable, sustainable, and clean energy in East and Central Africa.

a) Proposal development workshop

EECA will hold a virtual proposal development workshop on April 10, 2024, to provide further technical insight on this RFA and respond to questions raised. It will be the applicant's responsibility to read and understand the RFA and ensure that their application addresses all the items listed in the Technical Application Instructions and in the Evaluation Criteria.

The meeting will be held virtually on Zoom. Please use the details below to join in.

Meeting Link: <https://rtiorg.zoom.us/j/98863039922?pwd=RldvVlpXTTFEMzJGMXpZZkNIRXIVdz09>

Meeting ID: 988 6303 9922

Password: 893332

b) Submission

Applicants should submit their applications using **STRICTLY** the **application form provided in Annex I** electronically in **PDF** format to eecagrants@powerafrica-eeca.org on or before **April 30, 2024**. The Application form should not exceed 10 pages excluding cover page and the budget. It must be written in either English or French. The subject of the email should be “Request for Application RFA/USAID EECA/01/2024/ (Name of the applicant)”. Only submissions before the deadline and through the email provided above will be considered. The Application Form, Budget and all annexes can be downloaded at www.rti.org/rfp.

c) Program technical application

The applicants are expected to develop a detail application based on their understanding and prior institutional experience and their determination of the methodology that would be feasible, scalable, and successful within the context of PUEs Market Development. In all cases, the applicant will explain the rationale for the proposed design and approaches. This information will be submitted in the format provided in annex I. (Application form)

d) Cost application

The applicant is expected to submit a detailed budget (**Microsoft excel as per annex 2**) together with the **budget narratives/notes (Microsoft word)**. The budget should provide a detailed breakdown of costs per activity, including the proposed level of effort for the staff that will support the project. All costs must be reasonable, allowable, and allocable and must be within the policies, procedures, and practices of the applicant's operational environment. In addition, all costs must comply with 2CFR 200 Sub part E, Cost principles Full text of 2 CFR 200 can be found at;

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>. The application form must be signed by the authorized contact person.

e) Disclaimer

- EECA reserves the right to accept or reject any application.
- EECA reserves the right to disqualify any application if they have not followed the guidance provided, e.g., using wrong templates or submitting the required documentation in the wrong format.
- EECA will not compensate applicants for costs associated with submitting applications.
- EECA reserves the right to request more information from the applicants and negotiate as may be necessary.
- Any false or concealed information by the applicant will lead to automatic disqualification.
- Canvassing will lead to automatic disqualification.

Kindly note, **late submissions will not be accepted**. Only submissions made to the above provided email will be considered.

SECTION 5: SELECTION CRITERIA

A. Overview

Applications will be evaluated by a Selection Committee in accordance with the stipulated evaluation criterion below. Shortlisted applications that demonstrate alignment with project objectives and meet minimum technical requirements will be considered for pre-award assessment.

B. Evaluation Criteria

Full applications will be evaluated against the merit review criteria as shown below.

Merit Review and Category	Points
A. Impact Relevance/ possibility of the proposed strategy and activities contributing into EECA Development Objectives	15
B. Innovation	10
C. Gender and social inclusion	10
D. Leveraging of other funds/resources to increase the impact of the proposed intervention	15
E. Environmental Impact	10
E. Management and operational capacity	15
F. Commercial Sustainability/Financial self-reliance beyond the grant period	15
G. Cost efficiency	10
Overall Rating (out of 100 points)	

These merit review criteria elements are described more fully below.

Impact (15 points). The proposed solution should improve sales and increase access to PUE by target communities. The solution should result in tangible impacts such as one of the following: improve agricultural productivity and value-addition, facilitate agro-processing, improve crop storage; increase user/operator income; improve food security, among others.

Applicants must include a narrative description of all impacts expected to result from the proposed activity. These additional impacts will also be considered in the scoring.

Certain impacts may be measured in (this list is not exhaustive, and the applicant may propose other impact measurement indicators):

- Number of PUE devices or systems sold.
- Number of customers purchasing PUE.
- Number of microenterprises served by PUE.
- Number of new PUE retail locations.
- Number of new jobs created.

Innovation and Business model (10 points). The proposed solution should introduce a new revenue stream, business model, scale-up of modern technology, etc. This does not include the research and development of new technology but rather the introduction of an innovative technology and/or innovative business models and uses of existing solutions, for example an innovative new consumer financing or other financial product, or new way of working with agricultural distributors or producer groups. Applicants are encouraged to demonstrate the incentives put in place to facilitate end users' acquisition of the products. The applicant should clearly state what is the value proposition of the proposed innovation or business model.

Gender and social inclusion (10 points): The applicant should highlight how the project approach will improve gender equality and women empowerment including how women and other vulnerable groups will benefit from this project. This may include economic/income opportunities that are created for women, access to labor and time- saving PUE devices, job opportunities, among others.

Four (5) of the 10 points will also be awarded based on gender balance in the workplace:

- 0 points: no women in management or part of the implementation team
- 2 points: less than 25% of Lead Applicant's employees are female.
- 3 points: between 25% and 50% of Lead Applicant's employees are female.
- 4 points: between 50% and 75% of Lead Applicant's employees are female.
- 5 points: between 75% and 100% of Lead Applicant's employees are female.

Leveraging of other funds/resources (15 points). Proposed solutions that demonstrate confirmed leveraging of resources from other sources that improve the best value for money to increase the impact of the proposed intervention will be given preference. This can include, but is not limited to:

- Direct in-kind contributions by the applicant or any other party (i.e., labor, land, overhead, etc.)
- Funding from other donors
- Funding from investors
- Funding from lenders
- Funding from other partners (i.e., government agencies, NGOs, etc.) Funds leveraged will be scored as follows:
 - 0 pts: no external funds leveraged (note contributions from the entity applying for funding do not count towards this criteria)
 - 3 pts: up to 20% of the grant funding is matched by an external funding source.
 - 6 pts: up to 40% of the grant funding is matched by an external funding source.
 - 9 pts: up to 60% of the grant funding is matched by an external funding source.
 - 12 pts: up to 80% of the grant funding is matched by an external funding source.
 - 15 pts: up to 100% of the grant funding is matched by an external funding source.

N/B Funding from other USG Agencies will not be considered as Leverage.

Environmental Impact (10 points). Applicants **MUST** describe their environmental impact and waste management policy and procedures and show alignment to global and respective environmental management and regulations.

Management and operational capacity (15 points). Evidence of the applicant's capability to undertake and accomplish the proposed activities. The application should demonstrate the enterprise's effectiveness in terms of internal structure, technical capacity, and personnel. Also, the enterprise must demonstrate adequate fiscal management capability. The evaluation will be based principally on the following:

- Availability of inventory of PUE devices or systems and human resources
- Risks and proposed mitigation strategies
- Documented past performance (similar models implemented in other countries/geographies, sales volumes, number of customers, etc.)
- Documented relevant expertise among the proposed team (CVs attached of key personnel)
- Clearly defined roles of key personnel
- Identification of expertise gaps and proposed solution(s) to bridge those gaps.

Commercial Sustainability/Financial Self-Reliance (15 points). The applicant must show that they are in good financial standing and that the proposed solution will be sustainable after the grant's performance period. Criteria used to judge this category will include:

- Lead applicant's current liabilities and current assets
- Financial statements for past two fiscal years (2022 and 2023)
- Expected revenue streams enabled by the grant, including:
 - Any performance-based payments
 - Revenues from microenterprises
 - Payments from the off taker(s)
 - Sales of PUE devices
- Local distributor/supplier and maintenance networks
- After sales services
- Marketing strategies

Cost efficiency (10 points). The degree to which budgeting is clear and reasonable and reflects the best use of enterprise and grant resources while also demonstrating a clear commitment of investment by the applicant.

Additionally, EECA will ensure environmental soundness and compliance in design and implementation as required by [22 CFR 216 Agency Environmental Procedures](#).

Using the above evaluation criteria, the selection committee will score and rank each application. Before making an award, the selected applications will undergo a pre-award risk assessment to evaluate the ability of the applicants to implement the grant activity. The assessment will evaluate the organization's control environment to determine their ability to successfully implement the grant activity. A positive risk assessment means that the applicant possesses or could obtain the necessary management competence to

plan and carry out the assistance program to be funded, and that the applicant will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID EECA activity.

SECTION 6: ANNEXES

Annex 1: Grants Application form

Annex 2: Budget template and Implementation Plan Template

Annex 3: Organization Control Environment Questionnaire

Annex 4: Guidance on registering for Unique Entity Identifier (UEI)

Annex 5: Required Certifications

Annex 6: Budget narrative