Request for Applications Briefing

Catalytic Funding Window - Investment Products, Structures, and Transactions for the Off-grid Sector PAOP-RFA-2020-003

WELCOME

This webinar is scheduled to start at 15:00 SAST (GMT +2)

- Please mute your microphone
- Questions and answers: Please use the chat box to type your questions during the presentation
- This presentation and RTI’s responses to questions will be posted on the RTI website (www.rti.org/rfp) on March 13, 2020
Request for Applications
PAOP-RFA-2020-003

Catalytic Funding Window -
Investment Products, Structures,
and Transactions for the Off-grid
Sector

Webinar
March 10, 2020
Outline

• Overview of the Power Africa Off-grid Project and COIN Fund
• Grant Theme and Overview
• Monitoring, Evaluation, and Learning
• Eligibility
• Application Timelines and Process
• Evaluation Criteria
• Terms and Conditions
• Questions & Answers
USAID-funded Power Africa Off-grid Project

- Provides **technical assistance** and **targeted grant funding** to support the development of Africa's off-grid sector for improving access to energy
- Duration: 2018-2022
- Project prime: RTI International
- Consortium partners: Fraym, Norton Rose Fulbright, Practical Action Consulting, and Tetra Tech

**OVERALL PROJECT GOALS**

- Increased number of actual off-grid connections
- Increased amount of private financing available for off-grid companies and projects
- Improved national off-grid policies and regulations
Catalyzing Off-grid Investment (COIN) Fund

The COIN Fund is the grant mechanism of the Power Africa Off-grid Project structured to provide opportunities for innovative ideas to help accelerate off-grid energy access in sub-Saharan Africa.

OVERALL PURPOSE OF COIN FUND

Issue grants to project developers, projects, and private sector companies/actors, that through their own activities, directly contribute to the goals of the Power Africa Off-grid Project.
Grant Theme

To collaborate with financial institutions on the development and deployment of catalytic investment products, structures, and transactions tailored to support the continued growth of off-grid companies in sub-Saharan Africa
Overview

An opportunity to apply for potential funding to:

Design catalytic products and structures, and support transaction costs for deals targeting the off-grid sector

- Implementation in sub-Saharan African focus countries only: Cameroon, Cote d'Ivoire, DRC, Ethiopia, Ghana, Kenya, Liberia, Niger, Nigeria, Rwanda, Senegal, Tanzania, and Uganda
- Duration of programs: Maximum period of 12 months from date of award
- Grants awarded are anticipated to be within the range of USD100,000 to USD250,000
Catalytic Funding Window
Investment Products, Structures & Transactions for the Off-grid Sector

Support investors in meeting the evolving needs of their off-grid clients, and further support the sub-Saharan Africa off-grid sector as it moves toward more financial complexity. Accelerate the deployment of tailored capital into off-grid companies helping them in reaching financial resiliency.

➢ **Large Capital Needs** – Capital intensive sector with large needs to secure funding across the capital structure to continue to expand and achieve the universal electrification targets set for Sub-Saharan Africa

➢ **More complex structures & Transactions** – Companies’ financing needs are evolving towards larger and often more complex products, structures and facilities putting pressure on investors to find replicable and scalable financing solutions

➢ **High Transaction costs** – Costs associated with the development and deployment of catalytic investment products, structures and transactions that are tailored to the unique needs of off-grid companies in sub-Sahara Africa are increasingly expensive
Catalytic Funding Window
Investment Products, Structures & Transactions for the Off-grid Sector

Awards will partially or fully cover the costs associated with the development and deployment of catalytic investment products, structures and transactions that are tailored to the unique needs of off-grid companies in sub-Saharan Africa. Solutions targeting the entire capital structure will be considered.

Specific examples of how the grant can be used include but are not limited to:

- Financial and legal structuring costs
- Product/structure development
- Legal feasibility and enforceability
- SPV establishment and structuring
- Equity and debt documentation with off-grid companies, investors’ technical due diligence costs (third parties or internal)
- Tax and accounting costs and travel
Catalytic Funding Window
Investment Products, Structures & Transactions for the Off-grid Sector

Successful awardee/s expected to replicate their transactions (or investment products or structures, as the case may be) several times over and highlight the impact of their success, thereby creating a positive leverage effect for the off-grid industry and much-needed knowledge-sharing.

➢ Relevancy & Market Demand of proposed investment product/structure transaction
➢ Scalability & Replicability of the funded activity across multiple companies and countries

Note: Monitoring & Evaluation period is 12 months from date of award, but applicants encouraged to demonstrate willingness to report through end of 2022

➢ Innovative Approach to solving critical investment barriers in the off-grid sector
➢ Power Africa Off-grid Project Objectives and Desired Outcomes (main performance indicator 6 million connections which our program aims to facilitate by 2022)
Design Catalytic Products and Structures, and Support Transaction Costs for Deals Targeting the Off-grid Sector

All applications need to:

a) Target off-grid companies active in the Power Africa Off-grid Project’s focus country(ies)

b) Prove ability to meet milestones related to the deployment of the grant

c) Encouraged, but not required, to contribute matching funds

No funding shall be allowed to be used as actual investment capital to be deployed into off-grid companies
Monitoring, Evaluation, and Learning

All applications should include a Monitoring, Evaluation and Learning (MEL) plan that provides:

a) A narrative description of how the grant will be monitored and evaluated

b) A narrative description of how monitoring data will be used to guide programming decisions and interventions

c) A table that shows clear targets and indicators to measure progress – the table should include activities and action items from grant implementation plan
<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Indicator</th>
<th>Target</th>
<th>Data Source</th>
<th>Method of Data Collection</th>
<th>Frequency of data collection</th>
<th>Data Verification Plan</th>
<th>Reporting of Data</th>
<th>Location of data storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
<td>Amount Mobilized: Amount of investment mobilized for energy projects; Unit USD (million)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>XXX</td>
<td>Applicant to insert other tailored indicators specific to its program</td>
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<td></td>
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</tr>
</tbody>
</table>
## Monitoring, Evaluation, and Learning

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Disaggregate</th>
<th>Investor Name</th>
<th>Debt/Equity/Grant</th>
<th>Ticket Size(USD million)</th>
<th>Investor Type</th>
<th>Purpose of the Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Mobilized: Amount of investment mobilized for energy projects; Unit USD (million)</td>
<td>• Company</td>
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<td></td>
<td></td>
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<td></td>
<td>• Country</td>
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</table>
Eligibility

All applicants must be:

a) Legal persons

b) Formally constituted at the time of grant award

c) Compliant to government of Host Country regulations (submit tax compliance certificate or equivalent)

d) A financial institution defined as: A company, organization, or consortium, whose purpose is the deployment of capital into off-grid companies whether via debt (hard currency and local currency), guarantees, equity, and mezzanine investments

e) Entities that already have a presence or are currently working in at least one of the mentioned geographical areas will be considered. For startup funds the relevance of the management team and investors’ track record will be considered
Application Timelines and Process

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Date of Issuance</td>
<td>February 27, 2020</td>
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<tr>
<td>Closing date for questions</td>
<td>March 05, 2020</td>
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<tr>
<td>Live Q&amp;A Webinar</td>
<td>March 10, 2020</td>
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<tr>
<td>Responses to be published on RTI website</td>
<td>March 13, 2020</td>
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<tr>
<td>RFA closing date</td>
<td>March 27, 2020 @17h00 SAST (GMT +2)</td>
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<tr>
<td>Anticipated award date</td>
<td>July 01, 2020</td>
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Application Process

➢ Questions and Answers document and/or an amendment to the RFA will be issued and posted to www.rti.org/rfp on March 13, 2020

➢ Applications to be submitted in English by March 27, 2020 at 17:00 SAST

➢ Applications should not exceed 10 pages (excluding attachments)

➢ Applications must include the following or they will be disqualified

A. Technical Application
B. Monitoring, Evaluation & Learning Plan
C. Implementation Plan
D. Detailed Budget (excel) and Budget Justification Notes (word document)
E. Required Certifications (must be signed)

Technical application and supporting documents to be submitted to paopgrants@powerafrica-offgrid.org (with RFA number PAOP-RFA-2020-003 in email subject line)
### Evaluation Criteria

<table>
<thead>
<tr>
<th>Merit Review and Category</th>
<th>Points</th>
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<tbody>
<tr>
<td>Relevancy of investment product/structure to off-grid market and demonstration of market demand for said product/structure</td>
<td>35</td>
</tr>
<tr>
<td>Ability and likelihood of scalability and replicability of investment product/structure</td>
<td>15</td>
</tr>
<tr>
<td>Innovative approach to solving critical investment barriers in the off-grid sector</td>
<td>10</td>
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<td>Extent of contribution to PAOP objectives including gender considerations related to facilitating the deployment of more capital into off-grid companies</td>
<td>10</td>
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<tr>
<td>Management track record and investment expertise</td>
<td>15</td>
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<tr>
<td>Cost efficient use of grant funds</td>
<td>15</td>
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<tr>
<td><strong>Overall Rating (out of 100 points)</strong></td>
<td><strong>100</strong></td>
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Additionally, the Power Africa Off-grid Project will ensure environmental soundness and compliance in design and implementation as required by 22 CFR 216 Agency Environmental Procedures.
RFA Terms and Conditions

The Power Africa Off-grid Project:

- May cancel this solicitation at any time at its sole discretion
- May accept or reject any or all responses received
- May disqualify any offer based on failure to follow solicitation instructions
- May choose to award only part of the activities in an applicant’s proposal
- Reserves the right to waive minor proposal deficiencies that can be corrected prior to award determination to promote competition
- Is not responsible for any costs associated with the development of applications

- Issuance of this solicitation does not constitute award commitment by the Power Africa Off-grid Project
- Only selected applicants will be contacted and/or advised of the final outcome
- By way of applying under this RFA, the applicant consents to the disclosure of the documents submitted to the reviewers involved in the selection process