

De-Risking Pay As You Go Solar Home Systems in Uganda Refugee Settlements Project



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Implemented by Green Powered Technology,
in partnership with Energy 4 Impact

AGENDA



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01 Day 1: 13th Feb	USAID De-Risking PAYGO SHS in Uganda Refugee Settlements Project: Introduction, Private Sector Engagement Challenges and Opportunities for Energy Access Robert Aitken, Senior Technical Advisor, Green Powered Technology
02 Day 2: 14th Feb	Project Locations - Profiles of Kiryandongo and Rwamwanga Settlements and Host Communities <i>Ranya Sherif, Senior Environmental Team Leader, UNHCR</i>
03 Day 2: 14th Feb	The Grants Program: Policies, Procedures, Application Guidance, with Questions/Answers Session Laura Patel, Grants Manager, E4I

Project Introductions and Discussion on Private Sector Engagement Challenges and Opportunities for Improving Energy Access in the Refugee Settlement Context

Robert Aitken, Senior Technical Advisor
Green Powered Technology, LLC
Wednesday, February 13, 2019



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PROJECT OBJECTIVES



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Program aims to provide a de-risking to encourage private sector PAYGO SHS companies to expand their market reach into two refugee settlements & host communities.

Target PAYGO SHS companies to impact both SCC pillars of energy access and digital tools.

ANTICIPATED PROJECT OUTCOMES

- Increased private sector PAYGO SHS sales in refugee settlements and host communities, through providing targeted incentives for establishing or expanding services.
- Increased socio-economic development through private sector participation and market development activities.
- Development of local economies through inclusion of entrepreneurs.

PROJECT PARTNERS



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USAID-funded project through
Power Africa

Project showcases Power Africa's
key contributions to the Smart
Communities Coalition



Green Powered Technology will
implement the program in
partnership with Energy 4
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INTRODUCTION: CONTEXT



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Uganda hosts more refugees than any other African nation.

Settlements have limited access to electricity and lighting products

Project aims to incentivize private sector Pay-As-You-Go (PAYGO) Solar Home System (SHS) companies.

Focus on Kiryandongo and Rwamwanja refugee settlements and host communities.

Key Features of Grants Program



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- Total grant amount committed: \$465,000
- Anticipated that three grants will be awarded
 - 2 x \$145,000
 - 1 x \$175,000
- Single stage grant window
- 12-month grant implementation period
- Total project timeline of 18 months

Comprehensive Refugee Response Framework (CRRF)



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Helping refugees thrive, not just survive

Humanitarian



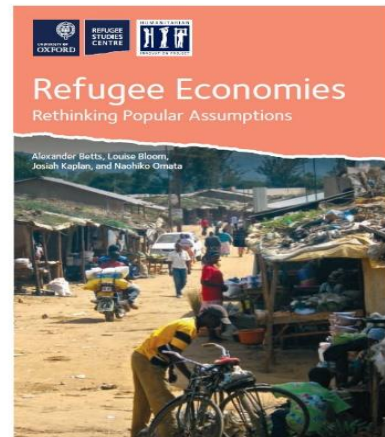
Developmental

Improved access to services

Stimulate economic opportunities and job creation

Greater integration of refugee into host communities

Building self-resilience of refugees





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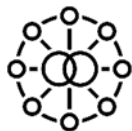
Smart Communities Coalition (SCC)

- Operating within the CRRF
- Public private effort seeking to transform the operating model in refugee camps and settlements
- Co-chairs; USAID Power Africa and Mastercard

Three key pillars;



Connectivity



Digital tools



Energy access

PAYGO FOCUS



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Two of the three SCC pillars must be met for all coalition projects;

- Connectivity ☐
- Digital tools ☒
- Energy access ☒
- *Using digital payment platforms*; eliminates cash and reduces overheads.
- *Building alternative credit*; digital platforms provide alternative creditworthiness assessments and secure identities = *inclusion*
- *Advancing inclusive growth*; technology drives inclusive growth. Financial inclusion promotes growth and development.

— PROJECT LOCATIONS



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Rwamwanja is located in Toro region, western Uganda.

Settlement population: 78,000

District population: 430,000



Kiryandongo is located in Bunyoro region, northwestern Uganda.

Settlement population: 57,000

District population: 277,000

— ADDRESSING THE CHALLENGES



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Limited access to socio-economic information



- SCC Market Profiles on both settlements highlight income, expenditure and demographics
- Uganda Comprehensive Refugee Response Portal available

**Mobility/
impermanence of
potential customers**



- The average length of time as a refugee is 17 years (UNHCR).
- The longer the duration the higher the economic activity/status

**Refugee ID - refugee
cards not accepted by
some companies**



- Mobile network operators partnering with humanitarian organizations for cash transfers in refugee settlements
- 54% of refugees in Uganda have KYC identity documents

**Insufficient market
within refugee
settlements**



- Over 200 shops in Rwanwanja's main market (Kataryeba).
- 60% of households in Rwanwanja & Kiryandongo indicate top source of income is market based not humanitarian.

**Low level of
connectivity and
mobile banking**



51% of Ugandans own mobile phones
38% of Ugandans have registered mobile money accounts
39% of Ugandan are 'aware nonusers' of mobile money

— ADDRESSING THE CHALLENGES



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Mobile money tax on PAYGO operations



- Mobile money tax has been reduced to 0.5% and only withdrawals subject
- Most PAYGO companies did not agree that mobile money tax impacted customer payments

‘Hand-out’ culture may present barrier to commercial approach



- Over 60% of refugees regard income from the market as the top source of revenue. More cash equals higher serviceability
- UNHCR/GoU strategy shifting from Humanitarian to Developmental

Ease of access to settlement



- Office of the Prime Minister and UNHCR will facilitate access
- GPTech will work with Grantees to support access

Logistical challenges in moving goods to settlements



- A more open market policy facilitates the movement of goods and reduces costs
- Additional logistical costs can be covered by the grant



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BUILDING BLOCKS OF OPPORTUNITY

GIZ/Endev (Rhino camp)

- 60% of refugee sample integrated into local socio-economic life
- Sales of agriculture produce = main income source (75%)

World Food program (WFP) Rapid Market Assessment (Kiryandongo)

- Bweyale market – 60,000 customers per week
- Micro-finance available

SCC - using digital technology to support sustainable economies

- Refugees take advantage of tools/services that allow them to progress
- Digital infrastructure model being promoted

Moving Energy Initiative (MEI)

- Market development trial with BBOXX in Kakuma refugee camp in Kenya - £30,000 seed funding to de-risk (SNV also implementing similar program funded by GIZ/EnDev in Kenya (Kakuma))

Opportunities



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Moving Energy Initiative (MEI)

Positive signs	Challenges
115 units sold to-date (Aug '18)	High delivery costs to camps
92% of initial stock sold in 2 months	Average revenue lower (30%) in Kakuma than other retail locations
0% default in 1 st 2 months	Staff costs higher
4 full-time & 9 commission based employees	Higher overheads means greater customer number required
Greater understanding of refugee market	Residents spend \$50 p.a. on lighting (\$4.2)
12% of refugee HHs pay \$5+/month on diesel gensets	Lack of business finance a barrier for SMEs to access energy

Grant Funds: De-Risking Activities



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Funds may be used for the following to help de-risk potential investments:

- Lowering operational costs for establishing new branches or distribution points to serve refugee settlements and host communities.
- Refugee and host community sales agent recruitment, sensitisation, and training.
- Product line-up customization, alteration, and/or innovation for refugee and host community applications.
- Refugee and host community awareness building and promotional activities.
- Customer training on aspects such as product use and financial literacy.
- Applicants may propose other activities where they can show a clear link to increasing opportunities for sales and engagement with refugee and host communities.



- ***NO SUBSIDIES OR OTHER MARKET DISTORTING ACTIVITIES WILL BE SUPPORTED***



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Session I: Summary

- We acknowledge potential risks and challenges but also recognize potential opportunities for private sector engagement.
- With continuing economic development within some of the settlements and host communities, and with Uganda's efforts to move from humanitarian to developmental approaches, these areas are increasingly workable markets.
- Energy access and financial inclusion are key commitments of the CRRF and the SCC which underline the importance of this initiative.
- The USAID De-Risking PAYGO SHS project is designed to incentivize innovations that narrows the gap between possible and actual.

De-Risking Pay As You Go Solar Home Systems in Uganda Refugee Settlements Project



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The Grants Program: Policies, Process and Application Guidance

Laura Patel, Grants Manager
Energy 4 Impact
Thursday, February 14, 2019



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— AGENDA



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01

INTRODUCTION

02

THE GRANT PROGRAM

- OBJECTIVES
- DETAILS
- ELIGIBILITY

03

APPLICATION PROCESS

04

CONTRACT REQUIREMENTS

— SESSION OBJECTIVES



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Understand the grants programme, its aims and objectives

Understand what organizations and activities are eligible

Understand how to apply for the grants program

Understand some of the contracting and reporting requirements involved

Decide whether my organisation should apply for the grants program

Feedback from potential applicants to make sure everything is clear

INTRODUCTION



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THE GRANTS PROGRAM



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Photo Credit: Power Africa M-POWER-9776

PROJECT OBJECTIVES



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OVERVIEW



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Award grants of between \$145,000 and \$175,000 to approx. 3 companies

Competitive single stage application process

Period of performance of grant must not exceed 12 months

No co-funding requirement (but is encouraged)

Must show activities fit within larger business model and can be sustained beyond the grant

Grants will be disbursed in tranches against predefined milestones

ELIGIBLE ACTIVITIES

- Lowering operational costs for establishing new branches or distribution points;
- Sales agent recruitment, sensitisation, and training;
- Product line-up customisation, alteration, and/or innovation;
- Community awareness building and promotional activities;
- Customer training on aspects like product use and financial literacy;
- May propose other activities where clear link to objectives.



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Photo Credit: Power Africa. Local employment and technical skills training - Azuri PayGo Solar)

ELIGIBILITY



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Provide solar home systems (SHS) that can be paid for through mobile phone based pay-as-you-go technology

Sell products at market price without any direct subsidies

SHS must consist of multiple lights and a port for phone charging

Have certification under the Lighting Global program (or start the process for new products)

Operating on a commercial basis in East Africa for a minimum of 12 months

Applicant or key partner fully registered to do business in Uganda

Applications must be for Kiryandongo and/or Rwamwanja refugee settlement and host community

ELIGIBILITY



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Additionally the application process will evaluate:

Adequacy of
financial
resources

Ability to meet
award
conditions

Compliance with
applicable laws
and regulations

Record of
performance and
business integrity

TECHNOLOGY CONSIDERATIONS



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- ESMAP Multi-Tiered Matrix
- Higher end of Tier 1; multiple lights & phone charging

		TIER 0	TIER 1	TIER 2	TIER 3	TIER 4	TIER 5
1. Capacity	Power ¹		Very Low Power Min 3 W	Low Power Min 50 W	Medium Power Min 200 W	High Power Min 800 W	Very High Power Min 2 kW
	AND Daily Capacity		Min 12 Wh	Min 200 Wh	Min 1.0 kWh	Min 3.4 kWh	Min 8.2 kWh
	OR Services		Lighting of 1,000 lmhrs per day and phone charging	Electrical lighting, air circulation, television, and phone charging are possible			
2. Duration	Hours per day		Min 4 hrs	Min 4 hrs	Min 8 hrs	Min 16 hrs	Min 23 hrs
	Hours per evening		Min 1 hrs	Min 2 hrs	Min 3 hrs	Min 4 hrs	Min 4 hrs



ADDITIONAL DETAILS



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Target locations - Kiryandongo and Rwamwanja refugee settlements and host communities

Start sales of SHS within 6 months

Target for at least 30% of sales to the host communities

After sales support and service must be available

Activities must generate additional employment opportunities in both host and refugee communities

Required to incorporate best practices regarding gender and social inclusion

Sensitive to the humanitarian principle of 'do no harm'.

TIMELINE



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Activity	Expected Completion Date
Launch of the CfP and grant window open for applications	February 19, 2019
Deadline for questions relating to the CfP and application process	February 26, 2019 by 1200 East Africa Time
Response to questions submitted publicly available	March 5, 2019
Application submission deadline	March 20, 2019 by 1200 East Africa Time

APPLICATION PROCESS



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Application template will be provided as part of the CfP documents

Checklist will be provided listing all documents and attachments that need to be submitted

Applications submitted over email



EVALUATION PROCESS



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Applications initially screened for eligibility and shortlisting by the GP Tech grants team



Technical and financial evaluation completed by the Technical Evaluation Committee



Preliminary recommendations made to USAID/Power Africa for approval



Grantees notified – finalise on contract terms and pre award assessments



Final USAID/Power Africa approval - contracts signed and projects launched

EVALUATION CRITERIA



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Technical Impact

- Contribution to improving energy access
- Understanding of the context
- Clear activities and implementation plan

Performance

- Ability of the applicant to deliver the plan
- Organizational track record
- Implementation team and key partnerships.

Financial

- Soundness of the budget & value for money
- Proposed timelines, and payment milestones
- Overall financial feasibility

Sustainability

- Ability of activities to be sustained
- Potential for wider influence and scale up
- Potential to improve socio economic development and livelihood opportunities

— CONTRACT REQUIREMENTS



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DUE DILIGENCE



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Finalists will be subjected to due diligence assessment before award.

Assess financial
systems

Check no active
exclusions

Appropriate
policies and
procedures

Qualified under
applicable laws
/ regulations

Satisfactory
record of
performance

— GRANT CONDITIONS



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- Grants will be implemented using the Fixed Obligation Grant (FOG) type.
- Grantees must comply with USAID regulations (ADS 303).
- Sign relevant certifications and assurances.
- Funds will be disbursed in tranches based on the achievement of milestones.
- Grantees will submit short monthly reports, financial and progress statements before fund disbursements and a final report.
- Grantees will be required to attend grant orientation workshop.

— ADDITIONAL REQUIRMENTS



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- Grantees must provide aggregate data (disaggregated by refugee/host community member & gender) on their operations and sales supported by the grant
- Site visits to review progress during and on completion of the grants program
- Grantees must consider gender and social inclusion throughout grant activities
- Must consider environmental impacts of grant activities
- Must adhere to USAID branding and marking guidelines
- Grantees will be expected to engage with stakeholders and input into the collection of data and dissemination and communication of findings

QUESTIONS?



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Any questions on any aspect of the grants program?



THANK YOU