



## **DE-RISKING PAY-AS-YOU-GO SOLAR HOME SYSTEMS IN UGANDA REFUGEE SETTLEMENTS GRANTS PROGRAM**

### **CALL FOR PROPOSALS**

**FEBRUARY 2019**



*Photo credit– The Moving Energy Initiative*

## CONTENTS

<b>01</b>	INTRODUCTION
<b>02</b>	THE PROGRAM CONTEXT
<b>03</b>	THE GRANTS PROGRAM
<b>04</b>	HOW TO APPLY

## I. INTRODUCTION

Uganda hosts more refugees than any other African nation and has established a refugee policy framework that focuses on self-reliance and greater coordination of development assistance. Refugees are afforded freedom of movement, land ownership, employment, access to business capital, and other benefits not often associated with refugee populations. Within the settlements, however, there continues to be a need for basic services such as access to electricity, with limited or no grid-connection and where access to home and business lighting and electricity are sporadic.

USAID Power Africa's 18-month *De-Risking Pay-As-You-Go Solar Home Systems in Uganda Refugee Settlement Project*<sup>1</sup> aims to accelerate off-grid investment and energy access by incentivizing private sector Pay-As-You-Go (PAYGO) Solar Home System (SHS) companies to enter Kiryandongo and Rwamwanja refugee settlements and host communities.

This project showcases Power Africa's key contributions to the Smart Communities Coalition (SCC) as a Co-Chair, along with Mastercard and over 30 SCC members. The SCC seeks to improve the delivery of essential services to refugees and host communities through enhanced coordination between public and private entities and the strategic introduction of technology, in accordance with three foundational pillars - *energy access*, *digital tools*, and *connectivity*. This project will encourage private SHS companies to view the identified refugee settlements and host communities as viable markets, with lessons and experiences gained through this project providing a catalyst for future private sector-led energy access interventions. Grant applications will further innovation, and reduce the knowledge, product, financial, and risk barriers to serving refugee communities.

This call for proposals document outlines the details of the *De-Risking Pay-As-You-Go Solar Home Systems in Uganda Refugee Settlement Project* grants program, including its objectives, eligibility, evaluation criteria, application process and how to apply. This document aims to give prospective applicants the necessary information to prepare a comprehensive application for the grants program. It should be read in conjunction with the:

1. Application Template
2. Certifications and Assurances Statement
3. Application Checklist

All documents relating to this grants program are available on the GPTech website [here](#)

## 2. THE PROGRAM CONTEXT

It is estimated that over 68 million people in the world are displaced<sup>2</sup>, with many settling in camps and settlements specifically set up for internally displaced people and refugees. Research conducted by the Moving Energy Initiative, estimates that about 80 per cent of those in camps and settlements have minimal access to energy for cooking and heating, and approximately 90 per cent have no access to electricity<sup>3</sup>. Without access to energy, access to other opportunities such as healthcare, education

---

<sup>1</sup> USAID has engaged Green Powered Technology (GPTech), in partnership with Energy 4 Impact (E4I), as Implementing Partners for this grants program.

<sup>2</sup> Further details can be found at <https://www.unhcr.org/news/press/2018/6/5b27c2434/forced-displacement-above-68m-2017-new-global-deal-refugees-critical.html> (accessed January, 16th 2019).

<sup>3</sup> Further information can be found at; <https://mei.chathamhouse.org/what-we-do/why-matters> (accessed January, 16th 2019).

and livelihoods is compromised affecting the quality of life of displaced people. Sub-Saharan Africa hosts more than 26 per cent of the world's refugee population<sup>4</sup>.

Uganda has a longstanding history of hosting refugees, with more than 1.1 million refugees and asylum-seekers residing in the country as of October 2018. This number has significantly increased over recent years due to continued insecurity in neighboring countries, with Uganda receiving more than 1 million refugees from the Democratic Republic of Congo and South Sudan since July 2016. These protracted situations, as well as the recent influx of refugees, have strained the resources of the humanitarian system and put enormous pressure on the resources of host communities and on the environment<sup>5</sup>.

Most refugees residing in Uganda do so in designated refugee settlements located across 11 districts and in Kampala. The Government of Uganda has favorable policies that allow freedom of movement and provides land to refugees settling in designated areas, the right to work and access to national services.

### **THE NEED FOR PRIVATE SECTOR INVESTMENT**

Within the context of today's stretched humanitarian budgets, protracted crisis and under-development in hosting communities, many have looked to the private sector to provide expertise and innovation to increase access to energy services. East Africa has a vibrant market for off-grid energy products seeing innovation and growth in areas such as consumer financing, tailored household lighting products and appliances, and systems to enable mobile based payments; however, displacement settings can present an uncertain operating environment and additional risks for private sector companies selling energy products and services. A lack of data around current energy use and spending patterns, uncertainty around how long refugees may stay in one location and distortions caused by the high presence of aid agencies, can deter companies from viewing these locations as viable markets.

Many displaced people are already spending significant portions of their income on access to poor quality and expensive lighting and have aspirations to use better quality and cleaner lighting sources. When considered within the economies of the surrounding area, protracted displacement settings can offer scalable markets and concentrated demand for services in locations often unserved by national utility providers. As such, support mechanisms are needed to de-risk and encourage private sector companies to expand their market reach into displacement settings by supporting operational gaps associated with entering these locations. It is within this context that this grant program has been designed to de-risk private sector PAYGO SHS companies with a focus on Kiryandongo and Rwamwanja refugee settlements and host communities.

### **3. THE GRANTS PROGRAM**

**Objectives.** This grants program aims to de-risk private sector companies that want to expand their market reach into displacement settings by providing incentives in the form of grants that will cover costs associated with venturing into these locations. The program will target PAYGO SHS companies in an effort to address both the challenge of increasing energy access and financial inclusion whilst cutting across two core pillars of the SCC - energy access and digital tools. By doing this the program aims to achieve the following key outcomes:

---

<sup>4</sup> See, <https://www.unhcr.org/africa.html> (accessed January, 16th 2019).

<sup>5</sup> See Uganda Global Focus page for further details; [http://reporting.unhcr.org/node/5129#\\_ga=2.113890311.1471732005.1547639550-1686836086.1529392279](http://reporting.unhcr.org/node/5129#_ga=2.113890311.1471732005.1547639550-1686836086.1529392279) (accessed January, 16th 2019).

- 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.

To achieve this, the program aims to encourage grant applications that further innovation, and reduce the knowledge, product, financial, and risk barriers to serving refugee and host communities.

## **OVERVIEW OF THE GRANTS PROGRAM**

The program will award grants between \$145,000 and \$175,000 to two or more companies through a competitive single stage application process. The period of performance of each grant must not exceed 12 months. Applicants are not required to have co-funding for the activities but must be able to show how these activities fit within their larger business model and how efforts will be sustained beyond the period of the grant. Adequate cost information must be made available to allow the USAID project team to determine and negotiate the fixed price of the grant.

Grants will be disbursed in tranches against predefined milestones and activities. Grant funding may be used for any of the following purposes:

- Lowering operational costs for establishing new branches or distribution points to serve refugee settlements and host communities;
- Refugee and host community sales agent recruitment, sensitization, 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;
- other activities where companies can show a clear link to increasing opportunities for sales and engagement with refugee and host communities.

Activities and costs that are ineligible for grant funding include, but are not limited to:

- The bad debts of the beneficiary;
- Fines and penalties imposed on the beneficiary;
- Purchase of any goods restricted and prohibited under USAID regulations (e.g., alcohol);
- The purchase of surveillance equipment, military equipment or arms whether new or surplus, police or law enforcement equipment, luxury goods and gambling equipment;
- Expenses related to purchases or activities which are illegal under Ugandan or U.S. law;
- Promotion of political parties, religion, or commercial interests;
- Fundraising;
- Payments made to government employees;
- Funds paid as profit to any Grantee that is a commercial (for-profit) organization. Profit is any amount in excess of allowable direct and indirect costs;
- The purchase of real property including land, land improvements or structures.

The grant award will not allow for the reimbursement of any pre - award costs. The grantee will not purchase any ineligible or restricted goods (see ADS 312); all goods the grantee will purchase must be sourced from/ originate in the authorized geographic code (see ADS 260). USAID and GPTech reserve the right to fund any or none of the applications submitted.

**Project Locations.** The target locations for the grants program are the **Kiryandongo** and **Rwamwanja** refugee settlements and host communities, where the host community is defined as a community located within approximately 20 kilometers of the refugee settlement. Proposed activities must be implemented in either or both of these areas.

Grantees must start sales of SHS in the target locations within 6 months of initial award targeting both refugee and host communities with a target for at least 30% of sales to the host communities. After sales support and services to customers over the lifetime of the products must be made available in the target locations. Activities funded must generate additional employment opportunities in both the host and refugee communities. Grantees will be required to detail best practices that will be applied to ensure gender and social inclusion and how they will consider and adhere to the humanitarian principle of 'do no harm'.

It is expected that applications will be submitted by a lead organization but where necessary they may partner with other organizations. In such a case a clear justification for the partner and their role on the project should be given.

The GPTech team will provide communications and technical assistance support throughout the 12-month grant period. This could include linkages to partners that could support on the ground activities, provision of market data (where available) to the team or feedback on marketing material and business plans.

## **ELIGIBILITY**

Companies applying to the grants program must comply with the following eligibility criteria:

- Applicants must be able to provide SHSs that can be paid through mobile phone-based PAYGO technology.
- Applicants must propose to sell their products at market price without any direct customer subsidies.
- SHSs offered under the program must consist of multiple lights and a port for phone charging; systems can also include appliances, but these are not required.
- SHSs being offered under the grants program must comply with Lighting Global standards and have certification under the Lighting Global program. In a case where the products aren't Lighting Global certified (for example, a recent innovation), the SHS company must start certification procedures for the proposed products before any grant funding disbursement.
- Applicants must have been operating on a commercial basis in East Africa for a minimum of 12 months. The applicant or a key partner must be fully registered to do business in Uganda.
- Only one application per company can be submitted.
- Applications must be for one or both of Kiryandongo refugee settlement and host community and/or Rwamwanja refugee settlement and host community.

Applicants will also be required to provide information for consideration of the following criteria through the grant application and any subsequent due diligence;

- Applicants should have adequate financial resources or the ability to obtain such resources as required during the performance of the award. As such, applicants should have an annual turnover in the past two or three years, equivalent to or greater than the award amount sought.

- Applicants should have the ability to meet the award conditions, taking into consideration all other current and prospective commitments.
- Applicants should have a satisfactory record of performance and business integrity including compliance with the revenue authorities and certification of products by the Uganda National Bureau of Standards.
- Applicants should be otherwise qualified to receive an award under applicable laws and regulations and be able to provide registration certificates and references.

Applicants should notify GPTech of any actual or potential conflict of interest that they are aware of that may provide the applicant with an unfair competitive advantage in competing for an award under this grants program.

### THE APPLICATION PROCESS

Grants will be awarded through a single-stage applications process. The timeline envisioned for the application process is provided below.

Activity	Expected Completion Date <sup>6</sup>
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
Response to questions submitted publicly available	March 1, 2019
Submission deadline for the grants program	March 11, 2019 by XX:XX EST
Evaluation and shortlisting of the grantees	March 19, 2019
Review and preliminary approval of selected grantees	April 2, 2019
Due diligence and contract negotiation	April 16 <sup>th</sup> , 2019
Contracts signed and projects launched	April 19 <sup>th</sup> , 2019

An application template and guidelines for completion are provided as part of the CfP documents. A checklist is also provided listing all documents and attachments required for submission.

Applications will initially be screened for eligibility following which a technical and financial evaluation will be completed against the evaluation criteria. Final evaluation will be completed by a Technical Evaluation Committee, followed by USAID approval of the selected grantees.

<sup>6</sup> These dates will be updated dependent on the actual date of the grants program launch



Once grantees are approved and notified there will be a short period to finalize the contract terms including the milestone and payment schedule. Following negotiations, the contracts will be signed and the projects will be launched.

GPTech, USAID’s implementing partner will provide Grants Program administration and supervision services over the Grantee’s implementation of activities under the Grants Program.

## EVALUATION CRITERIA

Applications will be evaluated against the following criteria;

Category	Criteria	Description	Weighting
<b>Technical Impact</b>	<ul style="list-style-type: none"> <li>a) Feasibility of proposed solution to increase energy access through new connections.</li> <li>b) Potential to impact socio economic development.</li> <li>c) Feasibility of implementation plan and proposed activities.</li> <li>d) Understanding of context, risks and required mitigation / incentives.</li> </ul>	<ul style="list-style-type: none"> <li>· Does the applicant's proposal demonstrate how the proposed solution would contribute to increasing energy access through the creation of new connections?</li> <li>· Does the applicant's proposal demonstrate how refugees and / or host community members will be employed and the potential impact on livelihoods and socio- economic development in the refugee and host communities?</li> <li>· Is the implementation plan relevant and feasible in meeting the project objectives and proposed outcomes?</li> <li>· Does the applicant understand the context they will operate in, the associated risks and how they will use the grant / activities to mitigate these risks?</li> </ul>	30%
<b>Performance</b>	<ul style="list-style-type: none"> <li>a) Organization track record</li> <li>b) Organization team, including key partnerships</li> </ul>	<ul style="list-style-type: none"> <li>· Does the applicant demonstrate the capability to deliver the proposed activities in the implementation plan, including sufficient track record in project delivery?</li> <li>· Does the applicant demonstrate a qualified team on the ground and key partnerships, as appropriate, to implement the proposed activities in the implementation plan?</li> </ul>	25%
<b>Financial</b>	<ul style="list-style-type: none"> <li>a) Soundness of budget</li> <li>b) Value for money offered by the proposal</li> <li>c) Proposed timelines and payment milestones</li> <li>d) Overall financial feasibility</li> </ul>	<ul style="list-style-type: none"> <li>· Did the applicant include annual turnover in their application as an indication of financial capacity?</li> <li>· Are the applicant's project budget, proposed milestones and timelines realistic and aligned with the program?</li> <li>· Is the applicant's overall project budget feasible to implement the proposed implementation plan?</li> </ul>	25%



		· Do the proposed activities and budget offer value for money?	
<b>Sustainability</b>	a) Integration of activities into longer term business plan. b) Local buy-in and offer after sales services. c) Potential for scale up / replication & influence. d) Integration of gender / 'do no harm' best practice.	· Does the applicant's implementation plan demonstrate how they will sustain activities beyond the grant period and an ability to do so?  · Does the applicant's implementation plan demonstrate how they will ensure local buy-in to activities and how the applicant will deliver after sales services to end users?  · Does the applicant's implementation plan demonstrate how the proposed project can be further scaled or replicated?  · Does the applicant's proposal demonstrate how it will implement activities in a manner that considers gender and social inclusion and the principle of 'do no harm'?	20%

### ADDITIONAL CONTRACTING REQUIREMENTS

Agreements will be made between the grantee and USAID's implementing partner, Green Powered Technology, which will lead the administration and oversight of the grantee's implementation of the grants program. Funds will be disbursed in tranches based on the achievement of milestones outlined in the application and finalized in the grants process.

Grantees will be required to submit monthly reports on activities, financial and progress statements before subsequent tranches of funds are disbursed and a final report at the end of the grant period. A reporting template will be provided, customized to the specific goals and milestones of each grantee.

In addition, members of the GPTech team will conduct site visits to review progress during and upon completion of the grants program. The grantee is required to sign pre-award certifications and assurances required in ADS 303.3.8. <sup>7</sup>The grantee is required to comply with all articles of the project Grants Manual.

Grantees must be willing to provide aggregate data (disaggregated by refugee/host community member) on operations and sales supported by the grant, including the following:

- Number of sales;
- Product category sold (including any associated appliances);
- Number of payments more than one month, three months, and six months behind;
- Number of systems repossessed for non-payment; and,
- Number of systems that were upgraded/expanded (including the product and appliance upgraded/expanded to).

USAID and the SCC is committed to ensuring that results achieved by grantees will inform the sector,

<sup>7</sup> GPTech will confirm specifics of all relevant ADS requirements

as well as promote the adoption of cleaner, more efficient energy provision in displacement settings. Grantees supported under this program will be expected to actively engage with stakeholders in the sector and provide data on lessons learned.

#### 4. HOW TO APPLY

An application template accompanies this CfP document. Applicants should complete each section to ensure all information requested is provided. Where specific formats are provided, these should be used to present information. Your application should demonstrate understanding of the requirements set out in this document and provide the information as requested in the application template.

Prospective applicants are encouraged to register for the grants program upon receipt of this call for proposals. This can be done by sending an email to [grants@greenpwr.com](mailto:grants@greenpwr.com) with the subject heading 'Registration for De-risking PAYGO SHS in Uganda grants program'. Registration will enable prospective applicants to receive responses to Questions and/or clarification requests.

Organizations are requested to submit Questions concerning this call for proposal, the grants program or the application process, via email, to [grants@greenpwr.com](mailto:grants@greenpwr.com). Questions should be received no later than **February 26th, 2019, midday (1200 hours) East African Time (EAT)**. The GPTech team will collate all questions received and share responses with all registered applicants by **March 1st, 2019**. Telephone calls or emails to GPTech or its staff members (other than to the e-mail address stated in this document) regarding this grants program, are not permitted.

Applications to this grants program should be received on or before **March 11th, 2019 at midday (1200 hours) EAT**. Proposals should clearly indicate 'Application for De-risking PAYGO SHS in Uganda grants program' and the name of the lead applicant in the subject line and should be emailed to [grants@greenpwr.com](mailto:grants@greenpwr.com). Proposals submitted after the date and time specified above will not be permitted.

Applicants are encouraged to compress files so that all required documentation can be sent in one e-mail; however, should the attachments be too large to fit into one e-mail, applicants may send the files in multiple e-mails. In this case, e-mails should be clearly numbered. The GPTech server cannot receive files greater than 25MB. Upon receiving the applications, the GPTech grants team will acknowledge receipt within 48 hours of submission. If confirmation is not received, applicants should e-mail the GPTech grants team to reconfirm receipt.