



# CALL FOR EXPRESSION OF INTEREST (EOI)

## UGANDA'S OFF-GRID SOLAR SECTOR

The solar photovoltaic (PV) sector has grown considerably in Uganda over the last decade. Today there are more than 200 companies active in the space with both local and international players selling products in the country.

Uganda has now established itself as one of the key markets for off-grid solar in Sub-Saharan Africa<sup>1</sup> – Between 2015 and 2016<sup>2</sup>, reported off-grid solar product sales in Uganda increased by over 55%, with 383,420 units sold in 2016 alone. This growth is likely to continue in 2017 as 240,151 units have already been sold in the first half of the year according to the latest GOGLA/IFC market report.<sup>3</sup>

#### THE CHALLENGE

Despite the solar sector's sizable growth, market penetration is low<sup>4</sup> with a large portion of the addressable market still unreached – Only a small fraction of Uganda's off-grid population of 33M<sup>5</sup> is using solar energy. What can be done to increase the adoption of off-grid solar PV solutions across Uganda?

Rural areas, remote and sparsely populated regions of the country, remain underserved with most sales taking place in higher-density areas – Yet, 90% of Uganda's 5.5 million<sup>6</sup> un-electrified households are in rural areas. How can the most underserved regions of Uganda be reached?

Although products have become more affordable

#### About the Renewable Energy Challenge Fund (RECF)

The goal of the RECF is to increase access to renewable, efficient energy for domestic, productive and social uses amongst underserved poor households, businesses and communities, especially in rural areas.

By the end of 2020, RECF aims to support 153,000 low-income Ugandans to transition to renewable energy, and create 1000 new jobs. To this end, the RECF will fund a portfolio of renewable energy SMEs/value chain companies and/or financial institutions.

The RECF is managed by the United Nations Capital Development Fund (UNCDF) and funded by the Embassy of Sweden in Uganda.

The RECF is looking for projects that combine the following characteristics:

- 1) Additionality: not easily funded by commercial sources of finance; will resonate with the wider market and make a step change in the way modern energy products and services are offered and consumed by low-income people in Uganda;
- 2) Sustainability: commercially-driven business ideas that companies are ready to co-invest in, with a view to graduate to more commercial investments;
- Inclusiveness: prioritizing business models with women and youth as active members of the value chain, as consumers, as well as owner/employers and employees/agents;

The first funding window of the RECF focused on Clean Cooking Solutions and is now closed.

and various end-user financing solutions such as pay-as-you-go are now available, many of the poorest Ugandan households and small businesses still struggle to access quality solar products – *About 40%*<sup>7</sup> of the population without access to electricity in Uganda lives below the poverty line. **How** can solar PV products become more accessible and affordable to the poorest Ugandans?

Increasing access to solar PV at the household level is only part of the solution. A holistic approach that includes institutional applications (e.g. schools and health centres, etc.) and power for productive uses (e.g. agriculture, small businesses, and industry) is needed in order to ensure Uganda's economic and social development.<sup>8</sup> *How can Solar PV solutions for productive uses stimulate economic activity in Uganda and create employment opportunities for women and youth?* 

#### **OBJECTIVE OF THE RECF: SOLAR WINDOW**

The *RECF:* Solar Window aims to accelerate the deployment of decentralised solar energy solutions such as off-grid solar PV and solar mini-grids in Uganda, and help achieve Uganda's SE4ALL goal of universal access to electricity (>98%) and the Sustainable Development Goal 7 (SDG7) by 2030.

# RECF is looking to co-invest in commercially driven business ideas that can lead to breakthroughs in the uptake of decentralised solar PV solutions by households, businesses and communities across Uganda.

- > Is your company active in Uganda? Or planning to enter the Ugandan market by May 2018?
- Is your company already working on an innovative business idea that can hit the ground running in June 2018 in Uganda, and start generating new sales by early Q3 2018?
- Is your company willing to invest its own money to make this project happen but is in need of a coinvestor to reduce its risk exposure?
- If so, we are interested in hearing more about your project. Apply here.

#### **HIGH-IMPACT OPPORTUNITIES & INNOVATIONS<sup>\*</sup>**

The RECF team has identified the following high-impact opportunities and innovations to be considered by applicants during the development of their EOIs. This is not an exclusive list, and business ideas outside of these categories are also accepted.

- → Innovative last-mile distribution models that can increase the presence and outreach of solar companies in rural and underserved areas of the country Through the expansion of a company's proprietary channels in rural areas (e.g. setting up rural retail outlets or village hubs); or by growing its agent network; or signing up new sub-distributors and dealers that are present in rural areas; or through new partnerships;
- → Strategic partnerships between organizations from different sectors with complementary expertise that could lead to possible economies of scale and an increased outreach (e.g. a solar PV distributor partnering with a Mobile Network Operator to sell products through its agents; Kampala based companies partner up with companies or organisations based in other regions of the country);
- → Ideas that can tap into agricultural value chains (e.g. dairy farmers, maize or other crop producers, etc.) or work with different types of community-based organisations or organised groups (e.g. COOPs, VSLAs, SACCOS);
- → Productive uses and income generation: Including agricultural processing, water pumping and irrigation; refrigeration; lighting and electricity for small businesses; mobile phone charging stations; powering small industrial facilities; etc.<sup>†</sup>
- → Fully integrated solutions for specific high potential applications such as "Solar + Water pumping + Irrigation" for farmers, "Solar + Refrigeration" for businesses requiring cold storage, or other integrated small business solutions (e.g. kits for hair salons);
- → Increasing the adoption of efficient appliances In particular for productive uses and income generating activities;
- → Expansion or replication of the pay-as-you-go (PAYG) or distributed energy service company (DESCO) model or other end-user financing solutions either through in-house financing or through partnerships with financial service providers;

<sup>\*</sup> **NOTE**: Innovations that are not directly linked to the sale or installation of products and don't directly lead to increased energy access (e.g. data tools, ICT, smart meters, or payment solutions, etc.) will only be considered as a component of a business <sup>†</sup> The following sources provide multiple examples of productive uses of energy in an off-grid setting: <a href="http://www.produse.org/">http://www.produse.org/</a> and <a href="https://d-lab.mit.edu/off-grid-energy/resources/productive-use">https://d-lab.mit.edu/off-grid-energy/resources/productive-use</a>

- → Use of top-up loans to existing PAYG customers for the provision of efficient appliances, system upgrades (for modular systems) or additional solar PV systems;
- → Use of digital financial services, mobile payments, and mobile money agents for energy access and distribution;
- → Improved data practices and use of data analytics to deliver better products and enhance customer service; to improve business models, logistics, credit portfolio management and fundraising; to enable data based decision making by investors and the setup of innovative financial instruments (e.g. asset backed securitization); etc.
- → The use of ICT, smart meters and remote monitoring solutions to collect real-time data on payments, system usage and health;
- → Novel financing models to tackle the capital needs of companies at all levels of the solar PV value chain in Uganda;
- → Solar for refugee settlements through a market-based approach;
- → Innovative and commercially driven models for the provision of energy services to institutions such as schools, health clinics, hospitals or other community centres;
- → Mini-grids that can serve multiple households or communities and businesses:
  - o Increasing the number of connections and/or demand for electricity;
  - o Improving payment collection from customers;
  - Using small industry, commercial applications or institutions (e.g. schools) as anchor clients for mini-grids.

#### 1. Key Characteristics of the Fund

#### 1.1 Target market: UGANDA

With a focus on underserved, low-income customers in rural<sup>‡</sup> and peri-urban<sup>§</sup> areas – At least 50% of product sales (with RECF support) must be in rural areas.

#### 1.2 Acceptable solar PV solutions

The *RECF Solar Window* aims to support the deployment of **decentralised solar energy solutions**, which include both **stand-alone off-grid solar PV systems of various sizes** and **solar mini-grids**.

The RECF will support projects using a broad range of solar PV technologies, for a variety of applications (e.g. residential, institutional, commercial, community, industrial, agricultural) and uses (e.g. lighting, phone charging, solar irrigation, productive uses such as haircutting, refrigeration or entertainment, etc.). Acceptable solutions include:

| Decentralised Solar Energy Solutions     |                             |                                                         |               |               |                |               |
|------------------------------------------|-----------------------------|---------------------------------------------------------|---------------|---------------|----------------|---------------|
| Stand-alone<br>Off-Grid Solar PV Systems |                             | Mini-grids (Isolated Grids)<br>Including Hybrid Systems |               |               |                |               |
| Pico PV<br>Systems                       | Small Solar Home<br>Systems | Larger SHS and Single facility Systems                  | Pico-<br>Grid | Nano-<br>Grid | Micro-<br>Grid | Mini-<br>Grid |
| DC AC or DC                              |                             |                                                         |               |               |                |               |
| Module<br>Capacity 10V                   | Vp 100                      | Wp 500Wp                                                | 1kWp          | 5kWp          | o 100k         | wp ۱۳۷۶)      |

SOURCE: Adapted from IRENA (2015); IEA (2017); Africa Progress Panel (2017)<sup>9</sup>

<sup>&</sup>lt;sup>‡</sup> **Rural area:** Any area outside of towns or cities, including geographically isolated communities generally deprived of modern social and economic amenities (such as banks, electricity, clean piped water) that are available in urban or even periurban environments.

<sup>&</sup>lt;sup>§</sup> **Peri-urban areas:** Generally unplanned, built-up areas in the transition zone between rural and urban use. These areas typically do not have serviced roads, water, sanitation or electricity.

#### Additional considerations:

- The RECF is interested in projects that have a measurable impact in terms of energy access, hence it will mainly consider the number of installed systems in use (or additional connections); or the number of people (or households, businesses, institutions) with increased or improved access to energy services (for domestic, community or productive uses); rather than the sale of individual system components (e.g. panels, inverters, batteries, etc.) as a measure of success\*;
- For mini-grids<sup>††</sup>, the RECF will only support the service provision and operational aspects of the business, as only a small fraction of the RECF funds (up to 10% <u>See FAQ document for more details</u>) can be used to purchase capital goods;<sup>‡‡</sup>
- The RECF will only consider existing mini-grids or mini-grid projects that are in an advanced stage of development, with all the necessary licenses and permits in place (at the time of the application), and that will be commissioned by Q3 2018;
- Companies selling systems that require installation by a trained technician are encouraged to have at least one technician with a Class Z certification from the Electricity Regulatory Authority (ERA) on their roster. Companies are in general encouraged to provide training to their technicians and sales staff;
- All products and systems installed with RECF support must come with a warranty of at least 1 year. Companies must also demonstrate that they provide after-sales, maintenance and repair services to their customers;
- All products sold with support from the RECF must have undergone a Pre-export Verification of Conformity (PVoC)<sup>§§</sup> – The RECF will pay particular attention to the performance, quality and durability of the proposed solutions. Products that have been tested (both lab and field testing) and/or abide by specific performance and quality standards or guidelines (e.g. UNBS, Lighting Global<sup>10</sup>, IEC<sup>11</sup>, ISO, etc.) will be preferred;
- Hybrid systems with a strong solar PV component will be considered but other renewable energy solutions (e.g. hydroelectric power, wind power, biogas, etc.) or solar thermal solutions are not included in this call.

**1.3 Type of funding:** Cost-sharing grant, paid upon achievement of milestones.

- RECF reimburses its corresponding portion of the project costs when the respective milestones are satisfactorily achieved and disbursement conditions are met;
- Companies must have sufficient funds available to cover the initial investment required to kick-start their projects.

#### **1.4 Grant Size: US\$100,000** up to **US\$500,000**\*\*\*

- The number and the size of the individual grants will depend on the available funds and on the quality of the applications;
- The amounts allocated to each grantee will be at the discretion of the Investment Committee. Applicants may be asked to revise the amount of grant funding requested in their EOI.

#### 1.5 Project duration: 24 months starting in June 2018.<sup>†††</sup>

<sup>&</sup>quot;Note: The RECF will use the ESMAP "Multi-Tier Framework" for energy access as a reference to describe the level of access provided by the different types of solutions sold by its investees. In other words, solar lanterns and large solar home systems will be accounted for differently.

<sup>&</sup>lt;sup>††</sup> Note: This refers primarily to isolated grids and excludes large grid connected solar plants.

<sup>&</sup>lt;sup>‡‡</sup> Please refer to the FAQ document for more details on the purchase capital goods.

<sup>&</sup>lt;sup>§§</sup> PVoC is an inspection and verification programme carried out on goods by appointed inspection agents in the country of export. The objective of PVoC is to minimize the risk of unsafe and substandard goods entering Uganda and protect consumers against dangerous, shoddy and substandard imported products. <u>https://www.unbs.go.ug/content.php?src=pre-export-verification-of-conformity-(pvoc)&content</u>

<sup>&</sup>lt;sup>337</sup> Note: For large grant applications (greater or equal to US\$250,000), the RECF team will ask additional questions on the EOI and full application forms and require additional documents during the due diligence process.

#### **1.6 Cost-Sharing Requirements:**

RECF offers **co-funding of up to 40%, 50% or 60%** of the total project costs, depending on the requested grant amount. Conversely, businesses must contribute **60%, 50% or 40%** of the total project costs, with **at least half of that in cash** and the remainder in-kind, as described in the table below:<sup>‡‡‡</sup>

| Grant Amount Requested<br>[USD] | Minimum<br>Cost-sharing<br>[% of total budget] | Minimum<br>Cash Contribution<br>[% of total budget] | In-kind Contribution [% of total budget] |  |
|---------------------------------|------------------------------------------------|-----------------------------------------------------|------------------------------------------|--|
| US\$100,000 < US\$250,000       | 40%                                            | 20%                                                 | 20%                                      |  |
| US\$250,000 < US\$350,000       | 50%                                            | 25%                                                 | 25%                                      |  |
| US\$350,000 - US\$500,000       | 60%                                            | 30%                                                 | 30%                                      |  |

#### **Examples:**

| Grant Amount<br>Requested [USD] | Minimum<br>Cost-sharing [USD]                        | Total Budget<br>[USD] |  |
|---------------------------------|------------------------------------------------------|-----------------------|--|
|                                 | US\$80,000 (40%)                                     | US\$200,000 (100%)    |  |
| US\$120,000 (60%)               | [US\$40,000 (20%) Cash + US\$40,000 (20%) In-kind]   |                       |  |
| US\$250,000 (50%)               | US\$250,000 (50%)                                    | US\$500,000 (100%)    |  |
| 03\$230,000 (3078)              | [US\$125,000 (25%) Cash + US\$125,000 (25%) In-kind] |                       |  |
|                                 | US\$675,000 (60%)                                    |                       |  |
| US\$450,000 (40%)               | [US\$337,500 (30%) Cash + US\$337,500 (30%) In-kind] | US\$1,125,000 (100%)  |  |

- In the case of consortium applications, cost-sharing can include resources from partner organisations in addition to the lead applicant's own resources;
- Companies must be able to <u>demonstrate the availability of the proposed cost-share progressively</u> <u>throughout the project duration</u>. All contributions (including those of partners) must be verifiable with supporting invoices/evidence;
- If the company cost-share is found to be illegitimate at any point of the selection process or partnership duration, the proposal review or contract will be terminated.

#### 1.7 Number of proposals:

Applicants can submit more than one EOI (**one per EOI form**) but these must be for distinct business ideas. Applicants should only submit business ideas that are of strategic importance to their business. Applicants must be committed to implementing all the ideas they submit.

#### 1.8 Application & Selection Process

- Two-stage application process (1. EOI and 2. Full Proposal) with real-time assistance available from UNCDF;
- Shortlisted EOI applicants will be asked to submit a full proposal in consultation with UNCDF;
- An independent Investment Committee (IC) will make decisions on both successful EOIs and proposals through a competitive process;
- Successful applicants will be asked to sign a Performance-Based Financing Agreement (PBA) with UNCDF, which will outline the disbursement schedule and mutually agreed upon milestones.

 <sup>&</sup>lt;sup>+++</sup> UNCDF may require investees to continue reporting on certain indicators for a period longer than 24 months.
 <sup>+++</sup> Use the attached <u>EOI Financials and Budget Template</u> to calculate the required cash and in-kind contributions for the requested grant amount.

# 2. Eligibility Criteria

For an application to be eligible, both the *lead applicant* and the *proposed business idea* must satisfy their respective eligibility criteria. Companies that do not fully fulfil the applicant criteria and still wish to apply are encouraged to do so as part of a consortium led by an eligible lead applicant.

Projects that meet these criteria will not be automatically funded; the allocation of funds will be done on a competitive basis following a merit-based selection process. An independent RECF Investment Committee (IC) will review and rate the proposals. Please refer to the attached <u>'EOI FAQ' document</u> for additional details on the eligibility and evaluation criteria.

#### 2.1 The Lead Applicant

#### 2.1.1 Type of entities that are eligible to apply:

- The RECF targets exclusively for-profit private companies, including social enterprises, or consortia led by eligible private companies;
- Other types of entities (e.g. NGOs, CBOs, etc.) can apply as part of a consortium led by an eligible private company (the *Lead Applicant*);
- For-profit arms of non-for-profit organisations can also apply.

#### 2.1.2 Legal status and presence in Uganda:

- The lead applicant must be legally registered as a business and operating in Uganda since at least 2 years as of January 2018;<sup>§§§</sup>
- International companies (with at least 2 years of operation) that wish to expand their business to Uganda are welcome to apply as lead applicants, as long as they are registered as a business and operational in Uganda by **May 2018**;
- Companies that do not have sufficient experience operating in Uganda should partner with a relevant local company that satisfies the 2 year registration requirement;
- To receive RECF funding, all investees will be required to have a physical presence in Uganda and to hire local staff. The number of local jobs created by a given project will be a key factor in the investment committee's funding decision.

#### 2.1.3 Track record

- The RECF targets primarily companies whose core business is solar PV: The lead applicant must have a proven track record and adequate expertise in the field of solar PV<sup>\*\*\*\*</sup> either in-house or through partnerships. A parent company's track record can also be considered;
- The RECF will also accept applications from other relevant companies such last-mile distributors, agribusinesses, regulated financial institutions (e.g. Banks, MFIs) or digital financial service providers, as long as the proposed project is in line with the objectives of this call;
- Applicants that do not have sufficient expertise in the field of solar PV are encouraged to apply as part of a consortium with a relevant partner that can bring solar PV experience;
- Applicants must have the necessary internal capacity to launch the proposed project in June 2018, generate new sales through the project by Q3 2018, and successfully execute the project within the agreed timeframe;

#### 2.1.4 Financial Systems and Audited Accounts

 Applicants must be financially solvent and have the necessary financial systems in place to be able to report to UNCDF<sup>††††</sup> on a regular basis and ensure transparent management of the grant;

<sup>&</sup>lt;sup>§§§</sup> UNCDF will also accept applications from companies that are registered in Uganda since less than 2 years if they are the subsidiary of a foreign company that has been operational since at least 2 years (as of Jan 2018) and has a proven track record in the solar PV sector. Furthermore, the lead applicant must already be active in Uganda at the time of the signature of the contract with UNCDF (May 2018) either directly or through a well-established local partner(s).

This refers not only to technical expertise but also to experience in the distribution or financing of solar PV.

titt Investees are required to submit audited financial reports annually to UNCDF.

• The lead applicant should have audited financial statements for the last **2 years** (2015 and 2016). These are not required at the EOI stage, however, shortlisted candidates will be asked to submit these statements together with their full proposals in January 2018.

#### 2.1.5 National & International Industry Association Membership

Successful applicants must hold a valid membership to a relevant national industry association such as the Uganda Solar Energy Association (USEA) at the time of contract signing with UNCDF in May 2018. They are also encouraged to become members of relevant international industry associations such as the Global Off-Grid Lighting Association (GOGLA) or the Alliance for Rural Electrification (ARE).

#### 2.2 The Proposed Business Idea

To be eligible for funding, the proposed project must:

- Address gaps or barriers in the decentralised solar PV value chain;
- Lead to a step-change in the adoption of such solutions in Uganda, and potentially to transform the market;
- Increase access to affordable, high-quality and durable off-grid solar PV systems in underserved regions of the country;
- Incorporate an element of consumer awareness;
- Be commercially driven and demonstrate a strong potential for commercial viability, scalability and replicability;
- Have a positive impact on women and youth as consumers but also as active participants in the value chain – Projects are required to provide employment opportunities for Ugandan women and youth;<sup>‡‡‡‡</sup>
- Be highly innovative in terms of the proposed product or service, the delivery mechanism, the business model, financing model, and/or market reach; SSS
- Be implementable in June 2018 with new sales/installations being made in Q3 2018.
- Would not take place at the same scale or have the same development impact without support from the RECF;

#### 2.3 Leverage

RECF is interested in working with companies that are serious about becoming "investment ready" that can leverage the RECF funding to access additional financing, and eventually graduate to more commercial sources of capital.

#### 2.4 Data Related Requirements

- Successful applicants must be willing to take part in market data collection initiatives at the national level (e.g. through USEA or GOGLA) and/or international level – Such as the GOGLA/IFC <u>Global Off-Grid Solar Semi-Annual Market Report</u>.
- Companies operating under a Pay-as-you-go (PAYG) or (DESCO) model (or other related enduser financing models) will be asked to report to RECF using the <u>PAYG KPI Framework</u> <u>developed by the World Bank and IFC in collaboration with GOGLA.</u>
- Financial institutions and investors are encouraged to make use of the data tools and harmonized KPIs framework being developed for the PAYG sector to enhance their investment decisionmaking.<sup>\*\*\*\*\*</sup> Both energy companies and financial institutions are encouraged to make use of data tools – to collect, share and aggregate data – being developed with support from UNCDF. Please contact the RECF team for more details.

<sup>\*\*\*\*</sup> Note: This must be an integral part of the proposed project and not simply an ad hoc component of the project. <sup>\$\$\$\$</sup> Note: The proposed business idea must go beyond 'business as usual'.

<sup>\*\*\*\*\*</sup> Companies selected to be part of RECF may benefit from technical resources from IFC's Lighting Global (LG) programme to assist companies in integrating data analytics into their operations in order to improve organizational effectiveness.

# 3. Application Process: Stages & Key Dates

| STAGE I             | Call for Expressions of Interest (EOI) is released                                                                                                                                                                                                                                                                                                                                                                     | 8 <sup>th</sup> November 2017 (Wed)                                                                                                                            |  |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                     | Info Session & Networking Event in Kampala<br>Applicants will be invited to attend a half-day information session on the<br>RECF in Kampala. During the session UNCDF will provide guidelines on<br>the application process and requirements, and answer questions from<br>participants.<br>Companies are invited to bring promotional materials to showcase during<br>the information session.                        | Wed. 8 <sup>th</sup> November, 2017<br>8:30AM - 12:00PM EAT<br>@ Metropole Hotel<br>Plot 51/53, Windsor Crescent<br>Kololo, Kampala, Uganda<br><u>View Map</u> |  |
|                     | Virtual Info Session<br>UNCDF will also host a 'Virtual Info Session' for applicants that cannot<br>attend the Info Session in Kampala. Register:<br>https://attendee.gotowebinar.com/register/5476092759922758146                                                                                                                                                                                                     | Friday 10 <sup>th</sup> Nov., 2017<br>3:00PM EAT (2 hrs.)                                                                                                      |  |
|                     | <b>Preparation of EOI &amp; Company Consultations</b><br>Interested companies are invited to schedule a meeting <b>(one 25 minute meeting per company)</b> with a member of the UNCDF team in Kampala (or remotely via telephone or Skype). During these meetings companies will be able to ask questions and seek advice from UNCDF's experts.                                                                        | Nov 8 <sup>th</sup> to December 5 <sup>th</sup> ,<br>2017                                                                                                      |  |
|                     | Applicants are encouraged to share a draft of their EOI prior to the meeting<br>so that the UNCDF experts can give them feedback verbally during the<br>meeting (No written feedback will be provided). UNCDF will accept EOI<br>drafts until Dec 1 <sup>st</sup> 2017. Only one draft per organization will be<br>reviewed.<br>Sign up for a meeting with the UNCDF team:<br>https://doodle.com/poll/kfnqg8wr7a88mawg |                                                                                                                                                                |  |
|                     | Deadline for submission of EOI(s) (5 weeks)                                                                                                                                                                                                                                                                                                                                                                            | <u>12<sup>th</sup> Dec 2017 (Tuesday)</u><br>@ 17:00 EAT                                                                                                       |  |
|                     | Announcement of shortlisted EOI(s)                                                                                                                                                                                                                                                                                                                                                                                     | Jan 2018                                                                                                                                                       |  |
| STAGE II            | <b>Preparation of detailed proposal, Company Consultations</b><br>During this period UNCDF will provide on-going technical support to<br>shortlisted applicants while they develop their full proposals.                                                                                                                                                                                                               | 5 weeks                                                                                                                                                        |  |
|                     | Deadline for submission of Full Proposal                                                                                                                                                                                                                                                                                                                                                                               | Early March 2018                                                                                                                                               |  |
|                     | <b>Due Diligence</b><br>Once full proposals have been submitted, the UNCDF team will conduct<br>due diligence visits to companies' facilities.                                                                                                                                                                                                                                                                         | 2-3 weeks                                                                                                                                                      |  |
|                     | Announcement of successful candidates                                                                                                                                                                                                                                                                                                                                                                                  | Mid-April 2018                                                                                                                                                 |  |
| Contracting         | Negotiation of PBAs with selected partners                                                                                                                                                                                                                                                                                                                                                                             | 3 Weeks                                                                                                                                                        |  |
|                     | Signature of PBAs with selected partners                                                                                                                                                                                                                                                                                                                                                                               | May 2018                                                                                                                                                       |  |
| Launch of projects  |                                                                                                                                                                                                                                                                                                                                                                                                                        | June 2018                                                                                                                                                      |  |
| First disbursements |                                                                                                                                                                                                                                                                                                                                                                                                                        | Upon achievement of first                                                                                                                                      |  |

# 4. Attached documents to this Call for EOI [4]

1] EOI General Information; 2] EOI Form; 3] EOI Financials and Budget Template; 4] EOI FAQ [All documents can be downloaded <u>here]</u>

# 5. Submission Requirements

#### **Online Application:**

- 1. Please complete the online *EOI Form*: <u>https://uncdf.forms.fm/renewable-energy-challenge-fund-recf-solar-window</u>
- Prior to completing the online form, please download and read carefully the *General Information document* and the *FAQ document*. You can also print the *EOI Form* in PDF format and use it as a reference while filling up the online form;
- 3. Please download, complete and submit (via the online form) the *EOI Financials and Budget Template* (excel file) based on the size of the grant you are requesting;
- 4. Also submit (via the online form) product specification sheets, photographs and product pricing information;
- 5. Once the online *EOI Form* is completed and all required documents have been uploaded, please submit your application. [You can also save a draft application and finish it later if necessary]

### DEADLINE FOR SUBMISSION OF EOI(s): 12<sup>TH</sup> DECEMBER 2017 (TUESDAY), 17:00 EAST AFRICA TIME

#### Note:

- If for some reason you are unable to complete and submit an application using the online form or if you encounter any technical issues please contact us at: <a href="mailto:recf.uganda@uncdf.org">recf.uganda@uncdf.org</a>
- Applicants submitting more than one EOI should prepare a separate EOI form for each idea they wish to put forth.
- All submissions will be time-stamped. Submissions received after the deadline will not be considered.
- Please ensure that you have sufficient time to submit the form and upload all attachments before the deadline – Documents uploaded at 17:00 EAT or shortly before are unlikely to be fully transferred on time.
- If you have a poor Internet connection and are unable to submit documents online, please advise the UNCDF team <u>at least 5 days prior to the deadline</u>. No extensions will be granted to applicants unable to submit on time due to connectivity issues.

If you have any queries or require assistance please e-mail <u>recf.uganda@uncdf.org</u>. UNCDF will accept inquiries related to the EOI until December 5<sup>th</sup>.

Schedule a meeting with the RECF Technical Assistance (TA) team here: https://doodle.com/poll/kfnqq8wr7a88mawg

#### About UNCDF CleanStart

UNCDF's CleanStart programme co-invests in early stage innovations from financial institutions, distributed energy service companies and other providers of wholesale or retail financing for clean energy. The goal is to fill a "missing middle" in energy financing, as well as to facilitate access to additional, more commercial financing for proven business models to scale. CleanStart contributes to achieving SDG 7 on affordable and clean energy for all.

For more information on UNCDF and CleanStart visit: http://www.uncdf.org/en/cleanstart

#### DISCLAIMER:

1) The outcomes of the EOI shortlisting and the full proposal selection process are final and cannot be contested. The number and size of individual grants provided by the RECF will be at the discretion of the Investment Committee and subject to approval from the UNCDF CleanStart board. There is no right of appeal.

2) The UNCDF RECF management team will provide assistance and feedback to companies throughout the application process. The main purpose of this assistance is to help applicants submit compliant EOIs. Any feedback or recommendations provided are merely suggestions and it is at the discretion of the applicant as to whether apply them or not.

The UNCDF team and its experts assume no responsibility for any consequences related directly or indirectly to any actions (or inactions) taken in reliance on the feedback, advice or recommendations provided, or any decisions based on it.

3) Receiving UNCDF guidance during the application process does not guarantee that your EOI will be shortlisted or that your full proposal will be selected. UNCDF will provide the same level of support to all companies that sign up for assistance.

<sup>&</sup>lt;sup>1</sup> http://www.ren21.net/gsr-2017/chapters/chapter\_03/chapter\_03/#target\_25

<sup>&</sup>lt;sup>2</sup> Based on reported sales for 2016 (383,420) and H2 2014 to H2 2015 (245,686) – Source: GOGLA, IFC, Berenschot, BNEF

<sup>&</sup>lt;sup>3</sup> Based on the Global Off-Grid Market Report Semi-Annual Sales and Impact Data for H1, H2 2016 and H1 2017 – Source: GOGLA, IFC, Berenschot, 2016-2017 – This figure represents about 50% of all sales when also considering non-branded generic products on offer.

<sup>&</sup>lt;sup>4</sup> A quick estimate based on reported sales for the 2014-2016 period (629k) and an estimated 5.5M off-grid HHs gives 11.5% but there are lower estimates.

<sup>&</sup>lt;sup>5</sup> IEA - Energy Access Outlook 2017, <u>http://www.iea.org/access2017/</u>

<sup>&</sup>lt;sup>6</sup> "618 000 households in urban areas and 4.85 million households in rural areas don't have access to electricity" SOURCE: UGANDA'S SUSTAINABLE ENERGY FOR ALL (SE4AII) INITIATIVE ACTION AGENDA, MINISTRY OF ENERGY AND MINERAL DEVELOPMENT, June 2015

<sup>&</sup>lt;sup>7</sup> IEA - Energy Access Outlook 2017 Figure 1.2, <u>http://www.iea.org/access2017/</u>

<sup>&</sup>lt;sup>8</sup> IEA - Energy Access Outlook 2017, <u>http://www.iea.org/access2017/</u>

<sup>&</sup>lt;sup>9</sup> IRENA Off-Grid Renewable Energy Systems: Status and Methodological Issues

https://www.irena.org/DocumentDownloads/Publications/IRENA\_Off-grid\_Renewable\_Systems\_WP\_2015.pdf

http://www.africaprogresspanel.org/wp-content/uploads/2017/04/APP\_Lights\_Power\_Action\_Web\_PDF\_Final.pdf

IEA - Energy Access Outlook 2017, http://www.iea.org/access2017/

<sup>&</sup>lt;sup>10</sup> https://www.lightingglobal.org/quality-assurance-program/our-standards/

<sup>&</sup>lt;sup>11</sup> https://webstore.iec.ch/publication/25275