

Dear Sir/Madam,

**Call for Expression of Interest**  
**Powering Opportunities Partnership (POP)**  
**Local Value Addition and Employment Creation (VA&EC) demonstration projects in sub-Saharan Africa**

The **Powering Opportunities Partnership (POP)**, a component of the **UK Department for International Development (DFID)**'s wider **Transforming Energy Access (TEA)** programme (<https://www.carbontrust.com/tea/>), is aimed at exploring how the off-grid sector can better stimulate local jobs and drive economic development in sub-Saharan Africa. This marks the second competition under the TEA POP component.

This **Local Value Addition and Employment Creation (VA&EC)** call is aimed at providing grant support to projects and partnerships which meet the following requirements: (a) operate in the off-grid energy sector, (b) test new or enhanced business models in the 'upstream' segments of the value chain, (c) are focused on growing the local share of value in the off-grid energy sector and/or local employment creation, and (d) are located in any Sub-Saharan African country, excluding South Africa.

For this call we define off-grid energy as:

- Solar lanterns and other home solar products;
- Solar home systems;
  - Small – basic lighting, phone charging, etc.
  - Large – multi-lighting and basic appliances (including cooking appliances)
- Mini-grids; and
- Highly efficient productive use technologies such as refrigerators, pumps and processing machines.
- Call is also open to applications involving major components in the above, for example solar modules, inverters, batteries, control & instrumentation, compressors and/or pumps.

This specific Call for Expression of Interest is focused on upstream elements of the off-grid energy value chain, which includes the following:

**Upstream supply chain**



- Research & development, and testing products
- Manufacture and assembly of products
- Excluded from this call are:
  - Marketing and sales of products;
  - Wholesaling and distribution of products;
  - Installation and servicing;
  - Repair, refurbishment and recycling (e-waste) of products<sup>1</sup>.

<sup>1</sup> These value chain segments are excluded as they will be supported under a different TEA POP element

## Expression of Interest

This **Call for Expressions of Interest** is intended for organisations (including innovative partnerships and joint ventures between organisations) that propose locally situated, high potential, replicable and scalable opportunities in upstream off-grid energy segments. Proposals are invited for projects that integrate with and stimulate regional off-grid energy value chains, which consequently realise a meaningful and sustainable increase in local employment and economic value creation. The project should serve to demonstrate the opportunity for upstream off-grid energy -linked economic development in Sub-Saharan Africa.

Please read this Call for Expression of Interest (including Terms of Reference) attached to this document for more information. Key dates for the Eol stage are included below:

Stage	Description	Date (if applicable, time)
Eol	Eol submission period opens	09/04/2019
	<b>Eol submission deadline</b>	<b>1700 (BST)<sup>2</sup> 17/05/2019</b>
	Eol Clarification Interviews (if required)	In the week commencing 27/05/2019
	Notifications to shortlisted/unsuccessful Eol applicants	07/06/2019

Shortlisted applicants after the Expression of Interest phase will be invited to submit a Full Proposal. Should your Full Proposal be successful, an award letter, the Terms of Reference (as amended to incorporate or include your proposal) and the Conditions of Contract will establish the Contract for Research into Powering Opportunities Partnership (POP) - Local Value Addition and Employment Creation (VA&EC) (the “**Contract**”) between you and the Carbon Trust. The Carbon Trust leads the Research Programme Delivery Consortium (RPDC) for TEA, under contract to DFID.

Unless informed to the contrary, please send proposals and all communications (including requests for clarifications) by email to the following email address: [TEA-POP-VAEC@carbontrust.com](mailto:TEA-POP-VAEC@carbontrust.com)

We look forward to receiving your Expression of Interest.

Yours sincerely

Daniel Marten  
TEA - POP Programme Manager  
For and on behalf of  
**THE CARBON TRUST**

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<sup>2</sup> BST is British Summer Time



## **Call for Expression of Interest**

**- FOR -**

### **Powering Opportunities Partnership (POP)**

**Local Value Addition and Employment Creation (VA&EC)  
demonstration projects in Sub-Saharan Africa**



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## 1 Introduction

- 1.1** This call for Expression of Interest (Eol) has been prepared by the Carbon Trust and Energy 4 Impact on behalf of the UK Department for International Development (DFID) for the purpose of inviting the submission of proposals for action research projects as described in the Terms of Reference (ToR).
- 1.2** Selection of grantees under the programme will be a two-stage process utilising an Eol open to any applicant, before the invitation to submit a full proposal from selected Eol submissions.
- 1.3** The process will be conducted in a manner that ensures proposals are evaluated fairly, and to ascertain those that are the most responsive to the research objective and best value for money.
- 1.4** The documents related to this call for applications include:
- 1.4.1 The Expression of Interest (Eol) document & Terms of Reference (ToR) document (this document)
  - 1.4.2 Templates to respond to the Eol
    - Application template
  - 1.4.3 Background information:
    - POP Theory of Change
    - Transforming Energy Access gender equality and social inclusion (GESI) vision and principles
- 1.5** The timeframe for this competition is as follows:

Stage	Description	Date (if applicable, time)
<b>Eol</b>	Eol submission period opens	09/04/2019
	First round of Eol questions	Last questions to be received by: 24/04/2019 Carbon Trust's response to be expected by: 26/05/2019
	Second round of Eol questions	Last questions to be received by: 06/05/2019 Carbon Trust's response to be expected by: 09/05/2019
	<b>Eol submission deadline</b>	<b>1700 (BST)<sup>3</sup> 17/05/2019</b>
	Eol Clarification Interviews	In the week commencing 27/05/2019
	Notifications to successful/unsuccessful Eol applicants	10/06/2019
<b>Full proposal</b>	Invitation to Full Proposal issued to shortlisted Eol applicants, to respond with a Full Proposal	10/06/2019
	First round of Full Proposal questions	Last questions to be received by: 21/06/2019 Carbon Trust's response to be expected by: 25/06/2019
	Second round of Main Proposal questions	Last questions to be received by: 03/07/2019 Carbon Trust's response to be expected by: 05/07/2019
	<b>Full Proposal Deadline</b>	<b>1700 (BST) 12/07/2019</b>

<sup>3</sup> BST is British Summer Time



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<b>Eoi</b>		Carbon Trust's response to be expected by: 26/05/2019
	Second round of Eoi questions	Last questions to be received by: 06/05/2019 Carbon Trust's response to be expected by: 09/05/2019
	<b>Eoi submission deadline</b>	<b>1700 (BST)<sup>4</sup> 17/05/2019</b>
	Eoi Clarification Interviews	In the week commencing 27/05/2019
	Notifications to successful/unsuccessful Eoi applicants	10/06/2019

### 4.2 Clarifications made or required by the Carbon Trust

4.2.1 In addition to answering questions from applicants, the Carbon Trust may also, at its discretion, issue further clarifications at any time if it considers this to be appropriate.

4.2.2 The Carbon Trust may also (at its absolute discretion) request clarification during the evaluation phase of any aspect of an applicant's proposal. Applicants are asked to respond to such requests promptly. Vague or ambiguous answers are likely to score poorly.

### 4.3 Structure of Eoi submission

4.3.1 Your application template must explain how you envision to meet the POP VA&EC requirements as described in the ToR on the application template provided on the website (<https://www.carbontrust.com/tea/news/2019/04/tea-pop-va-ec/>) Applications that do not follow this format will not be considered.

4.3.2 Your Eoi should contain the following:

4.3.3 Completed narrative Eoi template (no more than 5 pages), which requests:

- Overview of applicant (including implementing organisations, partner organisations and all key capabilities)
- Brief project description, approach to demonstration project and implementation strategy (including project title, project status, project location, project vision, project description, basic delivery plan and outline of outcomes and impacts)
- Project finance (total project budget, budget requested from this Competition, budget provided by co-funders)
- Identified project beneficiaries
- High-level description of project risks

4.3.4 Additional documentation (not included in the application template):

- Brief CVs of staff involved

### 4.4 Evaluation of Eoi

4.4.1 Your Eoi will be evaluated taking into consideration factors such as:

- Responsiveness to problem statement (refer to the ToR);
- Availability of co-funding;
- Engagement with and involvement of local partners, development partners and financing partners;
- Potential scalability/replicability of project;
- Potential for action learning outcomes that can be analysed and reported.

### 4.5 Scoring Matrix for evaluation of Eoi

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<sup>4</sup> BST is British Summer Time

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- 4.5.1 Eols will be scored for each of the factors outlined in 4.4.1 (each equally weighted) according to the following matrix:

Score	Explanation
0	Failed to address the criteria/question/issue. Totally non-compliant.
1	Inadequate response/answer/solution - inadequate or poor evidence of skill/experience/resource sought; high risk that relevant skills/resource will not be available.
2	Limited response/answer/solution - lacks convincing evidence of skill/experience/resource sought; lack of real understanding of requirement or evidence of ability to deliver; medium risk that relevant skills/resource will not be available.
3	Acceptable response/answer/solution – Meets the required skill/experience/resource, but fails in some areas; provides acceptable level of detail, accuracy and ability/resources required to meet deliverables.
4	Good response/answer/solution - demonstrates real understanding of requirement and evidence of ability/resource required to meet it (based on good experience of providing the services to other organisations with similar profiles).
5	Excellent – response/answer/solution gives real confidence (based on outstanding experience of providing the services to other organisations with similar profiles) that the supplier will add real value in managing the project and fielding a team with excellent skills and a deep understanding of The Carbon Trusts’ ethos and service needs.

### 4.6 Instructions for Return of Eols

- 4.6.1 You must submit your Eol in PDF format to [TEA-POP-VAEC@carbontrust.com](mailto:TEA-POP-VAEC@carbontrust.com). Eols must be received by the Carbon Trust by no later than **1700 (BST)<sup>5</sup> 17/05/2019**. It is your responsibility to ensure that your Eol is delivered no later than the appointed time.
- 4.6.2 Late Eols will not be considered unless the Carbon Trust, in its sole discretion, decides to do so and is satisfied that the delay was caused by reasons outside of your control.

### 4.7 Unsuccessful Eol Applicants

- 4.7.1 Applicants will be informed if they have been unsuccessful following a decision to shortlist for Full Proposal.

## 5 Other requirements and additional information

### 5.1 Learning & Dissemination requirements

Throughout the duration of the project, the project partner will be expected to provide inputs to various learning and dissemination actions required by TEA POP. The project partner will be required to allow sharing and receiving of knowledge from other TEA project components (as relevant, on an ad-hoc basis). Projects will be required to provide regular technical and socio-economic data, as well as periodic performance updates according to the monitoring and evaluation plan and logframe, and to support the development of case studies and other intermediate research/learning/insight products throughout the project duration.

### 5.2 Intellectual property

- 5.2.1 Intellectual property in all material (including, but not limited to, reports, data and designs, whether electronically stored or not) produced by the project partner or its personnel, members or representatives in the course of this project (“the Material”) will be the property of the project partner. All outputs listed within the deliverables shall be made publicly available for use (in cases such as models or tools) as per the requirements of the scope of work.

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- 5.2.2 In signing the Contract, the project partner grants to DFID a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material, where “use” shall mean, without limitation, the reproduction, publication and sub-licence of all the Material and the intellectual property therein, including the reproduction and sale of the Material and products incorporating the same, for use by any person or for sale or other dealing anywhere in the world.

### 5.3 Anti-Bribery

- 5.3.1 The Carbon Trust requires full compliance with the Bribery Act 2010. All applicants must make themselves familiar with the Carbon Trust’s Anti- Bribery Code of Conduct <http://www.carbontrust.com/terms>.

### 5.4 Conflicts of Interest

- 5.4.1 Applicants are required to declare in their Eol submissions any conflict or potential conflict of interest and provide clear details of their plan for managing this. It is possible that there may be circumstances where the Carbon Trust (in its absolute discretion) considers that such a conflict or potential conflict of interest would not be manageable or acceptable. In which case, the Carbon Trust may reject the Eol.

### 5.5 Interviews

- 5.5.1 Following the evaluation of submitted EOI’s, applicants may be invited to an interview for clarifications.

### 5.6 Cessation of Procurement or Alteration of Process

- 5.6.1 The Carbon Trust reserves the right to terminate this procurement or to change any aspect of the Competition process at any time.
- 5.6.2 The Carbon Trust is not bound in any way to accept the lowest or any application. Unless any Applicant makes a formal statement in its proposal to the contrary, the Carbon Trust reserves the right to accept a proposal either in whole or in part. The Carbon Trust reserves the right to accept more than one proposal.
- 5.6.3 Applicants will not be entitled to claim from the Carbon Trust any costs or expenses which may incur in preparation of the proposal or in respect of the Competition process. This applies whether or not the proposal is successful and regardless of whether or not the Competition process is changed, the procurement is terminated, or a contract is awarded.
- 5.6.4 Nothing in this Eol or any other communication made between the Carbon Trust and/or its representatives and any person shall constitute an agreement, contract or representation (except for a formal award of contract made in writing by the Carbon Trust). Receipt by the applicant of this Eol does not imply the existence of a contract or commitment by or with the Carbon Trust for any purpose and applicants should note that this Competition may not result in the award of any contract.

### 5.7 Applicants Should Note

- 5.7.1 The information contained in this Call for Expressions of Interest and the supporting documents, and in any related written or oral communication, is believed to be correct at the time of issue or making but the Carbon Trust will not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such. The information given by the Carbon Trust does not purport to be all inclusive or to include all the information that an applicant may require.
- 5.7.2 Applicants should note that, in the event an Eol is considered to be fundamentally

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unacceptable on a key issue, regardless of its other merits, that EoI may be rejected.

- 5.7.3 Applicants are required to confirm in their EoI that they unequivocally agree to the Carbon Trust's Conditions of Contract. The Carbon Trust may in its discretion exclude EoIs that specify an intention to negotiate the Conditions of Contract. Notwithstanding this, any proposed amendments must be submitted in your EoI submission.
- 5.7.4 It is the responsibility of applicants to obtain at their own expense all additional information necessary for the preparation of their EoI. No claims of insufficient knowledge will be accepted.

## **Terms of Reference**

**- FOR -**

### **Powering Opportunities Partnership (POP)**

**Local Value Addition and Employment Creation (VA&EC)  
demonstration projects in Sub-Saharan Africa**

### 6 TEA programme and The Powering Opportunities Partnership (POP)

The Transforming Energy Access for Households and Improved Livelihoods Programme (TEA) is a programme from the UK Government's Department for International Development (DFID), designed to have a transformative impact on the deployment of renewable energy solutions in developing countries to support the progress of clean energy access. Up to £100 million will be invested over 5 years.

This programme is designed to identify regional issues and solutions relating to energy access in developing nations in Sub-Saharan Africa and South Asia.

The Powering Opportunities Partnerships (POP) is a component under the TEA programme.

The Powering Opportunities Partnership will demonstrate how the off-grid energy sector can stimulate local job creation and gross value added in Sub-Saharan Africa, with two focus areas across the off-grid energy value chain: (1) productive energy end-use with attention to creating and driving rural economic development and demand, met by responding supply; and **local upstream (R&D, testing, manufacturing, assembly)** and the far downstream (end use, repair, refurbishment, recycling) segments of the value chain.

The uniqueness of the Powering Opportunities Partnerships (POP) is that it will support local economic development opportunities across the off-grid energy value chain, wherefrom total value chain economics might be improved and a platform for new and/or unconventional partnerships will be enabled to emerge more strongly.

The second competition window under POP, which this Terms of Reference (ToR) describes, is a call for demonstration projects related to **Local Value Addition and Employment Creation (VA&EC) in the upstream off-grid energy (to be referred to as OGE throughout this ToR) sector**, explained in more detail below.

### 7 Powering Opportunities Partnerships VA&EC - problem statement

Due to its large access deficit, there is a substantial international focus on delivering energy access in Sub-Saharan Africa. Energy solutions deployment rely on several different value-creating processes, including: R&D, manufacturing, assembly, logistics, sales, marketing, installation, servicing, customer-services and recycling. Amongst these, the processes which do not intrinsically require proximity to customers are largely conducted outside of SSA.

Value addition and employment creation (often identified as local content, manufacturing and industrialisation) are crux political issues across Sub-Saharan Africa, as is access to energy and socio-economic development. There are efforts in manufacturing renewable energy equipment in Africa and a variety of recent studies concerning value and employment creation from renewables and local manufacture and assembly in the energy sector, which this competition seeks to build on and learn from. There is also significant interest in creating and showcasing demonstrable success stories concerning sectoral value creation; enabling regional actors such as ECREEE, SACREEE and EACREEE to drive their mandates; and improve collaboration with government agencies and other financing and technology role players.

In many countries the OGE sector is viewed as being dominated by Chinese product imports sold by US and EU-owned companies, thereby creating only a small amount of the total theoretical local economic benefit. There is the possibility, therefore, to grow Sub-Saharan Africa's "share of value" in the off-grid energy sector, as the OGE sector grows.

This may also decrease the incentive for African governments to enforce import duties on electricity equipment to recoup value from the off-grid electricity sector, further improving the economics and therefore accelerated scale up of OGE. For example, in some SSA countries, only solar panels are subject to import exemptions while related equipment is not - it is estimated that capital costs of mini-grids could be cut by 15% through further duty waivers and VAT exemptions.

Local industrialisation is a key socio-economic development priority in SSA, and although results of previous efforts at manufacturing renewable energy equipment in Africa have been mixed, it remains a sector worthy of attention due to the very local nature of the sector. Whilst much attention has been paid to developing other parts of the OGE value chain, the development, testing, manufacturing and assembly of products have received limited attention. These are considered high potential areas for greater value and employment creation across Sub-Saharan Africa as the sector expands.

## 8 Powering Opportunities Partnerships VA&EC – programme objective

The objectives of the programme are strongly aligned with strategic objectives in Sub-Saharan Africa expressed by many governments, parastatals, donors, development agencies, NGOs and other organisations working to address development and energy challenges in developing economies. These challenges include the desire to accelerate access to clean energy services through a more dynamic power sector, focusing on the positive impacts to local economic activity and jobs.

Access to energy, local revenue and employment are all highly politicised topics, which is a strong driver of follow-on government investment should the local benefits be clearly demonstrated. The further benefit to governments would be political engagement and support from citizens. As well as through greater tax revenues – which could be channelled back into the energy sector or other – greater local ownership and employment in the off-grid sector would increase capacity and opportunities for local staff and communities; create more, better paid jobs; and indirectly stimulate the creation of further industries and services. Increased employment, especially in rural areas, would further benefit the economic and social standing of communities.

POP's ultimate objective is to yield examples of sustainable local enterprise development, local value/incomes improvement and local job creation, closely associated with the OGE sector.

## 9 Project Description

### 9.1 Type of Project

The POP VA&EC call requires applicants to propose demonstration projects in sub-Saharan Africa, focusing on the upstream-Off-grid Energy (OGE) value chain (R&D, testing, manufacturing and/or assembly). For this call we define off-grid energy as:

- Solar lanterns and other home solar products;
- Solar home systems;
  - o Small – basic lighting, phone charging, etc.
  - o Large – multi-lighting and basic appliances (including cooking appliances)
- Mini-grids; and
- Highly efficient productive use technologies such as refrigerators, pumps and processing machines.
- Call is also open to applications involving major components in the above, for example solar modules, inverters, batteries, control & instrumentation, compressors and/or pumps.

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We are also open to applications involving major components in the above, for example solar modules, inverters, batteries, control & instrumentation, compressors and pumps.

- Excluded from this call are:
  - Marketing and sales of products;
  - Wholesaling and distribution of products;
  - Installation and servicing;
  - Repair, refurbishment and recycling (e-waste) of products<sup>6</sup>

The project should offer a theory of change towards improved viability of the locally-situated value chain segment, and its effects towards improved regional OGE sector economics, increased local employment and greater local value-capture through the creation of new or improved local upstream-OGE industry operations.

Thematic areas include:

- Greater local value addition in existing local operations; for example, through introducing/transferring new technology, improved operational efficiency/capacity, or integrating a business model that applies to another technology or business application;
- Capturing greater local content by establishing/extending new local upstream OGE activities that demonstrate a new business model;
- Facilitating better integration with or improvement of economics of one or more upstream segments within regional OGE value chains that enhances the viability of another OGE segment;
- Working with national government to trial the development, implementation or enforcement of policy or regulation that induces rapid local private sector response. This includes building upon existing policies and incentives around domestic manufacture and supply;
- Other innovative business enabling activities that applicants wish to propose.

The project should be able to show high regional relevance; demonstrate its potential for integration and positive impacts on existing OGE value chain segments; and show potential for replicability and scalability in the region and elsewhere.

Projects proposed for this VA&EC Call for Expressions of Interest, should consider and articulate how they:

- align with regional, national or local action plans and programmes relating to value addition and employment creation in the OGE sector; and
- are innovative, specifically expressing how the innovation is expected to lead to improved segment/operational viability, and how the project design has learnt from and builds upon prior regional and continental efforts to develop local manufacturing, such as in the renewable energy sector amongst others.

The project proposed should be designed to yield clear evidence of its impact on regional OGE sector viability and increase in local value addition and employment, in order to inform the considerations for added incentives and adaptation of policy (where relevant) by national governments and regional and national parastatals, in order to further support domestic manufacture and supply.

Credible mechanisms should be included to ensure that data and learnings from the demonstration project are gathered and are published more widely. Projects are expected to

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<sup>6</sup> These value chain segments are excluded as they will be supported under a different TEA POP element

support the Research Programme Delivery Consortium to develop data and knowledge products and dissemination and uptake.

This Competition is looking to support concretely defined demonstration projects, which propose innovative, viable, replicable and scalable upstream OGE sector interventions that create local value and jobs.

Due to the demonstration objectives, the proposed project should manifest as physical activity on the ground.

### 9.2 Project timelines and duration

The Competition is not prescriptive in terms of timelines and milestones for the proposed projects, and applicants are invited to propose these in their work plan. However, projects should be designed to make optimal use the anticipated actively-supported period of 18 – 24 months from the commencement date. The anticipated commencement date for the Services is June 2019.

### 9.3 Project's geographic scope

The countries in scope for intervention can be located in any Sub-Saharan African country, excluding South Africa.

### 9.4 Financing and co-financing requirements

A minimum of 50% co-funding (either financial or in-kind) is a prerequisite for proposal consideration. The partnership model should therefore extend to also include financial partnership to support the delivery of the proposed project.

The company must provide matching funds on at least a 1:1 basis. This means if an applicant is requesting £50,000, it must be prepared to put in £50,000 of its own or from another source towards the project, making a total project size of £100,000.

Matching funds can be proposed from a variety of sources, including cash and equity, in-kind contributions, other grants, commercial sources such as venture capital, impact loans and debt. There is some flexibility in what will be considered for matching funds. In principle, evaluation considerations will include:

- to what extent the applicant is sharing the project costs and risks
- are the proposed matching funds directly relatable to the project being proposed and contributing to its realisation?
- are the proposed matching funds additional?

All matched funding must be clearly linked to the action research project proposed.

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