

# REQUEST FOR PROPOSALS

## Renewable Energy Program for Sub-Saharan Africa, mainly in rural areas

### 1.- Introduction

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#### 1.1- Framework of the RFP: the European Fund for Sustainable Development of the European Union

The European Fund for Sustainable Development (EFSD) combines a Guarantee Fund (of up to 1.5 billion EUR) with two regional investment platforms - the Investment Platform for Africa and the Neighbourhood Investment Platform.

Under the Investment windows of the Guarantee Fund, the pillar-assessed (accredited) entities can submit **Proposed Investment Programs (PIP)**, which are the framework for specific projects to be defined and supported. The two Spanish pillar-assessed entities (AECID and COFIDES) have jointly presented the Renewable Energy Program for Sub-Saharan Africa, mainly in rural areas (hereinafter, the PIP) which is the focus of this RFP.

This PIP builds on the current lack of access to energy in Sub Saharan Africa and the MENA countries which limits productive development and increases inequalities, as the access to electricity is a key factor to economic and social development by improving household living conditions, sanitary conditions and access to more efficient technologies that increase productivity and contribute to community development and job creation.

The objective of the PIP is to support **mini/off-grid projects** in order to improve energy access in underserved rural and/or peri-urban areas and enhance productive uses of energy. Due to the high risk-profile of the operations to be supported through this component, a guarantee provided by the EU in the context of the EFSD will support the financing provided by the Spanish Government.

#### 1.2.- Objective of the RFP

The RFP intends to identify projects that are in line with the following characteristics:

- Mini/off-grid renewable power Generation proposals
- In underserved areas (rural and/or periurban)
- Special consideration to productive uses of energy.

#### 1.3.- Financing source and requirements

A maximum of 28 EUR million will be available to provide subordinated debt to the projects. The resources for financing specific projects under the PIP will be made available through FONPRODE (Development Fund managed by AECID), with the backing of the EFSD guarantee. Final commitment will be subject to a positive due diligence process and the approval of the FONPRODE governing bodies and the confirmation of the EFSD Guarantees for this initiative.

Given the origin of the resources being mobilised (the European Union and the Spanish administration) and their internal process of approval, formalisation and disbursement, it is important to bear in mind that the availability of the funding resources is to be foreseen for early 2021.

The financial structuring requirements to fulfil are:

- Minimum Equity /Quasi Equity requirement per SPV: 25% of the project vehicle financial needs
- Maximum request per project: up to 35% of the total project vehicle financial needs or 14 EUR million
- Maximum tenor: up to 15 years maturity, including up to 3 years principal grace period

In addition, a 2 EUR million for technical assistance to the projects will be also available.

#### **1.4.- Invitation to the submission of proposals**

COFIDES invites private entities (i.e. companies, consultants, commercial banks, fund managers...) to submit proposals in the framework of the *Renewable Energy Support Programme for Sub-Saharan Africa, mainly in rural areas*, focusing on off-grid solutions, in order to improve energy access in underserved rural and/or peri-urban areas and enhancing productive uses of energy.

There is no limit to the number of Concept Notes that a single private institution or entity may submit.

#### **2.- Eligibility criteria: projects**

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**Project type:** development of small-scale electricity generation solutions based on renewable energies that distribute electricity to a limited number of customers (either households, industries, or both) through a distribution network that can operate in isolation from the national transmission networks. The project should contribute to improve the supply of electricity in rural or peri-urban areas with significant benefits to people without access to reliable sources of energy.

**Geographical focus:** Sub-Saharan Africa

**Target project size:** between EUR 5 million and EUR 40 million.

**Jurisdiction:** Projects in adapted regulatory frameworks or that promote the establishment and operation of these systems will be favoured. Specific purpose companies located in tax havens according to Spanish legislation cannot be financed.

**Social and Environmental Requirements:** The project to be financed must comply with the guidelines on social and environmental matters contained in FONPRODE's Code of Responsible Financing (CFR), which seeks to meet internationally recognized standards issued by the United Nations, the International Finance Corporation of the World Bank Group and the OECD. No project that affects or may affect the environment or people is eligible for funding. All funded activities will be carried out in accordance with local environmental and social laws and regulations and the IFC Performance Standards. In addition, in the context of the recently launched EU Taxonomy, investment assessments will pay particular attention to these new guidelines as an additional European reference. In the case of projects requiring an exhaustive environmental and social impact assessment, it will be provided as an annex of the concept note.

**Technological neutrality:** those technological solutions already tested will be eligible.

**Duration:** The implementation period of a project may not exceed 24 months. The operation period of the project should have a lifespan beyond the duration of the financing provided by Spain.

### SDG Goals:

Therefore, the RFP is looking for projects that could foster sustainable and inclusive economic and social development and promote socio-economic resilience, by contributing to energy access in rural areas.

The project shall contribute to the achievement of sustainable development objectives 7, 9 and 13, corresponding to "Access to affordable and clean energy", "Creation of sustainable and resilient infrastructure development", and "Urgent action to combat climate change and its impacts", respectively.

In terms of **impact**, specific attention to sustainable and inclusive growth and creation of decent jobs will be crucial. Gender perspective may also be included in the design and execution of RE projects. Productive uses of energy will also be specifically tackled.

The PIP aims also at fighting against climate change and promoting clean energy.

Potential contribution to SDGs shall also be considered, in particular to the pre-identified following ones:



### 3.- Eligibility criteria: sponsor

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The sponsor will be a **legal entity** duly registered in its country of origin, with proven experience in the development of similar projects as well as the appropriate technical, financial and implementation capacity. Experience and presence in the field will be valued, as well as the existence of local partners.

An exhaustive list of documents (trade register, articles of association, balance sheets, financial statements, information on its experiences with similar projects underway or completed, or any other study, report, research that may help to better evaluate its experience) will be provided to justify the required capabilities.

**Integrity:** The sponsor will not be on the OFAC and EU prohibited lists, nor have they been convicted by a final judgement of fraud, corruption and/or participation in a criminal organisation. Nor will it be in a state of bankruptcy, insolvency or receivership or similar situation.

### 4.- Financing conditions

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**Financial Structure:** A Special Purpose Vehicle (project company) must be established and will be the recipient of the funding. The project will have an equity tranche minimum of 25%. The Sponsor shall co-invest in the project.

**Financial sustainability:** The Sponsor must provide a business plan and financial model to validate the financial sustainability of the project. The IRR with and without support from the **Renewable Energy Program** must be calculated and provided.

**Currency:** Funding to be requested must be denominated in EUR or USD.

#### 5.- Eligibility criteria: TA resources

TA resources will be provided to support selected projects. Eligible activities to be supported with non-reimbursable sources encompasses<sup>1</sup>:

- Feasibility Studies
- Funding early stage activities as: pilot or test phase
- Environmental and Social Impact action plan

Maximum Amount per SPV request: 0,3 EUR million

#### 6.- Submission of projects and procedure

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For the appropriate and valid submission of projects, the following documents will be required:

- i. Form included in Annex 1
- ii. All the information requirements included in Annex 1, section F
- iii. The financing request signed by the sponsor.

#### 6.- Indicative timeline

The expected timeline is as following:

Stages	Date	Time
1. Deadline to submit questions on the present Request for Proposals (in writing)	18/06/2020	20hr00 (CET)
2. Deadline for submission of proposal	25/06/2020	20hr00 (CET)
3. Publication of the resolution of the Request for Proposals	09/07/2020	20hr00 (CET)
4. Deadline for the submission of clarifications requests and inquires in relation to the resolution of the call	16/07/2020	20hr00 (CET)
5. Deadline to address the inquires	23/07/2020	20hr00 (CET)
6. Final publication of the Proposals selected	27/07/2020	20hr00 (CET)

Kindly note that given the origin of the resources being mobilised (the European Union and the Spanish administration) and their internal process of approval, formalisation and disbursement, it is important to bear in mind that the availability of the funding resources is to be foreseen for early 2021.

#### 7.- Disclaimer

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<sup>1</sup> Subject to EU approval.

COMPAÑÍA ESPAÑOLA DE FINANCIACIÓN DEL DESARROLLO, COFIDES, S.A., S.M.E. («**COFIDES**») is a European Union accredited entity to manage the European Commission budget. The information contained in this Request for Proposal («**RFP**») or any other subsequent communication provided, in any form, and related to it is exclusively intended for information purposes to the Applicants. COFIDES shall not be liable for any inaccuracy, incompleteness, inadequateness or incorrectness of the information of this RFP. COFIDES may at any time update, amend or supplement the information contained in this RFP at its sole discretion but without being under the obligation to do so.

The purpose of this RFP is exclusively to communicate to prospective Applicants information useful to them in the formulation of their proposals. This RFP is not an offer or an invitation nor an agreement. COFIDES reserves the right to withdraw this RFP at any time. Any potential financing is subject to the successful completion of project's due diligence and the corresponding approval process by the appropriate internal committee, as well as the completion of the FONPRODE approval and confirmation of the EFSD guarantees.

COFIDES accepts no liability of any nature whether resulting from negligence or otherwise caused arising from reliance of any Applicant upon the statements contained in this RFP.

COFIDES reserves the right to reject any proposal at any time without providing any reason whatsoever. In the same manner, COFIDES is not bound to select any proposal for financing under the program.

Applicants shall bear all costs related with the preparation and submission of their applications during the submission process or after submission for any additional documentation that could be required by COFIDES. COFIDES shall not be liable for any costs regardless the outcome of the submission.

**Annex 1**

<b>A. SPONSOR INFORMATION</b> <b>(In case of consortium, fill in this form for each party)</b>	
Bidder's Legal Name	
Date and place of incorporation:	
Legal Form:	
Address:	
Firm Contact:	Name:
	Title:
	Phone Number:
	Email Address:
Ownership structure of the Firm	Provide an overview, including chart, of the ownership structure of the Firm
Brief overview of history of organization including information on when and how it was founded and an overview of all activities carried out by the firm.	

Experience by sector in target countries	Country(ies)	Years of experience (please specify by country)	Estimated amount (in thousands of USD) invested in this sector by country over the last 5 years		
Office locations and functions performed in each geographical location:	a.				
Total number of employees:					
Number of staff in each location:					
Head office staff		Expatriate staff		Local Staff	
Provide an organisational structure diagram showing key personnel within each area and number of staff in each department / team					
Board of Directors	<i>Please confirm the overall number of board members and provide the following information: Name / Profession/ Role / Nationality / Enrolment date</i>				
Previous experience in	Please, describe your experience with similar projects underway or carried out in the last five (05) years by your organization, of the same type and size as the proposal submitted. In particular, it must be indicated whether they have been carried out with own funds and/or with other sources of				

similar projects	<p>funding. In the case of external funding, it is necessary to mention the source of funding for each completed project and the time frame for implementation. In addition, the applicant is invited to also describe the activities carried out by its organisation in the framework of support for social inclusion, gender equality, environment, health and safety.</p> <p>Project name:</p> <p>Partners:</p> <p>Total Budget:</p> <p>Time to complete:</p> <p>Amount and source of funding:</p> <p>Project description:</p> <p>Activities carried out to support social inclusion, gender equality, environment, health and safety.</p>
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<b>B. PROJECT DETAILS</b>	
Project name	
Provide a description of your project in less than 300 words:	
Main objectives of the project	
Financial and legal structuring (provide a description of the intended legal and financial structure of the project including information about the jurisdiction where the project company will be domiciled)	
Location of the project, specifying the regions, areas or cities that will benefit from the project	
Proposed start date	
Expected duration of implementation phase and lifetime of the project (operation phase)	
Description of the entities involved	
Indicative budget - Project Uses & Sources	Please, describe main elements of the procurement and the estimated costs
	(please provide a detailed description of the different sources of funding: Amount, Funding provider, financial instrument, tenor, pricing and main terms and conditions)
Amount requested:	

Exit strategy	
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<b>C. GOVERNANCE AND ORGANIZATIONAL SET UP OF THE PROJECT</b>	
Describe the organisational structure set up / to be set up (including partners in case of consortium) to implement the project.	
Please describe the corporate governance framework including a chart illustrating the board, sub committees and any other strategic and making decision bodies. .	
Attach the organisation chart of the project implementation team. This organisation chart should include the decision-making and operational levels.	
Describe the roles and responsibilities of the members of the project implementation team (including those from the partners for consortium cases) and the knowledge, skills and experience they bring and attach CVs.	
Describe any stakeholder groups or networks you plan to engage or collaborate with during the implementation of the project purpose and during the operational phase.  Please describe key contractual agreements between parties.	
In the case of a consortium, specify who the members of the consortium are (name and legal status), the roles and responsibilities (of each member) both during the implementation and operational phase of the project, including information about the contribution of each member to the project budget  Please, describe the mechanisms for resolving cases of dispute between members.	
If the proposal is made by a consortium, indicate the entity that will be in charge of the operation of the project and specify the elements to assess its sustainability.	

<b>D. PROJECT DESCRIPTION</b>	
Market overview	
Describe with data and evidence the main problems that the project seeks to solve	
Describe the activities proposed to solve this problem, specifying the outputs and result to be achieved.	
Describe the main opportunities that justify the implementation of mini/off grids	
Describe the relevance to the particular needs and constraints of the target region(s) and/or sectors concerned	
Regulation and taxation in target country(ies)	
Provide elements that ensure economic, technical, social and institutional sustainability at the end of the project.	
Indicate all studies that have been carried out for the preparation of the project (pre-feasibility study, feasibility study, Environmental and Social Impact Assessment, etc).	
Indicate the level of commitment and participation of stakeholders, in particular partners, authorities and local populations, with supporting evidence (annex here letters of support, approval, land concession, etc. issued by local authorities/organisations); if no supporting evidence is provided, indicate how the beneficiaries/target groups (poor/vulnerable communities and women) have been involved and consulted in the project design;	

Provide as much detailed information as possible on the characteristics of the project site, e.g. physical characteristics, village locations, distances between villages, number of inhabitants, verification that there will be no resettlement required, etc.	
Describe the involvement of actors (private and public) in the different phases of the project design and implementation process;	
Describe how the institutional arrangements and the incentive/involvement structures and mechanisms, in the sense of all the rules and institutions involved in the regulation of the sector, are expected to evolve;	
<b>D.A Work Plan and milestones</b>	
Describe all the activities planned during the implementation and operation phase	
Provide a graphical representation of the entire implementation period illustrating the planned activities, order of execution, duration, their interrelationship and who is responsible for each activity.	
Highlight the results that can be considered as milestone in relation to the implementation plan.	
<b>D.B Technology:</b>	
Provide evidence on the technology used, giving indications on the reason for the technical choice adopted.	
Describe the type of technology proposed with the technical characteristics of the power generation equipment and receivers	
Describe the training actions of the users/users on the use of the proposed technology in order to make it easily	

accepted in relation to the technical capacities of the beneficiaries.	
Describe how the proposed technology will be readily accepted in relation to the technical capacities of the beneficiaries and their willingness to learn the technology:	
Describe the distribution chain of technical equipment and the good environmental origin of this equipment and materials. Applicants must ensure that the equipment they plan to use comes from official and reliable suppliers and that it complies with health, safety and hygiene standards.	
Describe the operation and maintenance plan in order to ensure the functioning of the equipment over its lifetime.	
<b>D.C Environmental &amp; Social</b>	
Explain any participatory process that ensures the involvement of the final beneficiaries in the implementation of the project, especially the most vulnerable groups	
Describe the financing mechanisms to facilitate access to services, or the acquisition of equipment for the poorest / most vulnerable people.	
In case the intervention has an impact on the cultural heritage, show how the cultural heritage will be protected against the negative impacts of the project activities; and how to support its preservation.	

Demonstrate how the project will ensure the protection of communities, for example through the use of equipment, and raise awareness of the risk of malaria.	
Indicate how the project will ensure that the exploited resources (water or biomass) are managed in an efficient and sustainable manner, taking into account other users.	
Describe the level of land use affected, including impacts on the local ecology (fauna and flora) or agriculture.	
Indicate the main environmental impacts, both positive and negative, and how you propose to manage (prevent, minimize, remedy, compensate) these impacts throughout the project	
Indicate the main environmental and health benefits of the project, particularly with respect to technology replacement.	
Relevance to the project's target populations (users/users)	
Provide an estimate of the number and type of (a) direct beneficiaries, (b) indirect beneficiaries, and (c) total number of beneficiaries (a + b = c)7.	
Identify the needs and constraints of direct and indirect beneficiaries.	
Explain any participatory process that ensures the involvement of the final beneficiaries in the implementation of the project, especially the most vulnerable groups	
Indicate how you intend to ensure compliance with the environmental and social regulations in force in target countries.	

If the intervention involves an economic displacement of populations, describe the impacts on the people concerned and the compensation measures to be provided.	
If the local community has a problem with the project, indicate how you intend to manage potential conflicts. (Define a grievance mechanism).	
Describe how waste and pollution will be dealt with during construction and operation - in particular any hazardous materials and the use of batteries.	
Describe how the action supports inclusion and participation for men, women, poor and vulnerable groups in the beneficiaries, management and implementation mechanisms both at the target/beneficiary level and in the project team, especially if additional activities beyond the investment that can benefit the community to ensure sustainable development are foreseen	
Provide an estimate of: <ul style="list-style-type: none"> <li>Formal employment opportunities</li> <li>Emissions to be avoided.</li> <li>Electricity generation</li> </ul>	

<b>E. RISK ANALYSIS</b>	
What are the main risks that the project will face?	
Please briefly describe the main risks that the project will face and the proposed risk mitigating measures, including social and environmental risk.	



## F. INFORMATION REQUIREMENTS

- Do you have a simple visual presentation (image, diagram, video, web link) to describe the project? Please send it with this application. (In the case of a video or large file, please attach a link to the file with supporting documents). You are invited to include information describing your organisation and its activities or achievements.
- Proof of financial capacity: Please attach financial statements (preferably from the last three years audited).
- Provide a business plan that will ensure the economic and financial viability of the project
- Provide the studies that have been carried out for the preparation of the project (pre-feasibility study, feasibility study, Environmental and Social Impact Assessment, etc).
- The memorandum of partnership (in the case of a consortium)
- Work plan
- Documents attesting official recognition of the applicant and any partners (statutes, rules of procedure, registration receipt, etc.).
- The title deeds to the buildings (built or not) in the case the project provides for the construction of infrastructure.
- All other supporting documents that will be used to carry out the project, such as the infrastructure construction plans, the letter of financial commitment concerning the financial and in-kind participation of the sponsor and its partners, the technical data sheets of the equipment to be installed, etc.
- Articles of incorporation
- CV of key personnel in your organization and personal with a key role in the project to be financed.