



## **TERMS OF REFERENCE FOR DESIGN OF INNOVATION PRIZE SCHEME AND IMPLEMENTATION FRAMEWORK FOR THE RENEWABLE ENERGY INDUSTRY IN SUB SAHARAN AFRICA.**

### **1.0 The Africa Enterprise Challenge Fund (The AECF)**

The AECF is a development institution which supports businesses to innovate, create jobs, leverage investments and markets in an effort to create resilience and sustainable incomes in rural and marginalized communities in Africa. Launched in 2008, the AECF has mobilized over US \$310 million to date, and leveraged more than US \$580 million in matching capital. In 2016 alone, the AECF improved the lives of more than 13 million people, through creation of jobs and increased household incomes. The AECF has so far supported 257 companies in 24 countries in Sub-Saharan Africa across 40 value chains in our focal sectors of agribusiness and renewable energy.

In our new 2018-2020 strategy, our goal is to “double our impact in half the time”. To achieve this, we will: continue to focus on the agribusiness and renewable energy sectors, increase support to climate smart technologies, refine our challenge model, expand regional presence, and deepen our focus on gender, youth and employment. We will expand our products and partnership approach to better meet our investees’ current and evolving needs; and ensure they rapidly scale and transition to external financing and sustainability thereby attaining our vision of ‘A Prosperous and Enterprising Rural Africa’.

Since 2012, AECF has provided investment support worth US\$131m to 78 businesses across Sub-Saharan Africa focusing on renewable energy and adaptation to climate technologies. The businesses have significantly contributed to socio-economic development in these sectors, but have also experienced a number of challenges, which dedicated technical assistance will help address as the portfolio grows.

### **2.0 REACT Sub - Saharan Africa Funding Programme**

REACT Sub-Saharan Africa (REACT SSA) is a US\$ 48 million programme funded by the, Swedish International Development Cooperation Agency (Sida) that provides financing and technical assistance to innovative renewable energy businesses and purposeful business ideas across Sub-Saharan Africa (SSA). The programme commenced in November 2017 and will run for five years in Burkina Faso, Ethiopia, Kenya, Liberia, Mali, Mozambique, and Zimbabwe.

REACT SSA is expected to catalyse the private sector to increase supply of cleaner cook stoves and fuels including ethanol and briquettes and to raise awareness of the dangers of indoor air pollution. Providing more affordable clean energy will help improve the lives of the poor majority of whom are children. Renewable and cost effective lighting will enable children to study and improve their health and education. Clean cooking will also particularly improve the lives of women and children. The programme is supporting activities that demonstrate how new knowledge in renewable energy technologies can be put into practice in ways that benefit the poor, especially women and children. It will also provide an evidence base to address challenges in the policy and regulatory framework



concerning the uptake of renewable energy and the role of the private sector in increasing clean energy access in participating countries. These include: inadequate and disincentivizing legal, regulatory and institutional frameworks; lack of funds to mitigate the risks of expansion to more rural and remote areas including product costs to consumers; market and price distortions that are disadvantageous to the uptake of renewables; high upfront capital costs and perceived high risks of investment in clean energy by financial institutions; and limited skills and expertise relevant to successful business strategies.

At this Inception Phase of REACT SSA, the AECF is seeking consultant to work with its programme management team to design an Innovation Prize Scheme, which will accelerate access to renewable energy solutions by people living in rural areas, and particularly the poor. Moreover, the prize will enhance and demonstrate the participatory and contributory role of all stakeholders by involving them in the decision - making process of the Innovation Prize Scheme. Inclusion of stakeholders in the process will foster their relationship and commitment to the goal and vision of the AECF. Through the process of developing, selecting and awarding the Innovation Prize Scheme the AECF will particularly stimulate the private sector to develop new, innovative and catalytic approaches; thus attracting investors, industry, top-class researchers as well as talented and entrepreneurial individuals. The Innovation Prize Scheme will facilitate the sustainable growth and development of the renewable energy industry.

### **3.0 Purpose of the Assignment**

The consultant will design an Innovation Prize Scheme that will support proof of concept for innovative renewable energy and climate change value chains and reward “blue-sky” technologies, innovative products and services, ideas and policy initiatives which contribute to accelerated access to renewable energy solutions. Target institutions will include, but are not limited to; academia, private sector companies, NGOs and government agencies in the REACT SSA target countries.

#### **3.1 Specific Duties and Responsibilities of Consultant.**

- a. Design the Innovation Prize Scheme, its development and implementation framework - including processes for establishing criteria, benchmarks, delivery and management, results monitoring, validation and information dissemination as well as guidelines for the fund disbursement.
- b. Benchmarking of existing Innovation Prizes and their operating models (including cost vs. prize size).
- c. Review the AECF’s existing programme documents including programme delivery, results and reporting frameworks to determine appropriate and relevant Key Performance Indicators (KPIs) and milestones and their achievability.
- d. Propose new KPIs and/or milestones reflective of the national and regional market context, learning activities and research gaps related to socio - economic impacts on households, communities and enterprises and considering the evolution of the industry and emerging trends.
- e. Outline possible collaboration opportunities in the RE industry and with other related sectors such as finance and investment, and communication amongst others.



- f. Present structured plan for operationalization of the Innovation Prize Scheme and its monitoring and evaluation set up under the REACT SSA Programme.
- g. Monitor set up and implementation the Innovation Prize Scheme.

**3.2 Outputs and Reporting Requirements.**

- a. Innovation Prize Scheme design document, with implementation framework.
- b. Draft term sheet for the Innovation Prize Scheme.

**4.0 Duration of Service.**

This task will be undertaken as follows:

- i) The design of this Innovation Prize Scheme should not take more than 30 consultancy days and is expected to commence by 30<sup>th</sup> May 2018.
- ii) Operationalization and monitoring of the Innovation Prize Scheme across Sub-Saharan Africa should not take more than 120 consultancy days spread over 18 months from the time of setting up the Innovation Prize Scheme.

**5.0 Proposal Submission.**

Interested and qualified (individual or institutional) consultants are invited to submit their proposal(s) comprising of the following:

- a. An understanding of the Terms of Reference;
- b. A Technical Proposal detailing methodology, work plan for performing the assignment, detailed evidence of extensive experience, skills (undertaken in the last 5 years) indicating the scope and magnitude of similar assignments and two reference who can attest to the consultant’s ability to undertake the assignment;
- c. Registration and other relevant statutory documents (this applies to institutional consultants).
- d. Financial proposal stipulating all the fees and costs for the assignment expressed in Kenya shillings/USD.

**6.0 Criteria for BID Evaluation / Assessment.**

Key areas for Evaluation/ Assessment	Weighted Award
<b>a) Technical Proposal</b>	
<b>i) An understanding of the consultancy requirements;</b>	
<ul style="list-style-type: none"> <li>• Outline of what The AECF does and how this fits into the bidder’s previous work.</li> </ul>	<b>5</b>
<ul style="list-style-type: none"> <li>• An in - depth understanding of context and stakeholder’s analysis in the RE Industry in Kenya, and the opportunity Innovation Prize Scheme.</li> </ul>	<b>10</b>
<b>ii) Methodology and work - plan for performing the assignment:</b> Demonstrated capacity to deliver the task(s) within a realistic timeline, based on the consultancy days designated per task.	<b>40</b>
<b>iii) Relevant services undertaken by the bidder in the past engagements.</b>	<b>10</b>



<b>iv) Detailed reference list indicating the scope and magnitude of similar assignments:</b> <ul style="list-style-type: none"> <li>• Letters of reference from past customers or associates to the lead consultant or the consulting organization.</li> </ul>	<b>10</b>
<ul style="list-style-type: none"> <li>• Registration and other relevant statutory documents (applies to institutional consultants)</li> </ul>	<b>5</b>
<b>b) Financial Proposal</b>	
<b>i)</b> Clarity, relevance, reality to market of value/ value for money of cost for the assignment (inclusive of any applicable tax).	<b>20</b>

### 7.0 Qualifications.

- At least 5 years' experience in development, management and /or monitoring of RE programmes in Sub-Saharan Africa.
- An in-depth understanding of the RE industry and industry stakeholders, including an understanding of the RE regulatory and policy environment in Sub-Saharan Africa.
- In depth knowledge of the status of innovation within the RE industry in Sub-Saharan Africa
- Experience in design, establishment, monitoring and assessment of innovations and/or innovation prize schemes in the RE industry.
- Demonstrated capacity to deliver within the assignment's timelines.
- Fluency in written and spoken English.
- Consultants resident in Kenya are preferred.

To be considered, your application must be received by **18<sup>th</sup> May 2018** addressed to:  
[procurement@aecfafrica.org](mailto:procurement@aecfafrica.org)