

ENACT

Enabling African Cities for Transformative Energy Access

TERMS OF REFERENCE

ICLEI Africa

ICLEI Africa seeks to appoint an energy service provider to deliver interventions that improve clean cooking access in informal settlements in Freetown, Sierra Leone

13 August 2021

Bids due: 27 August 2021

Bids and technical queries can be sent to Ms. Carine Buma: enact.africa@iclei.org with Ms. Mercy Rose: Mercy.Rose@energy4impact.org in copy.

Please indicate interest to submit a bid and any queries by 18 August 2021, so responses to queries may be shared with all bidders.

Bids will still be accepted if interest is not indicated. However, bidders must accept that they may not receive responses to questions from other bidders.

ICLEI Africa reserves the right not to appoint a service provider in relation to this Terms of Reference (ToR). If you have not heard from us 3 months after the closing date please take it that you were not successful.



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1. Introduction

Please read this alongside the Funding Application Guidance and the Grant Application Form which can be accessed [here](#)

1.1. Project background

The Enabling African Cities for Transformative Energy Access (ENACT) Project is funded by the Foreign Commonwealth and Development Office (FCDO) of the UK government and is part of its Transforming Energy Access (TEA) programme. [ICLEI Africa](#) has been appointed, through [Carbon Trust](#) as the lead implementing partner and is working with [Energy 4 Impact](#), in two project cities: Kampala (Uganda) and Freetown (Sierra Leone).

TEA works via partnerships to support emerging clean energy generation technologies, productive appliances, smart networks, energy storage and more. It increases access to clean, modern energy services for people and enterprises in sub-Saharan Africa and South Asia, improving their lives, creating jobs and boosting green economic opportunities.

The ENACT project aims to create an enabling environment to improve energy security in Africa's urban areas, with a focus on the urban poor living in informal settlements, by introducing market-led interventions for improved energy access. The project aims, *inter alia*, is to foster public private partnerships and, through funding to private energy service providers, enable the testing and implementation of financing and business models for improved delivery of sustainable energy services – for clean cooking and energy access – to households and microenterprises living and operating in informal settlements within the two project cities.

1.2. Rationale for providing funding to private sector energy providers

The lack of access to modern forms of energy inhibits the growth of economies in urban centres, especially in informal settlements where energy access is often the lowest. There is a strong case that energy access is not resolved by creating connections alone, but that the quality of the service and delivery methods are also key in creating impact for the end-user. Decentralised, modern and clean energy solutions can open new pathways for energy access in often marginalised areas such as urban informal settlements and slums.

The ENACT project has set up a fund for up to 2 funding rounds. It is anticipated that this intervention will open a market for energy Micro, Small and Medium Enterprises (eMSMEs) to deliver good quality, reliable and affordable energy products and services to unserved and underserved urban poor populations. This will in turn improve energy access for local communities, leading to improved health, and social-economic wellbeing. This Terms of Reference (ToR) is for **up to £50,000 in funding** to one successful applicant to implement clean cooking solutions in Susan's Bay community, Freetown, Sierra Leone, as detailed in the next sections of this ToR.

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This grant is divided into two phases, with the first phase's budget being £20 000 and the second phase's budget being £30 000. Progression from phase 1 (**October to December 2021**) into phase 2 (**January to June 2022**) will be dependent on satisfactory performance of the service provider, and grant funding being made available by the TEA programme to the ENACT project.

2. Funding objectives and outcomes

This funding will support the service provider (company, consortium, innovative partnership or joint venture between organisations) with a concrete project that implements locally viable, innovative, replicable and scalable interventions that will contribute to the following core project objectives, in Susan's Bay, Freetown:

1. Increase access to quality and affordable clean cooking products and services for households and micro-enterprises living and working in informal settlements and slums;
2. Improve reliability of supply of clean cooking products and services through innovative and relevant last mile delivery and revenue models;
3. Leverage marketing activities to raise awareness of the benefits of using clean cooking products and services for household and business activities;
4. Facilitate livelihood improvement for end-users through productive use of energy (PUE), increased local job opportunities, increased savings on energy, and/or improved general wellbeing from using clean cooking products;
5. Build evidence through data to demonstrate the effectiveness and impact of introducing improved clean cooking products and services on the livelihoods and wellbeing of households and micro-enterprises using them;
6. Strengthen partnerships between local governments, informal settlement communities, and the private sector in the design, implementation and monitoring of improved clean cooking access interventions in informal settlements and slums; and
7. Empower women in informal settlements and slums who are engaged in productive energy use activities and/ or involved in the clean cooking supply and delivery chain.

Activities from the funded project will contribute to ENACT's wider outcomes, which include improving access to clean cooking solutions to at least 1,500 households and micro-enterprises based in Susan's Bay, Freetown over the span of the project. We also expect to facilitate the creation of at least 300 jobs in the city, 30% of these within businesses owned and managed by women.

3. Funding scope

ENACT will fund up to **£50, 000 to one service provider/applicant** for a project to be implemented in the **Susan's Bay informal settlement in Freetown, Sierra Leone**, through a single stage process. The proposed project should focus on clean cooking solutions and run for a period of up to **9 months**. The section below provides more details about the technologies to prioritise, including some illustrative examples of relevant project ideas.

3.1. Scope of intervention

Applicants should propose innovations based on the models outlined below.

| Intervention | Transitioning households and micro-enterprises from wood and charcoal-based technologies to tier 4 or 5 ¹ cooking services |
|----------------------------|---|
| Technology | Clean cooking |
| Areas of priority | <ul style="list-style-type: none"> ● Priority will be given to the following tier 4 cooking technologies: LPG, electric cooking (using on-grid or off-grid energy supply), biogas, and ethanol. ● We will consider projects if: <ul style="list-style-type: none"> ○ The applicant is already operating within Sierra Leone and is looking for support to scale-up its business to reach more customers within Susan’s Bay, or is looking to test an innovation within Susan’s Bay, or ○ The applicant will cover the costs involved in capital intensive upstream manufacture and assembly activities, e.g. land acquisition, construction of biogas generation plants and pipelines, construction of fuel re-fill/stocking stations, etc. In this case, proof of funding/capital raised will be required during the application stage, and set-up must be completed within 3-6 months after signing the grant agreement. The applicant will therefore need to indicate how and where the funds from the ENACT project will be used. <p>Note: ENACT funds will support downstream activities such as marketing and sales, distribution and end-use installation, customer service, as well as R&D and testing. This is outlined in the “<i>Scope of fund utilisation</i>” section below.</p> |
| Important project features | <ul style="list-style-type: none"> ● The proposed solution should include both the fuel and the cooking equipment (e.g. stoves, fuel containers/cylinders, and accompanying accessories). ● All equipment must either meet technical quality standards set/used by the national bureau of standards of Sierra Leone or meet the quality criteria as recommended by other reputable clean energy organisations/associations within Sierra Leone or internationally, e.g., the Renewable Energy Association of Sierra Leone, the Clean Cooking Alliance, the World LPG Association, GOGLA, etc. ● Products and services should be offered at the market rate with no subsidy to the customer. ● The proposed projects should include an element of financial inclusion to improve affordability of the technology and fuel. Pay-as-you-go models for the fuel, appliance financing models, in-house credit schemes, and |

¹ Also referred to as modern energy cooking services. The World Bank’s Multi-tier Framework (MTF) defines five tiers of cooking services, which are determined through 6 measurable attributes. Two of the attributes (exposure and efficiency) refer to the technology, while the remaining four (convenience, safety, affordability, and availability) refer to the end-user’s cooking context. For more information, please see the World Bank’s *The State of Access to Modern Energy Cooking Services (Vol. 2) : Executive Summary (English)* report: <http://documents.worldbank.org/curated/en/381531600196571861/Executive-Summary>

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| | <p>other approaches to improve customers' purchasing power are highly encouraged.</p> <ul style="list-style-type: none"> • The proposed projects should include research and analysis on end-users' transition from traditional cooking technologies to the introduced modern services. • Leveraging the existing charcoal/firewood last mile delivery networks within the settlement(s) to supply the product or service is of particular interest. |
| Areas out of scope | Solar thermal cookers, charcoal stoves, firewood stoves |
| Grant amount | Up to £50,000 |
| Location(s) | Susan's Bay in Freetown, Sierra Leone |

Applications can include one or more of the above clean cooking technologies in one project. Applicants should ensure that their products and services meet the quality standards highlighted above.

Proposed interventions must be locally relevant and demonstrate high potential for replicability and scale. We encourage partnerships between private companies, local communities, as well as engagements with local government agencies in the project activities.

Below is a non-exhaustive list of illustrative examples of approaches and partnerships in the context of clean cooking that could be considered by the applicant:

- A last mile distribution company partners with a clean cooking company to develop a distribution network that brings products and services closer to end-users.
- A clean cooking company partners with a local financial institution or finance provider to develop a credit product that helps to improve affordability of its products by end-users.
- A clean cooking provider partners with a local social institution, community centre, local finance provider, local women or youth savings groups, a gas station, or other local institutions, to deliver products to its customers, whilst also raising awareness on the benefits of these products, including how to use them.
- A clean cooking company, through a franchise or other model, integrates local shops, gas stations, charcoal suppliers, ethanol supply factory, or other local energy access players, in its delivery model.
- A clean cooking company implements a programme to train its customers on productive use (PU) and gender, either independently or in partnership with a local technical and vocational training institution.
- A technology and internet of things (IoT) company partners with an energy service provider to improve last mile delivery of products and revenue collection, e.g. through mobile or cash-based pay-as-you-go models, including improving systems to collect and analyse data and profile customers.
- An energy provider sets up a revolving fund to support the purchase of cooking and PU products on credit.

3.2. Scope of fund utilisation

Applicants can use the ENACT funds for activities related to their projects and business in line with the objectives of this Terms of Reference. This includes, and is not limited to any the following areas:

- **Upstream** activities such as certification/licensing, setting up new partnerships in the supply chain, technology R&D, setting up digital platforms for credit, sales, data collection, and customer management, covering the cost of bringing inventory to supply/delivery points.
- **Administrative** activities such as hiring new staff, setting up billing/accounts receivable operations.
- **Route-to-market** activities such as setting up supply and/or delivery points, building partnerships for delivery of products and services to customer, recruiting and training local sales agents, setting up franchises/new sales branches, marketing activities for products and services offered, etc.

Applications must however demonstrate the use of some of the funding for the following activities:

- Demonstrations and/or trainings to the community on how to use the products and services being offered.
- Monitoring and evaluation to track progress with project implementation against targets, and to gather lessons and best practice for scale-up or replication. This also includes conducting baseline and end-line surveys.

4. Criteria for eligibility

To be eligible for funding, applicants should meet the requirements stated below.

- This funding is only eligible to micro, small and medium enterprises (eMSMEs), community-based organisations, non-profit organisations, and private companies.
- Government institutions and parastatals (companies where respective governments – if foreign – or where the Sierra Leone government, including government agencies, own at least 30% of the company, or the company receives at least 30% of annual financial support from these governments) are not eligible for funding.
- Applicants must have been operating commercially in West Africa for a minimum of 12 months.
- The applicant or primary partner must be fully registered to do business in Sierra Leone.
- Only projects to be implemented in Susan's Bay in Freetown, Sierra Leone, are eligible for funding.
- Only cooking services of tier 4 and above are eligible for funding.
- Applicants must have a market-ready product or service that can be piloted or scaled-up within 3 months after signing the agreement.
- At least 25% co-funding for project activities, and a demonstration of how the project activities fit within the applicant's larger business model and demonstrate sustainability beyond the funding period.
- Only one application per company/partnership/ consortium is allowed.

The following criteria are advantageous:

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- Project partnerships with local companies, organisations, social institutions, communities, and local government agencies are highly encouraged.
- Applicants with both households and micro-enterprises as beneficiaries in their portfolio.
- Women owned or managed companies or organisations are encouraged to apply.
- Previous similar experience and work in the Susan's Bay community and/ or other informal settlements within Freetown.

5. Key roles

Agreements will be made between the fund recipient and ICLEI Africa, who will lead the administration and oversight of the recipient's implementation of the funds. Both ICLEI Africa and Energy 4 Impact will provide technical assistance (TA) support on project activities and outputs, which will be defined at project inception.

The Freetown City Council, with support from a local organisation selected to support with ENACT activities and the Susan's Bay local leadership, will provide strategic advice and support on community engagement and other related topics in line with the city's strategy on clean cooking and, more broadly, the [Transform Freetown initiative](#).

ICLEI Africa, Energy 4 Impact, and FCC are referred to as project partners in these Terms of Reference.

5.1. Role of the selected fund recipient

The selected applicant will be expected to do the following:

1. Offer clean cooking products to households and micro-enterprises in the project location as per the model outlined in the scope of intervention section above;
2. Provide after-sales customer services and customer management;
3. Capture and report data related to the project as agreed with the project partners;
4. Report regularly to the project partners about the progress of business and lessons learnt;
5. Participate in project meetings and stakeholder events organised by the project partners;
6. Conduct marketing activities within the project location and support project partners with community engagement where needed; this may also involve support with the design of key messages for the target community; and
7. Support with knowledge dissemination by reviewing and providing input to knowledge products developed by the project partners.

5.2. Role of project partners

To support the fund recipient, the project partners (ICLEI Africa, Energy 4 Impact and Freetown City Council), who are the client will:

- Provide limited technical support and advice on the fund recipient's supply chain and route-to-market activities;

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- Provide strategic advice on developing and improving the fund recipient's business model; this could include advice in areas such as their business plan, financial model, capital raising, market scoping, product pricing, partnerships, etc.
- Organise and co-ordinate events and meetings between project stakeholders;
- Monitor the progress of the project through regular catch ups with the fund recipient and reviewing reports and monitoring activities;
- Collect and disseminate lessons learnt by publishing knowledge products such as case studies and briefs with support from the fund recipient;
- Conduct surveys to understand knowledge gaps in energy access and identify opportunities to fill these gaps, including areas where the fund recipient can contribute;
- Carry out community engagements, awareness raising, and promotional activities in the settlements in partnership with FCC and community representatives; and
- Raise awareness on financial literacy and productive use of energy, and offer limited business mentoring services to micro-enterprises and home-based businesses.

6. Application requirements

For this ToR, applicants are required to complete (in-full) the attached Excel-based Grant Application Form and submit the completed form with the accompanying documents outlined below by **17:00 SAST, 27 August 2021** to Ms. Carine Buma at enact.africa@iclei.org and copy Ms Mercy Rose: Mercy.Rose@energy4impact.org using the email subject: *"ENACT clean cooking call for proposals in Freetown"*.

The required accompanying documents are as follows:

1. CVs of core team members, including those of key project partners
2. Company/organisation registration document(s) and/ or certificate of incorporation
3. Up to date tax compliance certificate
4. Product catalogue and/or specification for proposed products and services
5. Evidence of certified quality standards of product(s) or a statement that proposed product(s) will be submitted for certification before fund disbursement
6. Evidence of health and safety training and procedures relevant for the project

7. Additional application and contracting considerations

Please refer to the Funding Application Guidance document for more information on key contractual requirements before applying for funding.

Applications for ENACT funding will be evaluated through a 2-stage process by the ENACT Evaluation Committee (EEC). The selection of a potential Fund Recipient against these features is at the sole discretion of the EEC. Factors to be considered include, but are not limited to:

- **Adherence to application requirements** listed under Section 4 of this Terms of Reference;

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- **Demonstrated relevant experience** in informal settlements in Sierra Leone or other countries within West Africa;
- **Scalability** of the interventions/technology to similar communities within and out of Sierra Leone
- **Local relevance** to project location and the ability to address local needs;
- **Coherence** with applicants' overall business and related activities within the target communities;
- **Effectiveness** and impact of the project on beneficiaries e.g. through improving livelihoods of project personnel and customers/beneficiaries, and measurable increase in social and economic impact across the value chain of the project against a baseline
- **Economic efficiency** and **value for money**; including hourly/daily rates as well as number of persons, hours/days;
- **Sustainability** of the project beyond the ENACT programme, including contribution to **gender equality** achievement and women empowerment; and
- Demonstration of appropriate **monitoring, evaluation and learning** procedures and metrics to capture and document project lessons.

ICLEI – Local Governments for Sustainability is a global network working with more than 2500 local and regional governments committed to sustainable urban development. Active in 125+ countries, we influence sustainability policy and drive local action for low emission, nature-based, equitable, resilient and circular development.

Energy 4 Impact is non-profit focused on off-grid energy in Sub Saharan Africa. We support businesses that provide energy access to off-grid communities in Africa. We believe that businesses can offer the best solutions to energy poverty. We help them access capital, technology and operational advice so they can become profitable and sustainable. Expanding clean energy markets improves livelihoods and accelerates economic growth.