

# **Universal Green Energy Access Programme (UGEAP)**

## **Terms of Reference:**

“Mapping of the Renewable Energy  
Sector and Financing Landscape

July 2023

---

## BACKGROUND

### UGEAP

**UGEAP**<sup>1</sup> (the “**Fund**”) is a 15-year blended finance fund, targeting a size of \$280 mm, with a goal of reaching a maximum of \$500 mm over several years, that aims to contribute to the transition to sustainable energy generation in Africa. UGEAP’s anchor investment has been provided by the UN Green Climate Fund (“**GCF**”), with DWS Investment SA (“**DWS**”) acting as the Investment Manager (“**IM**”) to UGEAP. Geographically, the Fund targets investments in **Benin, Ethiopia, Kenya, Namibia, Nigeria, Tanzania, and Uganda** (the “**Target Countries**”) together with any other Sub-Saharan African countries which may be determined by DWS and approved by GCF.

The Fund aims to support the debt financing needs of the renewable energy (“**RE**”) sector in the Target Countries, primarily servicing off- and select on-grid populations and businesses. The Fund provides funding through and alongside financial intermediaries to the benefit of commercial businesses that develop, build and/or operate renewable energy installations, provide clean energy access to households and businesses, or provide ancillary services in the energy supply chain and that are serving markets in Sub-Saharan Africa (“**Investees**”).

Specifically, three (3) types of RE projects are eligible under the Fund:

1. off-grid renewable electrical energy (20% target allocation);
2. mini-grid renewable electrical energy (20% target allocation); and
3. commercial and industrial renewable electrical energy installations as well as selected on-grid installations (60% target allocation).

By providing financing to the above type of projects in Sub-Saharan Africa, the Fund seeks to contribute to the reduction of greenhouse gas emissions against the country baseline by (i) meeting a growing level of demand for clean energy sources and (ii) by the displacement of fossil/biomass fuels.

### UGEAP Technical Assistance Facility

Parallel to the Fund, technical assistance resources have been made available through a Technical Assistance Facility (the “**TA Facility**”). The main goals of the TA Facility are:

1. **Expand local financial institution (“LFI”) financing support for renewable energy businesses:** develop the capacity of LFIs to evaluate, credit rate, structure and monitor renewable energy generation businesses and projects that would qualify for UGEAP financing.
2. **Develop capacity among UGEAP portfolio companies:** to develop the capacity of Investees to effectively carry out their business plans during the term of UGEAP.

---

<sup>1</sup> <https://www.greenclimate.fund/document/universal-green-energy-access-programme>

- 
3. **Develop the pipeline of future UGEAP portfolio companies:** to improve the bankability of companies that could be targeted for UGEAP in the future by advising on various aspects of the operations.
  4. **Develop capacity to comply with E&S best practices:** develop and supervise the capacity of LFI to guide and monitor their borrowers' implementation of and compliance with GCF and EIB Environmental and Social (“E&S”) requirements and international best practices; in cases where UGEAP lends directly to renewable energy businesses, rather than via financial institutions, the technical assistance facility may directly support the development of those businesses' implementation of and compliance with E&S requirements and best practices.
  5. **Develop understandings and share lessons learned:** to disseminate knowledge and lessons learned amongst Investees and to local and national governments; hold focused industry events to support business development activities for the fund and build the capacity of existing investees.
  6. **Conduct market analysis and impact assessments:** to better understand the structure, development state and corresponding challenges and needs of UGEAP's target markets in order to ensure capital is allocated in the most impactful way.

## OBJECTIVES & SCOPE

The objective of this assignment is to undertake a **landscape assessment of the renewable energy industry and financing infrastructure within the Target Countries.**

Specific Terms of Reference for this assignment are:

The consultant is expected to undertake market scoping studies using mostly desktop research and - where critical - primary data to identify the structure of the RE sector in Benin, Ethiopia, Kenya, Namibia, Nigeria, Tanzania, and Uganda. This should include, but not be limited to the following:

- a. Mapping of the RE industry structure, technologies, and business models prevalent in the respective Target Countries. Provide an overview of the companies active in the off-grid, mini-grid and C&I space – suppliers of RE equipment and technology, developers, RE companies, RE data providers, other service providers, aggregators, financial intermediaries, and/or leasing companies – while highlighting whether ownership is local and/or foreign. The analysis should include a description of their activities, market coverage, and contact details, track record, where possible;
- b. Provide an overview of the connectivity rates in the Target Countries as well as the current cost of energy from different sources (including the applicable tariffs);
- c. Assessment of the key developments within the energy sector in the Target Countries and neighboring regions and how they could impact the energy sector and hence future investments into the sector (e.g., in East Africa, is there a possibility of a surplus from the Grand Ethiopian Renaissance Dam and Songo Songo Gas Power Project in Tanzania and how will that impact independent RE companies active in the off-grid, mini-grid, and C&I space?)
- d. Assessment of energy policy initiatives and regulatory frameworks for the RE sector in respective Target Countries, and how they impact, both positively and negatively, the delivery of RE projects and business models while specifically highlighting what is

- 
- relevant for LFIs to consider when evaluating financing of eligible renewable energy projects under UGEAP;
- e. Mapping of the supply and demand dynamics in the Target Countries for products within the off-grid, mini-grid, and C&I space. The consultant should perform a high-level assessment of the economic viability of off-grid, mini-grid, and C&I solutions vis-à-vis existing/traditional sources e.g., what is the price of electricity from diesel vs. the cost of the PV? - include sample calculations for investments;
  - f. In the context of the above topics, the consultant is expected to assess the key economic sectors and industries in the countries with the greatest need for energy transition with a special focus on C&I technology while identifying potential opportunities that can be taken up by UGEAP directly or through LFIs (e.g., the tea sector in Kenya);
  - g. Identify the current funders supporting off-grid, mini-grid, and C&I projects in the Target Countries by either providing on-lending capital to LFIs and/or directly funding RE companies through both debt and equity financing (and related instruments);
  - h. Identify the critical funding gaps along the value chain – where is there the greatest gap when it comes to supporting the growth of the RE sector in the country?
  - i. Overview of lending activity to the RE sector by LFIs with a focus on:
    - a. the general policy environment regarding RE finance, if any – is there evidence of support or stifling by existing authorities?;
    - b. notable government and development partners<sup>2</sup> activities to support the growth and development of the sector from a policy, enabling environment infrastructure perspective;
    - c. the existing general challenges and opportunities for LFIs in the said market in relation to financing the RE sector (i.e. what does currently prevent them from lending to the renewables space? What benefits does engagement in the space bring about?)
  - j. Overview of TA projects that have been implemented over the last five (5) years and/or are currently ongoing in the Target Countries focused on supporting LFIs to increase their lending to the RE sector. The overview should include the project sponsors, beneficiaries, focus of the TA and key learning and outcomes, if any;
  - k. Identifying potential LFIs that UGEAP could target in the designated markets and their experience with RE financing, knowledge gaps, their perceptions about RE financing including internal<sup>3</sup> and external barriers limiting their engagement in the RE sector:
    - i. List names and contact persons (name, title, email, and phone);
    - ii. If possible describe market coverage (existing customers, dedicated product line, portfolio, etc.);
    - iii. Where applicable, any previous funding they have received to support the development of their RE portfolio and the outcomes of the same.
  - l. Identify the potential funding needs or gaps in the SHS, C&I, and mini-grid sectors and propose how they could be met through the UGEAP funding mechanism;
  - m. Mapping of industry associations and other forms of self-regulation mechanisms within the RE sector in the Target Countries and how active they are in influencing policy etc.;

---

<sup>2</sup> International NGOs, bilateral & multilateral organizations, DFIs, etc.

<sup>3</sup> These could be institutional barriers such as lack of executive buy-in, etc.

- 
- n. Identify the quality assurance mechanisms in place for the various technologies available in the market - product certification mechanisms - (e.g., Lighting Global certification for SHS) and whether the companies are applying the same;
  - o. SWOT analysis including identification of key risks for UGEAP as well as LFI that want to participate in the financing SHS, C&I, and mini-grid space projects in the respective markets;

## **DELIVERABLES**

The Investment Manager expects the consultant to deliver the following results from the assignment:

1. Deep market intelligence regarding the RE sector
2. Analysis of the existing RE financing landscape in the Target Countries
3. Pipeline of potential LFIs and companies to engage for the deployment of capital

Note: All the above reports will be written in English. The consultant shall provide an electronic version of all required deliverables.

## **LENGTH OF ASSIGNMENT**

It is expected that the assignment will take a maximum of 8 weeks.

Note that UGEAP has the discretion to review the scope of work, prioritize the countries to focus on as well as revise the number of days to be allocated per country.

## **REQUIRED EXPERIENCE AND QUALIFICATIONS**

The consultant(s) will be expected to have the following capabilities and skills:

1. 15+ years of experience in finance/financial advisory and technical experience with:
  - a. research on the (renewable) energy sector in Sub-Saharan Africa, more so in the Target Countries, including but not limited to undertaking policy analysis, studying industry structures, sector analysis, and preparing reports with actionable insights;
  - b. deep knowledge of the financial sector, and solid knowledge of the renewable energy sector of target countries and other Sub-Saharan African markets;
  - c. familiarity with all relevant banking and financial market regulations relevant to the banking sector and the underlying markets (regulation, tax, capital requirements);
  - d. familiarity with international refinancing supply of the target countries' banking sector including the practice of private and developmental banks providing financing to the local financial sector;
  - e. good contacts into the financial and renewable energy sectors of target countries based on previous activities and/or employment;
  - f. renewable energy financing in emerging markets, especially Africa including experience in supporting financial institutions to develop product and policy guidelines;
  - g. renewable energy financing structures in emerging markets, preferably in Africa;

- 
2. Experience in setting up and strengthening energy finance desks within financial institutions including a good understanding of the critical success factors for building a sustainable RE lending strategy;
  3. Knowledge of risk management tools as well as innovative schemes/structures that could be utilized to minimize the risk of RE lending preferably in Africa;
  4. Full proficiency (spoken and written) in English and French languages;
  5. Total price, provided with an adequate breakdown of main costs.

## REPORTING

The consultant shall report directly to the Investment Manager who will supervise the assignment.

## TECHNICAL AND FINANCIAL PROPOSAL

Interested consultants are invited to submit a proposal for implementing the above ToR which shall contain:

- a. Analysis of the assignment objectives and ToR
- b. Proposed methodology for undertaking the assignment
- c. Proposed starting date and timeline for completing and submitting the deliverables
- d. Overview of relevant experience in the above countries (i.e. detailed description of previously completed work) in the RE and financial sector;
- e. Up to date Curriculum Vitae of the consultant outlining prior engagements in similar assignments that qualify consultant to implement the project;
- f. Financial proposal including a breakdown of costs per country (including potential DSA and travel costs) and specification of daily consultancy fees.

Kindly note that the financial proposal shall not contain VAT or applicable costs of similar nature. Interested Tenderers shall be advised that the available maximum budget is final, and any taxes or applicable statutory deductions are under no circumstances chargeable to UGEAP but, if applicable, need to be borne by the consultant.

## QUESTIONS AND SUBMISSION

The Technical and Financial Proposal should be submitted to the electronic addresses below, as well as all inquiries regarding this Request for Proposal while observing the noted timelines.

[michael.hoelter@dws.com](mailto:michael.hoelter@dws.com), [samuel-a.ndonga@dws.com](mailto:samuel-a.ndonga@dws.com), and [victoria.engels@dws.com](mailto:victoria.engels@dws.com)

Deadline for receiving questions on the ToR: **Friday, September 15<sup>th</sup>, 2023, 5pm CEST**  
Deadline for receiving technical and financial proposals: **Friday, September 22<sup>nd</sup>, 2023, 5pm CEST.**

---

**ANNEXES**

Annex 1: UGEAP Teaser