

The Energy Efficient Lighting and Appliances in East and Southern Africa (EELA) Project

invites energy users and energy service providers to submit Expressions of Interest (EoI) for technical and financial support to develop and implement energy efficient lighting and appliances projects in the East African Community (EAC) and Southern African Development Community (SADC) Member State(s)



The Energy Efficient Lighting and Appliances in East and Southern Africa project (EELA) is funded by the Government of Sweden through the Swedish International Development Cooperation Agency (Sida) and implemented by the United Nations Industrial Development Organization (UNIDO) in partnership with the East African Centre of Excellence for Renewable Energy and Efficiency (EACREEE) and the SADC Centre for Renewable Energy and Energy Efficiency (SACREEE). The EELA project seeks to create market and institutional conditions aimed at transforming the market environment in order to stimulate increased diffusion of energy efficient lighting products, appliances, and services across all sectors in Southern Africa Development Community (SADC) and East African Community (EAC) regions. The EELA project will operate from 2019 to 2024.

As a first round of proving support under the EELA Technical Assistance and Co-financing Facility (EELA Facility), UNIDO hereby invites energy service users and energy service providers as well as manufacturers of lighting as well as cooling and productive use appliances to submit Expressions of Interest (Eoi) to receive technical assistance and financial support towards developing and implementing energy efficient lighting and appliances projects in any EAC or SADC member state(s).

The Technical Assistance and Co-financing under this Facility is structured in three windows:

| | Window 1 | Window 2 | Window 3 |
|----------------------------------|---|---|--|
| Applicants | Energy users | Energy service providers | Manufacturers |
| Support offered | Technical assistance to design an Energy Efficiency project applying an energy service business model | Non- repayable grant to cover upfront costs for equipment Max. 200,000 EUR | Non- repayable grant to support technology upgrade Max. 100,000 EUR |
| Required own contribution | Demonstrated commitment to implement the project | Signed contract with a client. At least 25% demonstrated co-financing | Demonstrated need for upgrade of manufacturing At least 25% demonstrated co-financing |

Window 1: Technical Assistance Window for the design of Energy Service business models

The window is targeted at energy users such as municipalities, industries and other large energy users across all sectors interested in collaborating with energy service providers in accessing energy efficient lighting, appliances, or services through selected energy service business models. The EELA facility will support energy users in developing appropriate energy efficiency service business models and in engaging with relevant energy service providers.

Window 2: Co-financing Window for energy service providers

Co-financing is provided to energy services providers who would have entered into energy service agreements with energy users seeking to implement eligible energy efficiency projects. An energy services agreement needs to be in place prior to the submission of an application for funding through this window.

The financial support aims to reduce the upfront costs of investing in energy efficient lighting and appliances hardware and software. The maximum co-financing available from the EELA facility that can be applied for by an energy services provider under this window is 200,000 Euro and up to a maximum 75% of the capital costs of the project

Window 3: Technology Transition Support Window for manufacturers

This window targets manufacturers of energy efficient appliances in SADC and EAC member states requiring upgrading/improving of their production processes/facilities to meet the Minimum Energy Performance Standards (MEPS) for lighting, cooling, and other appliances which are adopted within the EELA program. Eligible applicants can apply for technical and financial assistance support from this window.

The maximum co-financing available from the EELA facility that can be applied for by a manufacturer under this window is 100,000 Euro and up to a maximum 75% of the total costs of the project.

Applicants to the three windows need to fulfil the following requirements:

- Submission of a viable concept, elaborating the planned project and expected output as well as partnerships and budget requirements.
- The project must be implemented in an EAC or SADC member state(s).
- All proposed projects should be aligned with national development plans, including the Nationally Determined Contributions (NDCs), of the country of implementation.
- Applicants and their projects must be in compliance with all national laws and regulations.
- The proposed appliances and equipment to be used in the energy efficiency project being promoted must meet the Minimum Energy Performance Standards (MEPS) adopted by the EAC and SADC member states.
- For the **Technical Assistance Window** - a concept note with supporting documents, demonstrating the anticipated energy efficiency benefits or energy savings as well as the potential technical feasibility and financial viability of the proposed project must be submitted.
- For the **Co-Financing Window** a viable plan for the energy service model, demonstrating the technical feasibility and financial viability of the proposed project must be submitted.
- For the **Technology Transition Support Window**, comprehensive information about the current manufacturing processes as well as a budget estimate for the upgrade must be submitted.
- The project owners/promoters must demonstrate the co-financing amount they will contribute towards the total cost of the requested project excluding contributions in kind.
- The term of the project support activities shall not exceed eighteen months.
- A project promoter, either individually or as part of a consortium, will not receive funding for more than one project under the same Window.
- Completed Financial Statement Form including asset and Property, Plant and Equipment (PPE) count.
- Reference letters as required by UNIDO (Financial, Technical, etc.).
- Information on past/ongoing or planned investments related to the Window.
- Any Other information as required by UNIDO to ascertain commitment from the applicant.
- Compliance with Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) policies.
- Regardless of the Window, the applicant shall be assessed against the following criteria:

- Violation of United Nations sanctions, Security Council resolutions, and international conventions and treaties;
- Sale or manufacture of anti-personnel landmines, cluster bombs, and other weapons and ammunitions;
- Tolerating forced or compulsory labour or the use of child labour;
- Complicity in human rights abuses;
- Production or sales of tobacco.

Consideration will be given to the energy savings potential, the number of distributed energy efficient appliances (new or replacement), the technical feasibility and financial viability of the project proposal as well as the promoters' own contribution.

We look forward to receiving your Expression of Interest.

Appendices:

Annex A: Application Form

Annex B: Applicant Declaration Form

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Terms of Reference (TOR)

1. Background

Context of the Energy Efficient Lighting and Appliances (EELA) in East and Southern Africa Project

The states of the markets for energy efficient lighting and appliances differ significantly in the 21-member states of the East African Community (EAC) and Southern Africa Development Community (SADC) regions. Some countries are beginning to develop functional markets for energy efficient lighting and appliances supported by policies, regulations, and institutions responsible for promoting market activities and enforcing regulations. There is also active participation of market players in these markets from both the demand and supply sides as well as financial institutions and development partners. On the other end, there are countries in the two regions where there are no functional markets for energy efficient lighting and appliances.

In most of the countries, however, there is some activity in the markets for energy efficient lighting and appliances with policies and regulations to promote the sector either in place but not being actively enforced or in the process of being developed. In these countries, market participants trade in energy efficient lighting and appliances at levels that are significantly less than their potential due to numerous reasons that include competition from cheaper non-energy efficient lighting and appliances and limited awareness of the benefits of using energy efficient lighting and appliances.

In general, the markets for energy efficient lighting and appliances in many countries in East and Southern Africa exhibit the following characteristics:

- Influx of non-energy appliances due to lack of policies promoting energy efficient appliances, non-enforcement of existing policies and porous borders;
- A lot of inefficient lighting and appliances used in industry, commerce, and household sectors;
- The push by both EAC and SADC for countries to adopt low carbon emission industrialization strategies is beginning to incentivise more countries towards adopting policies promoting energy efficiency;
- Growing list of countries adopting energy efficiency policies and regulations and putting in place institutional frameworks to support and enforce;
- Government and private sector led initiatives creating both demand and supply of energy efficient appliances and services;
- Markets for energy efficient appliances and services are emerging in some countries
- Significant barriers still exist primarily around awareness, high upfront costs of energy efficient lighting and appliances, access to finance and skills shortages.

Opportunities in the Energy Efficient Lighting and Appliances Sector in EAC and SADC

Activity in the markets for energy efficient lighting and appliances in East and Southern Africa is still significantly lagging the activity in other regions, including in other emerging economies of Latin America and Asia. Despite the subdued level of EELA activities in the EAC and SADC region, many opportunities exist, and a growing number of players are entering the market to exploit these. In the different countries, the opportunities can emanate from direct government led programs, private sector/commercially driven initiatives, or a combination of both. Factors including:

- existing stock of old inefficient appliances;
- increasing cost of electricity;
- adoption of favorable policies by governments;
- business models enabling market participants to overcome barriers;
- advances in energy efficient technologies and their fall in prices;
- the drive to reduce carbon emissions and increased availability of concessionary funding instruments are all contributing towards the growth of the sector in the region.

1.1. Government/utility led initiatives

Some governments in the region have identified energy efficiency as a priority area and have set up programs to promote energy efficiency targeting high intensity energy users and households. Some of these programs have fallen under the demand side management activities of state power utilities and are aimed at reducing electricity demand partly in response to the power shortages faced by some of the countries in the two regions particularly in Southern Africa. Even in East Africa where some of the countries are experiencing excess electricity supply, the drive towards attaining low carbon emission economic growth is leading countries towards promoting energy efficiency.

Examples of government led programs include those targeting the following: -

- Municipality energy efficiency;
- Building Energy Efficiency;
- Industrial Energy Efficiency;
- Residential Energy Efficiency.

1.2. Private Sector Initiatives

There is a growing number of full service and boutique energy service providers implementing energy efficient lighting and appliances projects on commercial or semi commercial terms in some of the countries. The number of projects being implemented are growing across different sectors even in some countries that do not have a clear policy/regulatory environment. What tends to differ in the different countries is the level of market depth in terms of market size, the number of market players, average ticket size, the number of deals taking place, the business models deployed, types of institutions involved and the level of sophistication of the deals. In SADC and EAC, markets for energy efficient lighting and appliances range from shallow markets that are very rudimentary with little activity to sophisticated

markets with a significant amount of activity that offer world-class products and services on full commercial terms with strong growth potential.

These private sector energy service providers have both government agencies and private sector energy end users as their clients. Target clients come from all sectors depending on the industry structure of the respective country, some of the sectors where energy efficiency projects are being implemented include

- Hospitality sector;
- Agriculture sector;
- Commercial sector;
- Industrial sector;
- Mining sector;
- Building sector.

The EELA Technical Assistance and Co-financing Facility

The EELA Technical Assistance and Co-financing Facility seeks to stimulate increased diffusion of efficient lighting and appliances across all sectors through promoting private sector participation in the markets for energy efficient lighting and appliances. The EELA Technical Assistance and Co-financing Facility provides tailored advisory services and financial assistance to energy service providers and energy users.

The EELA Facility seeks to promote the utilization of business models that aim to overcome barriers to accessing and utilizing energy efficient appliances and services. The main barriers preventing energy service users from accessing energy efficient appliances and services include the following:

- Lack of affordable funding with an appropriate tenure for implementing energy efficient lighting and appliances projects;
- Lack of awareness on benefits of energy efficient products and services amongst potential clients and other stakeholders;
- Limited internal expertise within banks to evaluate and finance energy efficiency projects;
- Limited technical skills to design and implement energy efficiency projects within energy users;
- Lack of expertise to develop bankable project proposals;
- Limited capacity and track record of implementing energy efficiency projects on the part of energy service providers.

Amongst the business models to be promoted by the EELA Facility that are aimed at addressing some of the above barriers include energy efficient equipment leasing, energy performance contracting (EPC), Cooling as a Service (CaaS) and Lighting as a Service (LaaS). These models are widely used in other regions and some countries in the EAC and SADC are already adapting and using them.

1.2.1. Energy Efficient Equipment Leasing Model

Equipment leasing is widely practiced throughout the world even in East and Southern African countries. Equipment leasing can be offered by an equipment supplier or financial institution or more commonly through a structure involving both an equipment supplier and a financial institution. Some countries in the region have fully fledged leasing and asset finance companies financing assets in a wide range of

economic sectors. ESCOs can provide access to energy efficient lighting and appliances through structuring capital or finance leases. This can assist clients access energy efficient lighting and appliances, and in some cases operating and maintenance support, with no upfront capital investment.

Equipment suppliers and lease finance firms have good experience in financing capital equipment and the EELA project seeks to capitalize on this by identifying opportunities for projects in the targeted market segments to be supported. This will involve working with both financial institutions and equipment suppliers. Amongst the target sectors will be lighting (particularly street lighting), cooling and productive end use appliances and equipment particularly in the off-grid agriculture segment.

The EELA project will assist energy service users to prepare energy efficient leasing project proposals. It will also co-finance the capital cost of energy efficient projects for energy service suppliers with energy efficient leasing agreements with energy users.

1.2.2. Energy Performance Contracting and Energy Supply Contracting

Under an Energy Performance Contract (EPC), the energy service provider supplies the agreed energy services for example lighting, heating, or cooling and in return the client pays a fee for the energy services using the cash from the cost savings without having to worry about the details of the technical solution and the upfront investment cost. While the use of the EPC model is becoming commonplace in some of the countries in the two regions, it is still at infancy stage in many of the other countries.

Through government funded programs particularly those targeting public lighting and buildings as well as private sector led initiatives across different sectors particularly the hospitality, commercial, manufacturing/industrial and mining sectors there is increased utilizing of the model.

Several countries in the two regions have invested in developing the capacity of energy service providers to offer services using the EPC models including through putting in place supportive institutional frameworks like ESCO accreditation institutions and energy efficiency associations, training of energy efficiency professionals, providing concessionary funding, and raising the awareness of the benefits energy efficiency amongst potential clients.

The EELA project wants to build on this foundation by assisting energy service users to prepare business proposals that can enable them to contract energy service providers utilizing the EPC model. The project will also support energy service providers with EPC agreements with energy service users through meeting part of the capital costs of the project.

1.2.3. Cooling as a Service (CaaS) and Heating as a Service (HaaS)

Under a Cooling as a Service (CaaS) and Heating as a Service (HaaS) model, a customer pays for the cooling/refrigeration or heating service they receive from an ESCO, rather than acquiring the appliance or equipment. Unlike in the case of using the EPC model where the payment is dependent on the verified energy savings, under the CaaS and HaaS models, customers pay per unit of cooling or heating they consume which significantly simplifies the pricing process. The need to supply the cooling/refrigeration or heating service at the lowest possible cost strengthens the incentive for the equipment supplier to install and maintain the most efficient technology possible.

CaaS or HaaS are examples of a servicing model that seeks to turn a traditionally product-focused business model into a service focused one. In this case, instead of the client investing in the physical

cooling/refrigeration or heating infrastructure they pay for cooling/refrigeration or heating services. By using the CaaS/HaaS approach, the client thus avoids the high upfront costs of the cooling/refrigeration or heating infrastructure which is a major barrier towards accessing cooling/refrigeration or heating for potential customers in East and Southern African countries. Lack of access to cooling/refrigeration and heating causes huge economic and social losses particularly in the agriculture and food value chains, industry, retail sector as well as in health delivery services.

1.2.4. Lighting as a Service (Model)

Another example of the use of the servicing approach is in the Lighting as a Service (Laas) model which involves ESCOs selling lighting to clients, often building users or public lighting for municipalities, rather than the physical infrastructure providing lighting. The ESCO guarantees uptime and light levels, often specified in contractual lux levels in addition to taking care of recycling and other end-of-life issues. In addition to addressing the major barriers of the upfront cost of a new lighting system, Laas also addresses the risk of technology installed today being eclipsed by future lighting technology.

While these models have not been widely adopted in EAC and SADC Member States, they offer great opportunities for both ESCOs and their potential clients. One of the major attractions of the models is the relative simplicity of the pricing structure supporting the model. The models can also be applied in a wide range of sectors with relatively few modifications.

As with the leasing and the EPC models, the EELA project will support energy users to prepare project proposals utilizing the CaaS, HaaS and the LaaS models. The project will also co-finance the capital costs of implementing energy efficiency projects utilizing these models.

Expected Output

The EoI is designed as a rolling call for expression of interest.

The call aims at achieving the following outputs in 2021:

- At least three energy service users are identified and receive TA in the development of a full project applying one of the energy service models under the first window;
- At least three energy service providers and/or manufacturers of energy efficient appliances are identified to receive Co-financing from the second and third windows.

2. Scope of the Expression of Interest (EoI)

General Information

The Call for Expression of Interest was designed following stakeholder engagement and country workshops with public and private sector representatives from East and Southern Africa as well as feedback solicited through a questionnaire that was sent to stakeholders in the 21 countries. The project also held consultation meetings with focal points in the target countries. Focal points are representatives appointed by the ministries responsible for the energy portfolio in each of the countries.

Prior to the commencement of the project, a market study was conducted and the information from the study was also used to inform the Expression of Interest.

Targeted Sectors

While the EELA private sector support facility is open to all sectors, in this first phase priority will be given to the following technologies:

- Lighting, (street lighting, public lighting, commercial lighting, on- and off-grid);
- Cooling;
- Productive use appliances with a special focus on the agricultural sectors (but not limited to it).

Targeted Business Models

The EELA private sector support facility supports various energy service business models that help address the barriers that restrict access to energy efficient lighting and appliances with the following models being the focus (but not limited to them): -

- Energy efficient lighting and appliances leasing;
- Energy Performance Contracting;
- Cooling as a Service;
- Lighting as a Service.

Eligible Applicants

The following organizations are eligible to apply for technical assistance and co-financing from the EELA Technical Assistance and Co-financing Facility:

- Publicly owned energy users based in EAC or SADC member states;
- Privately owned energy users based in EAC or SADC member states;
- Energy service providers, including energy service companies (ESCOs) based in EAC or SADC member states;
- Consortia involving international service providers and EAC or SADC based energy service providers;
- EAC or SADC based manufacturers of energy efficient lighting and appliances seeking to retool or upgrade their equipment or processes to enable them to manufacture lighting and appliances that meet the adopted MEPS.

2.1. Parameters of the Funding

The support from the EELA project to the energy users and the energy service suppliers will be structured in two ways, in the form of Technical Assistance and through Co-financing.

2.1.1. Technical Assistance

Successful applicants will be supported as follows:

- Energy users will be provided with technical assistance to develop suitable energy service business model and project proposals as well as to engage energy service providers.

2.1.2. Co-financing and Support to Manufacturers of Lighting and Appliances

Successful applicants for Co-Financing are energy service providers with eligible viable project proposals, co-financing and energy service agreements with client seeking to implement energy efficient lighting and appliance projects. The applicants need to demonstrate the energy saving potential, impact and the need for financial support to cover the high upfront costs of purchasing lighting and/or appliances. A plan which demonstrates the business model and financial viability of the project must be submitted. The funding from the EELA will be in the form of a grant that the energy service user is not required to repay.

Manufacturers of lighting and appliances based in EAC and SADC member states seeking to retool or upgrade their production equipment or processes to meet the MEPS for lighting and appliances adopted by EAC and SADC member states are also able to apply for funding from the EELA Facility. As with the case of the Co-Financing, manufacturers need to demonstrate project viability, availability of co-funding and the project's impact.

Definitions and Explanation Notes:

Energy Service Provider – the term energy service provider applies to different suppliers of energy services including energy service companies (ESCOs) offering services under the Energy Performance Contracting (EPC), Energy Supply Contracting (ESC), Energy Efficient Equipment Leasing (Leasing), Cooling as a Service (CaaS), Lighting as a Service (LaaS) models or any other similar model.

East Africa Community (EAC) - The East African Community is an intergovernmental organization composed of six countries in the African Great Lakes region in eastern Africa: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda.

Southern Africa Development Community (SADC) - The Southern African Development Community (SADC) is an inter-governmental organization composed of sixteen southern African countries: Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe.

2.2. Schedule

| | |
|-----------------------------------|---|
| Time frame for submission of EoI: | ongoing |
| Evaluation: | quarterly |
| Contracting/due diligence: | 12 weeks after commencement of contact negotiations |
| Implementation duration: | maximum 18 months after contract signing with UNIDO |

3. Contracting of Energy Service Providers (ESPs) and Energy Service Users

Applications of EoI shall be accepted on a rolling basis and may be submitted at any time before 31 December 2021. Applications are evaluated continuously, and applicants shall be informed of the outcome of their submissions on a quarterly basis.

Projects that meet the set requirements will be subjected to a detailed due diligence process and applicants may be contacted to submit additional information where required as part of the due diligence process. For energy service users seeking support from the Technical Assistance Window, the purpose of

the due diligence study would be to determine the potential energy savings, the appropriate interventions, the required technical assistance, and the most appropriate business model for delivering the desired outcomes. Negotiations with the most promising projects will be initiated and upon successful conclusion of the negotiations, contracts will be signed with the applicants.

For projects seeking support through the Co-Financing and Technology Transition windows the purpose of the due diligence study will be to determine the technical feasibility and financial viability of the project. Projects that are not technically feasible or financially viable will be rejected and the applicants will be notified accordingly. The due diligence process will focus on the verification and reinforcement of the information received from the applicants, detailed discussion with the energy service providers and cross referencing of facts; i.e. product and service offering; viability of technology; robustness of revenue model and business plan; market size and growth potential; customer creditworthiness and stability; financial strength and credit rating/debt service; plausibility of financial plans and suitability of proposed/requested financing structure; management experience and credibility, and ability to deliver the business plan; integrity of the systems put in place by the energy service provider to collect and monitor data.

Successful applications will receive support from EELA to develop the full project implementation plan.. Energy service providers are obliged to report to UNIDO in line with the contract. It is anticipated that the energy efficiency project will be implemented within a maximum of eighteen months following contract signing.

UNIDO will sign the contracts with the successful applicants. The achievement of milestones, as agreed during the contracting phase, -will be monitored and verified on a regular basis by UNIDO and independent evaluators. The Contract may be terminated by UNIDO if agreed co-funding and other set conditions precedent and milestones are not achieved by the applicant.

4. Reporting and documentation

Reporting and documentation will be in line with the M&E framework set out below:

| Category | Indicator |
|---------------------|---|
| Energy efficiency | <ul style="list-style-type: none"> ➤ % energy savings ➤ Cost of energy saved |
| Access | <ul style="list-style-type: none"> ➤ Number of people getting access to energy efficient lighting, appliances and services |
| Prosperity | <ul style="list-style-type: none"> ➤ Number of jobs created (direct and indirect) |
| Climate/Environment | <ul style="list-style-type: none"> ➤ Greenhouse gas emission mitigation (in t CO₂e per year) |
| Finance | <ul style="list-style-type: none"> ➤ Amount of investment/additional funding leveraged |

Indicators will be discussed and analysed in the due diligence process for each project, with the most suitable and reliable ones being selected and agreed for each energy service provider and included in the M&E framework. At any time during the contract external verification of the contract indicators and M&E framework may be involved.

Such external verification is carried out at the discretion of the UNIDO and will be budgeted for outside of the framework of the contract between the applicant and UNIDO.

UNIDO will be monitoring and analyzing progress of the energy efficiency project implementation as well as recommending acquisition of the capital equipment to be funded by the EELA project linked to the procurement schedule and meeting all conditions precedent set-out in the contract.

Reporting requirements for applicants are:

- Bi-annual narrative and financial reporting (based on log frames, milestones, deliverables, and associated indicators), as well as personal meetings and phone calls on a regular (monthly) basis.
- Bi-annual Due Diligence by UNIDO during the implementation phase in line with the implementation schedule agreed between the energy service provider and UNIDO in the contracting phase.
- External evaluation (resourced and budgeted separately) after completion of project: capturing early socioeconomic impact of energy service provider’s services.

5. Invitation to Expression of Interest Procedures

5.1. Administrative Conditions

| | |
|---|---|
| Contracting authority | United Nations Industrial Development Organization (UNIDO) |
| Contact persons | Aymen Ahmed (Mr.) Procurement Officer Department of Operational Support Services, Directorate of Corporate Management and Operations Email: A.Ahmed@unido.org Please copy Mr. Jochen Kraus (J.Kraus@unido.org) in all correspondence. |
| Application process | Open |
| The first phase of the Eol shall be valid until | 31 st December 2021 |

5.2. Questions and Answers

Questions regarding the EOI or procedures of application must be sent to Mr. Aymen Ahmed (A.Ahmed@unido.org; CC: J.Kraus@unido.org) at any time after the launch of the EoI. A compilation of relevant questions and answers will be published on the UNIDO, SACREEE and EACREEE websites. Each applicant must ensure that it reads the answers to the questions, together with any other information, which may be published on the above-mentioned websites.

Mandatory requirements

The Call for EoI document and annexes contain several mandatory requirements. For an EoI to be evaluated it must meet these requirements.

Evaluation of the EoI

All applications that meet the set requirements will be assessed using the assessment criteria outlined in the in the table under 3.4 below.

Notification of Results

All applicants will be notified by e-mail of the outcome of the vetting and due diligence processes on a quarterly basis. A notice of selection of a project does not mean that a binding contract has been entered into between the EELA and the applicant. A contract is not legally binding until it has been signed by both parties.

General Conditions

- This procurement is governed by the provisions of the UNIDO rules and regulations.
- EoIs must be submitted to UNIDO.
- EoI shall be submitted by using the application form provided for this call
- Applicants must submit the following:
 - Concept note
 - Applicant Information - Annex A
 - Applicant declaration form – Annex B
 - Verification of the company registration
 - Confirmation of being registered for tax
 - Confirmation of having no tax debt
 - Company organisation chart
 - Most recent audited report and accounts
 - CVs of the key management team
- Applicants must identify their targets for energy savings.
- Proposals must be signed by the applicants.
- The proposals and all documentation appended may be drawn up in English, French or Portuguese and contain the information and documents indicated in this EoI documentation.
- The formation of consortia is allowed. In such cases the applicants must submit either: a proposal signed by all partners of the consortium and a draft of a consortium agreement providing for joint and several liabilities with reference to the contract including the nomination of the lead firm of

the consortium. Scanned signatures are accepted, or an EoI signed by the lead firm and a copy of a consortium agreement, signed by all participating parties, providing for joint and several liability with reference to the contract including the nomination of the lead firm of the consortium. Scanned signatures are accepted.

- The applicants must not have an unfair competitive advantage in relation to this EoI that could be considered a breach of the equal treatment principal. An applicant that does not fulfill this condition will be disqualified.

5.3. Requirements regarding the Expression of Interest (qualification)

5.3.1. Legal obligations

The following requirements must be satisfied:

- The applicant must have fulfilled the required legal obligations regarding registration, taxation, and other legal charges in its home country.. The applicant must not be sanctioned by the UN and considered ineligible based on the lists such as the Consolidated United Nations Security Council Sanctions List (CUNSCSL), World Bank's Listing of Ineligible Firms & Individuals, and lists of sanctioned/suspended vendors maintained by UN organizations.
- The applicant must comply with the UN sanctions, UN Security Council Resolutions, and international conventions and treaties;
- The applicant must not be involved in investments, sales or manufacturing of anti-personnel landmines, cluster bombs as well as other weapons and ammunitions, or in production or sales of tobacco;
- The applicant must append the following documents in a copy to its Expression of Interest as evidence that the requirements have been satisfied.
 - A copy of the registration certificate (Certificate of Incorporation) issued by the authorised government agency. The applicant must have been registered for a minimum of two (2) years.
 - A certificate showing that the applicant is registered for the payment of value added tax (VAT), withholding tax, employee contributions, or similar taxes or charges in accordance with the law of the country of the entity, and has no overdue debts regarding taxes and social security contributions. The applicant must provide the VAT registration number. If the entity is exempted from VAT, a certificate confirming this status must be submitted. If the authority in the applicant's home country does not release this information, and the reason for this is stated in the proposal, the certificate can instead be signed by the managing director, chairperson of the board or the auditor of the company. The above-mentioned certificates may not be older than six (6) months.
- If a consortium submits an EoI, each party must submit all required information and documentation individually.

5.3.2. Financial Position

Applicants must submit the information described below:

The applicants must demonstrate financial stability through the annual audited financial statements of the previous two years.

In cases where an applicant fails to show a stable financial basis, the applicant will nevertheless be deemed to have satisfied these requirements if in its proposal includes an explanation that clearly establishes that the energy service user or provider possesses an equivalent level of financial stability.

If an EoI is being submitted by a consortium, each party must submit the information or documentation requested.

Project Promoters' Technical and Professional Capacity

Applicants must have documented resources, competence, and experience to perform projects in the area(s) of expertise requested. By signing the EoI, the applicants confirm that the required resources will be at the disposal of the applicant when the project is to be implemented.

The application must contain a description of the energy service provider or user (facts about the company, competence, and capacity, as well as the company's market position). The EoI must include an organisational structure that will be used to perform the assignment as described

Sub-contractors and partners

If an applicant intends to engage subcontractors and/or partners for any portion of work that is greater than 5% of the value of the contract, this must be reported.

Applicants who use subcontractors to perform components of the projects and or provide critical services to the project, must describe in the proposal how the energy service provider or user can access, utilise and benefit from the resources and services of the subcontractor that are used to perform the subcontracted component/provide the subcontracted services. This includes the salient terms of such sub-contract and the way in which it will be monitored and enforced.

Any dispute, (contractual or financial) arising between the applicant and its sub-contractors and affiliates shall be settled in line with the arrangements as well as arbitration rules stipulated in the contract established between the applicant and its sub-contractors and affiliates. UNIDO shall not be liable in any way or form to the applicant or its sub-contractor and affiliates and shall assume that applicant has carried out its duties under the contract with its sub-contractors and affiliates and that its sub-contractors and affiliates have in turn discharged their responsibilities under the said contract.

Personnel

The applicant must propose a key management team responsible for performing and coordinating the services in the project. The qualifications of the team must be adequate for the purpose/activities identified in the EoI.

In addition, at least one member of the key management team must be based permanently in the country where the project is being implemented. This person shall act as the main point of contact between the applicant and UNIDO. In the case that the applicant plans to operate through or with local partners, this

person can be nominated from the local partner's staff as long as he or she is a member of senior management, is based in the local country, and has the authority to represent the applicant to UNIDO.

The proposal must include a description in the form of curricula vitae (CV) for the individual key management personnel as well as providing details on the main shareholders. For the key management, the CVs must contain a full description of each team member's qualifications and professional work (i.e. specifically describe the person's experience in operating similar businesses in Africa and provide references that can be contacted during the due diligence phase).

Procurement

For successful applicants, all procurement will be performed in an open, transparent and competitive manner guided by UNIDO Procurement rules to be set out in a contract between the successful applicants and UNIDO.

Implementation

A short implementation plan must be described in the EoI. The applicant must describe how the achievement of goals is envisaged to be achieved.

A budget should be provided in Euro and should demonstrate the total costs and the Co-financing requirement from the EELA project (where appropriate).

Funding and required Co-financing

- The maximum financial contribution for each project under the second window is EUR 200,000 and for the third window EUR 100,000.
- The provided EELA contribution will be a maximum of 75% of the total project costs and a demonstration of the source of own co-financing is required.
- The level of the applicants' own contribution is one of the factors that will be used in evaluating projects.
- In-kind contribution cannot be used in determining project promoters' required contribution towards the project cost.
- Applicants cannot access funding from the same Window either individually or as part of a consortium more than once.
- The following activities and products can be funded under the project:
 - Procurement of advisory support services;
 - Procurement of energy efficient lighting and appliances to be used in implementing energy efficiency projects;
 - Procurement of other hardware and software relevant for the implementation of the project.
- EELA funding cannot be applied towards working capital finance.
- Under the Co-financing and the Technology Transition Window EELA funding cannot be applied towards project preparation costs.

5.4. Project Evaluation

All EoIs will be subjected to an initial screening process which will determine if the submitted project conforms with the Energy Efficient Lighting and Appliances (EELA) eligibility criteria. All non-conforming projects will be eliminated at this stage and the applicants will be notified accordingly.

Projects that comply with the EELA eligibility criteria will be subjected to a full assessment process. The criteria for evaluating the energy efficiency proposals is provided in the table below:

| Assessment Criteria | Weighting |
|---|-------------|
| Projected Impact through increased access to EE lighting and appliances | 20% |
| Demonstration of applicability of an energy service business model for applicants of window 1 and 2 and demonstration of need for technology upgrade for applicants of window 3 | 20% |
| Demonstration of commitment and feasibility of the project | 20% |
| Identification and Mitigation of Risks | 5% |
| Environmental/Social Benefits & Gender Inclusiveness | 5% |
| Economic situation of the applicant and team composition | 10% |
| Applicants' own contribution as required in the respective funding window | 20% |
| Total | 100% |

- The technical evaluation must achieve a minimum of 60% to be considered for further consultations.
- To assist in the evaluation of applications, the EELA project may, at its discretion, ask any applicant for a clarification (including missing documents) of its application which shall be submitted within a stated period. Any request for clarification and all clarifications shall be in writing.
- If an applicant does not provide clarifications and/or documents requested by the date and time set in the EELA project's request for clarification, its application shall be evaluated based on the information and documents available at the time of evaluation of the application.
- EoI will be evaluated by a team composed of experts from UNIDO, SACREEE and EACREEE and will be presented for non-objection to the EELA Project Steering Committee.
- All applicants will be notified of the results of the assessment process.
- Selected applicants for receiving technical or grant funding from the EELA project will be advised of the conditions precedent they would have to fulfill.
- In addition to fulfilling the conditions precedent, shortlisted applicants will be subjected to a detailed due diligence process. Project promoters that fail the due diligence process will not receive support from the EELA project.

Submission of Applications

All relevant information and documents are available on the UNIDO, EACREEE and SACREEE websites:

UNIDO: <https://www.unido.org/resources-procurement/procurement-opportunities>

EACREEE: www.eacreee.org and

SACREEE: www.sacreee.org.

All applications including the relevant supporting documents shall be submitted to the following e-mail address eela-facility@unido.org.