Attachment J1
SECTION C - STATEMENT OF OBJECTIVES

C.1 Purpose

The purpose of the **Enhancing Development through Energy in East and Central Africa** (EDEECA) program is to increase the availability of and access to affordable, reliable, sustainable and clean energy in East and Central Africa in order to reach measurable economic growth, development outcomes, such as reducing poverty, improving livelihoods and increasing inclusive access to electricity enabled services in such areas as health, education, sanitation and food security. The activity will support the accelerated connection of more African homes, businesses, and institutions to electricity and increasing its productive use; reduce greenhouse gas emissions from the energy sector by supporting cleaner electricity generation delivered by the grid and accelerating distributed renewable energy (DRE)[1]; support the transition of host government's resource planning leading to the adoption and integration of renewable energy sources and solutions to to meet climate action commitments; crowd in new technologies and innovations that scale access and impact; and, increase access to private capital investment including improved uptake of climate funds, while working in partnership with East and Central African governments to improve the enabling environment for energy sector investment and innovation.

C.2 Background

Approximately 600 million out of the 800 million people in the world without access to electricity are climate-impacted Africans. This impoverished population often live in drought-prone, fragile, conflict-affected countries, where exploitation of natural resources and energy production have enticed corruption and led to environmental degradation and inequity.

Africa's current population of 1.37 billion is expected to almost double and increasingly urbanize by 2050[2], which will have major implications for the development of the energy sector. This population growth has resulted in a youth bulge with a median age of 20 in Africa as compared to a median age of 31 in Latin America, 32 in Asia, 39 in North America, and 43 in Europe.[3] A young, rapidly expanding population will compound the current deficit in energy supply and heighten the need for less carbon intensive energy options to meet current and future demand in an environmentally sustainable manner.

The energy sector in sub-Saharan Africa is expected to grow significantly in the next several decades driven by population growth, increased economic activity and greater demand for modern conveniences. Addressing climate change is a top priority for USAID as part of the U.S.

[1] For the purposes of this solicitation, "distributed renewable energy" or "DRE" is defined as a broad range of energy access solutions that can be applied in off-grid areas where traditional approaches to grid extension are not feasible due to financial, geographic, or technical constraints; and in weak grid areas where power is unreliable.

[2] The Economist, March 26, 2020 https://www.economist.com/special-report/2020/03/26/africas-population-will-double-by-2050

[3] https://www.pewresearch.org/fact-tank/2020/04/22/populations-skew-older-in-some-of-the-countries-hit-hard-by-covid-19/

Government's renewed and strengthened commitments to building climate resilience and helping limit warming to 1.5 degrees Celsius as called for under the Paris Agreement. Sub-Saharan Africa is especially vulnerable to effects of climate change, which threatens human health and safety, food and water security, and socio-economic development. To support the efforts of the U.S. Government and our African partner countries, USAID developed a Climate Strategy 2022 - 2030 which represents an opportunity to align programs and investments with the significant climate change challenges confronting our partners.

Looking beyond the grid, a clean, DRE future for rural East and Central Africa equates with a $200 billion investment opportunity and could avoid 626 million tons of CO2 while delivering universal access by 2030. East and Central Africa's large unelectrified population offers the continent an unparalleled opportunity to obviate future fossil fuel-based power sources by setting the continent on a lower carbon energy pathway.

East Central Context

East Africa has one of the most advanced energy sectors in sub-Saharan Africa, with over 20 years of experience with independent power producers. The generation mix has also expanded with significant development of geothermal, wind, and solar power from the previous overdependence on hydro and thermal power. There has also been significant development in the expansion of the transmission and distribution infrastructure to support the expanding customer base. Despite these developments, the energy sector still faces challenges that may impact its ability to support countries' economic development agenda. Major issues include weak and aging transmission and distribution infrastructure, high electricity loss levels, frequent and long outages - especially in the rural areas, highly indebted utilities with significant liquidity challenges and delays in reviewing electricity retail tariffs. Other pertinent issues include inconsistencies and delays in approval of new IPPs, inadequate access to project financing, unclear delineation between on-grid and off-grid development plans, long delays in project implementation due to right-of-way challenges. The region is also facing a near-term electricity demand/supply mismatch as demand growth has lagged behind the development of power generation infrastructure, opening up opportunities for large scale demand creation and power trade between countries and regions.

Central Africa Context

Central Africa includes large country populations, and one of the lowest electrification rates globally. For example, decentralized mini-grids and standalone off-grid solutions could reach an estimated 61 million people in the DRC, according to Power Africa's Off-Grid Solar Market Assessment for that country.[4] The energy sector is hampered by a poor business operating environment, governance challenges such as corruption, poor electric utility performance, high taxes, and nascent regulatory agencies. Yet a renewable energy market is emerging in central Africa. For example, President Tshisekedi announced an ambitious 30% electrification target, appointed directors to the two new energy agencies, and granted $5 million to the Mwinda Fund to stimulate increased electricity access in the DRC.

[4] Power Africa Off-Grid Solar Market Assessment for DRC

To address the presented challenges in East and Central Africa, EDEECA will seek to partner with African counterparts to achieve broad and affordable access to sustainable energy, while meeting key development objectives, including improved economic development, access to basic services, and food security. Given its abundance of natural resources, including solar, wind, and geothermal resources, sub-Saharan Africa is well-positioned to meet the growing demand for energy in an environmentally sustainable manner.

The priorities and mandates for how this successful partnership with African counterparts will be achieved are evolving, offering new opportunities for the United States and African nations in the areas of investment, technology advancement, research and development, job creation, and market expansion. New gender equity and empowerment, local capacity, digitization, climate finance and just energy transition priorities hold the promise of driving improved and sustained development impacts.

C.3 Problem Statement

There are several key concerns with increasing the availability of and access to affordable, reliable, equitable, sustainable, and clean electricity in East and Central Africa:

C.3.1 Impacts of Energy Poverty[5] on Women, Children and Marginalized Communities

Nearly half of the population of sub-Saharan Africa (SSA) lacks access to affordable and reliable electricity. The effects of this energy poverty are acutely felt by women and girls.[6] Data demonstrate that when schools and homes are electrified, girls are more likely to stay in school.[7]

The effects of energy poverty are acutely felt by the most vulnerable, including people displaced by climate change and conflict. Given recent waves of violence and climate shocks in countries including Ethiopia, the Democratic Republic of Congo, and Somalia, responding to the needs of the displaced will become increasingly important. Partnerships between the public and private sectors, such as the Smart Communities Coalition, can help to meet the needs of refugees and displaced people.

In addition to those who are displaced, sub-Saharan Africa is estimated to hold over 200 million people without energy access in markets deemed too poor or remote for commercially-returnable investments.[8] Of the $1.748 billion invested in off-grid renewable energy in Africa between 2010 and 2020, East Africa attracted a relatively large share ($822 million), while countries in Central Africa attracted alarmingly little ($36 million), in spite of these countries having some of

[5] Energy poverty is defined as access below 1,000 kWh per person per year, including 300 kWh at home and 700 kWh consumed in the wider economy. Source: Energy for Growth Hub.

[6] Van Leeuwn, Richenda, United Nations Foundation, *Power for Girls and Women: 5 Facts on How Electricity Powers Progress*, (April 4, 2016), at: https://unfoundation.org/blog/post/power-for-girls-and-women-5-facts-on-how-electricity-powers-progress/

[7] UNDESA, *Electricity and education: The benefits, barriers, and recommendations for achieving the electrification of primary and secondary schools*, (December 2014) Final Online Version, pg. 13, At: https://sustainabledevelopment.un.org/content/documents/1608Electricity%20and%20Education.pdf

[8] GOGLA, *2020 Market Trends Report,* (January 2021), p. 3, at: https://www.gogla.org/sites/default/files/resource_docs/gogla_discussion-paper-subsidies_def_2.pdf

the lowest electrification rates on the continent[9]. In order to meet the ambitious goals of Power Africa, the UN Sustainable Development Goal #7 - (*By 2030, ensure universal access to affordable, reliable, sustainable and modern energy services)*] and others, finding ways to increase investment within underserved markets will be imperative.

Bolstering energy sector investment creates an opportunity to invest in and meet the needs of underrepresented populations within the energy sector. Investment in the sector will result in new job creation which, with effective planning, should allow for opportunities for women, marginalized communities, youth and other populations currently underrepresented in the sector workforce. Bolstering energy sector investment also creates opportunities to invest in women-owned businesses, businesses that actively seek to promote women's employment, or businesses that aim to meet the specific energy needs of women or other marginalized groups (including Internally Displaced Peoples and refugees).

While increasing electricity access remains critical, ensuring the reliability and affordability of services is an even greater challenge. East and Central African countries have unreliable grids, with enterprises reporting an average of nine outages per month and a loss in business revenue.[10] Operational inefficiencies and losses within utilities and existing infrastructure result in the cost of service being higher than the affordability threshold of the end users. Many electricity customers are located in rural or peri-urban areas where lower incomes and poor infrastructure are interlinked. These customers may often end up paying a higher percentage of their incomes for energy than those in urban areas with access to the grid, despite having lower purchasing power. DRE solutions present a promising alternative, but like many clean energy investments, require a comparatively high upfront cost, which may initially appear more expensive than an existing fossil fuel solution (kerosene, diesel or gasoline) but are much cheaper in the long run when life cycle costs are compared.

Demand is directly linked to affordability. Off-grid energy is a way for governments/service providers to encourage and support renewables without the need for large-scale activities in underserved areas that have not yet been served by the traditional grid. Due to their comparatively low purchasing power, many off-grid customers may only be able to afford low tiers of energy services at present, for example basic lighting and cooking. In the standalone solar sector, companies must tailor their products to customers with low purchasing power, and as a result, may only offer small products such as lanterns or small solar home systems.

Energy companies are finding new, innovative and cost-effective ways to deliver distributed energy solutions to rural populations in East and Central Africa without having to wait for the grid to arrive. Beyond-the-grid solutions run the gamut from mini-grids (including under-grid mini-grids, metro-grids, grid-connected mini-grids), integrated utilities, and standalone solar home systems. In order to expand the customer base, reach new markets, and achieve profitability, DRE companies require demand-driven business development support. Local renewable energy associations, which represent the interests of DRE companies, require capacity

[9] IRENA, *Renewable Energy Market Analysis: Africa and its Regions,* (January 2022) at: https://www.irena.org/publications/2022/Jan/Renewable-Energy-Market-Analysis-Africa
[10] Ibid.

building support as they take on the role of enhancing sustainability of the DRE sector in their countries.

In the mini-grid sector, companies may offer a higher tier of service at the outset, but the mini-grids are often underutilized, negatively impacting key commercial metrics. This causes political and legal uncertainty for investors, making it harder for companies to achieve commercial sustainability. In addition to efforts aimed at increasing affordability, the broader off-grid energy sector must make greater efforts to stimulate demand. In considering issues of demand the sector must consider the energy needs of women, important but often undervalued customers. Evidence suggests that women can be strong ambassadors for rural electrification, referring new customers to off-grid solar enterprises, a significant benefit to growing these companies.[11]

The same is true of on-grid electrification. Some governments have faced huge costs for power they cannot use, and have attempted to renegotiate power purchase agreements in recent years, which has caused distrust from the private sector. Power trade may help to balance supply and demand, but demand stimulation is another approach to help ensure that the power that utilities and governments have committed to buying is harnessed for economic growth and industrial development.

C.3.2 Economic Development and the Energy Transition

According to the World Bank, climate change increases the costs of development in the poorest countries by between 25 and 30 percent. Africa is the continent most vulnerable to the adverse effects of climate change despite contributing the least to global warming.[12] Responding to the negative impacts of climate change while achieving other development goals will require an increase in clean energy production and consumption on the continent. Energy use per person in Africa is so low that even modest increases in income will produce large increases in energy demand.[13] Coal, gas, and oil presently dominate the energy sources for large-scale electricity generation in Africa. Combined, they contribute 77 percent of Africa's energy supply, with hydro, solar, wind, geothermal, and biomass accounting for the balance. Avoiding large-scale dependence on fossil fuels to power economic growth across the continent is critical not only for reducing global greenhouse gas emissions, but for the long-term resilience and economic prosperity of African countries as renewable energy increasingly represents the cheapest supply option and mitigates price volatility associated with fossil fuel generation.[14]

Grids are currently subject to frequent outages or low quality power supply, which leads to more fossil fuel use as households and businesses often resort to using pollutive backup diesel generators. Operating backup generators is expensive, with $28 billion to $50 billion spent by generator users on fuel each year Africa-wide.[15] Accelerating the transition from a fossil-based fuel source to those that are environmentally-friendly and least-cost will provide long-term environmental and financial sustainability to the power sector in East and Central Africa. The transition to clean energy sources from coal-fired plants and diesel generators will reduce

[11] https://www.greentechmedia.com/articles/read/why-gender-is-key-to-african-off-grid-energy-sales
[12] https://www.brookings.edu/research/africa-can-play-a-leading-role-in-the-fight-against-climate-change/
[13] https://www.wilsoncenter.org/article/battle-earths-climate-will-be-fought-africa
[14] ibid
[15] The Dirty Footprint of the Broken Grid (IFC)

greenhouse gas emissions and its associated environmental, financial, and health impacts. Such a transition must be pursued in a way that provides appropriate policies and frameworks to achieve these impacts while at the same time accounting for the industry, equity, workforce, and energy availability concerns that will accompany such a transition.

C.3.3 Insufficient Enabling Environments, Investment, and Innovation in the Energy Sector

Energy sector development and investment across East and Central Africa is inhibited by a host of enabling environment challenges, including an inability to define desired end states, identify common barriers and prioritize those interventions with the highest potential to unlock prohibitive market obstacles . This includes poor sector strategic planning, which can lead to loadshedding or power over-supply, or off-grid concessions conflicting with grid extension plans. In addition to effective strategic plans, a solid regime of energy sector laws and policies is required to create transparent and equitable conditions for energy sector participants.

Restrictive laws and policies, like taxes on imports of renewable energy equipment or lack of quality assurance standards, often hinder energy sector development. Government institutions and independent regulators need to be strengthened to enforce enabling laws and policies, such as empowering utilities to collect cost-reflective tariffs. Government institutions may stifle private sector participation by negotiating bilateral deals behind closed doors rather than running transparent and open competitive procurements for energy infrastructure projects. For example, in Djibouti, the government maintains a monopoly in terms of transport and distribution of electricity, which limits private sector investment.

Regional institutions such as power pools need support to create power markets that incentivize new investment and provide real opportunities for power trade that enhances reliability, reduces greenhouse gas emissions, and improves affordability of power. Several countries in East Africa are heading towards oversupply due to domestic ambitions for energy security and sales not aligning with those of their neighbors, indicating a lack of effective planning and failure to embrace opportunities for regional coordination.

Energy sector institutions, including universities and civil society, need improved technical capacity and increased gender equity. A growing body of evidence demonstrates a strong correlation between gender diversity and a company's financial performance. An index comparing the performance of power utilities demonstrated that the top 20 most gender diverse utilities significantly outperformed the lower 20 in return on equity.[16] And yet the energy sector remains highly male dominated, with women representing approximately 20% of the workforce population in Africa, thereby missing out on the potential benefits of a more diverse workforce.[17] Investment in and innovations across the sector have the potential to bring more women and youth into the workforce.

C.3.4 Increase the amount of financing available for utilities/companies/projects

[16] Ernst and Young, Talent at the Table: Index of Women in Power and Utilities, 2014 and 2016
[17] https://www.iea.org/topics/energy-and-gender

The East and Central African energy sector has ample opportunities to reach financial sustainability and local ownership. There are hundreds of private energy sector companies currently operating in East and Central Africa, from large multinational independent power producers to local last-mile distributors. Many large-scale energy infrastructure projects are complicated, potentially involving multiple parties, and sometimes fail to meet financial close or construction due to legal or technical challenges, preventing much needed power from coming online. Only a small fraction of energy sector companies operating in East and Central Africa possess the financial management sophistication and in-house talent needed to raise large amounts of long-term financing and fundraise for donor assistance. Trade associations can support members to advocate for their collective interests, yet many of these organizations are under-resourced to fulfill their mandates of sector-wide data collection and analysis, policy advocacy, and public communications.

Public and private financing shortfalls and power sector legacy debts are some of the biggest impediments to universal access to electricity across East and Central Africa. According to Sustainable Energy for All (SEforALL), $45 billion for universal energy access is needed annually through 2030, with current annual financing of only around one-third ($16 billion) of that amount for generation, transmission, distribution, and solutions beyond the grid. Utilities need support to unlock bilateral and multilateral donor finance for large-scale infrastructure investments. Governments need support to structure and implement domestic subsidies and incentive funds for electrification. But public finance alone will be insufficient to meet such a deficit. Massive amounts of private finance are needed to fill the gap. Private sector energy companies need debt and equity to launch, grow, and provide more innovative energy products and services to more Africans. Further, financing for energy sector companies may not be as available to women-owned enterprises. Of the venture capital allocated to African companies in 2021, less than 1 percent went to early stage companies founded or run by women.[18] New investment vehicles and risk mitigation facilities are needed across the board to address financing challenges such as currency risk and political risk. There are currently limited opportunities for private sector participation and finance in certain segments of the energy sector altogether. There have been advances in the generation segment, and some in the distribution segment in certain countries, but there is still very little private participation and finance in transmission[19], which is a huge constraint to efficient power delivery, especially new utility-scale renewable energy that is often located in remote areas. Increased investment will help unlock energy innovation across the sector.

Energy sector development and investment has not benefited all Africans equally. There is a need for energy projects to be implemented in a just way that meaningfully involves local stakeholders and shares the benefits of projects with them. African women in particular need special consideration. Despite the very real benefits of electrification on their livelihoods, women may not have equal access to new energy sources. Off-grid technologies are often not marketed effectively to women, financing products are often not accessible to women consumers, and productive use of energy (PUE) technologies often do not meet the needs of women customers. Access to new sources of energy might also be constrained due to biases that limit women's decision making powers.

[18] 2021 in 21 Numbers (Africa: The Big Deal)
[19] https://cldp.doc.gov/sites/default/files/2021-10/Understanding_Transmission_Financing.pdf

The energy sector can have potential negative impacts on the environment, and the environment can also impact the energy sector. Construction of energy infrastructure such as power lines, substations, mini-grids, wind turbines, and other power plants can have adverse impacts on air, water, and wildlife. Polluted air and water can have negative impacts for local communities. Wildlife interactions with energy infrastructure are not only a risk for Africa's critically important wildlife, but can also result in power disruptions and large financial losses to utilities and energy companies. Climate change also poses a risk to East and Central Africa's energy infrastructure and operations. Increasing storms, droughts, floods, and wildfires are damaging existing energy infrastructure, causing power outages, lost investment, and setbacks to achieving energy reliability and access goals.

C.4 Power Africa

In alignment with the UN's Sustainable Development Goal #7 (*By 2030, ensure universal access to affordable, reliable, sustainable and modern energy services*), the U.S. Congress passed the *Electrify Africa Act of 2015* (P.L. 114-121) to encourage the efforts of sub-Saharan African countries to develop power solutions that support poverty reduction, promote development outcomes, and drive economic growth. Power Africa directly supports this Congressional mandate.

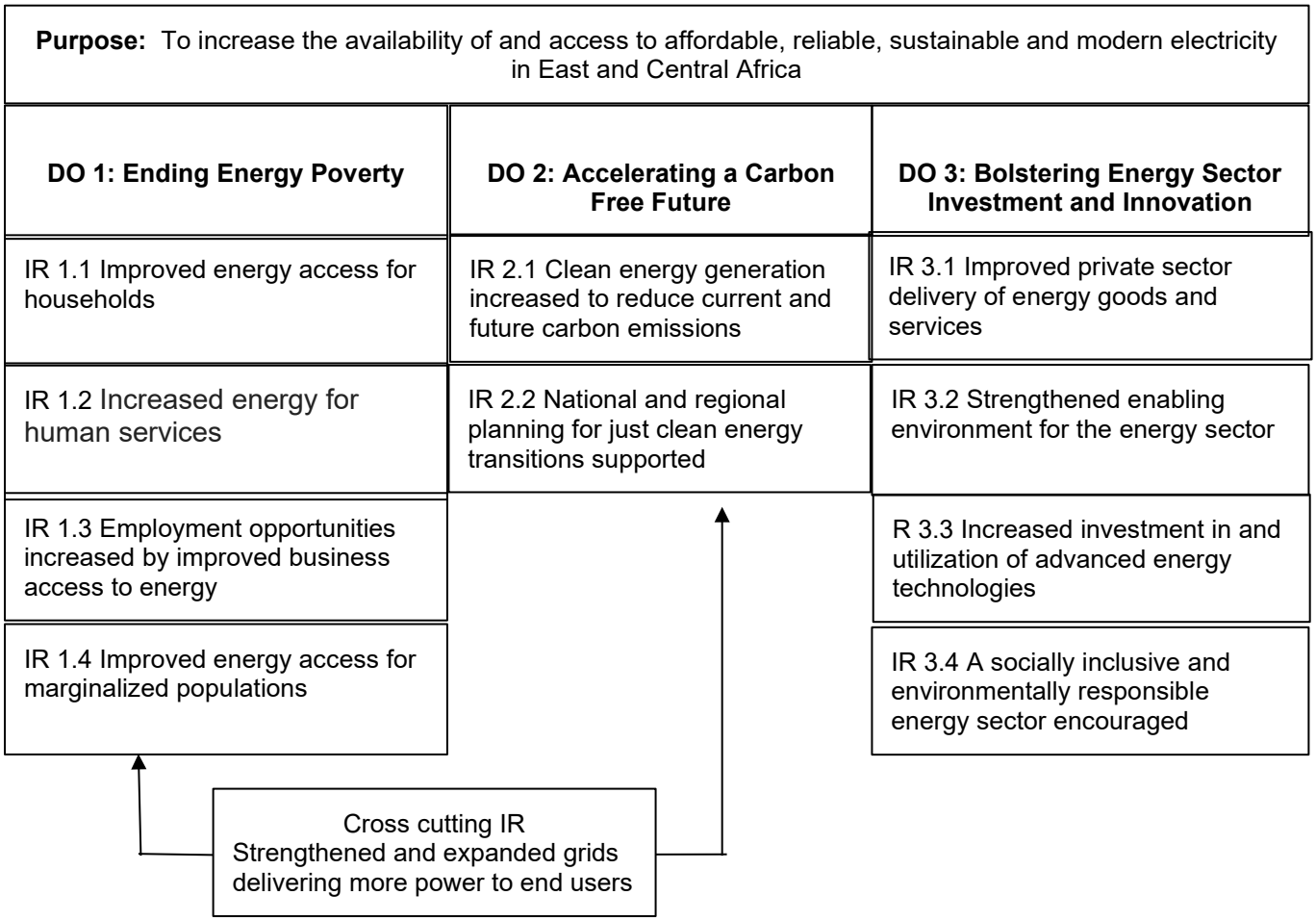
Power Africa is a U.S. Government-led partnership, coordinated by USAID, that brings together the collective resources of 12 U.S. Government agencies, 20 development partners, key African institutions and counterparts, and over 170 private sector partners to advance sub-Saharan Africa's development through universal access to clean energy by 2030. To help meet this goal, Power Africa is working with partners and stakeholders to reach 30,000 megawatts of additional electricity and 60 million new household and business connections by 2030. To date, Power Africa has supported 13,000 megawatts of new power projects and 29 million household and business connections. In the future, Power Africa intends to accelerate progress to achieving our goals based on lessons learned.

In 2014, Power Africa recognized the need to support off-grid electricity access and launched the Beyond the Grid (BTG) sub-initiative focused exclusively on unlocking investment and growth for off-grid energy solutions on the African continent. Power Africa/BTG has partnered with African governments and 250+ companies to accelerate solar home system and mini-grid connections, promote innovative products and services, attract financing for the sector, and improve regulatory frameworks. To date, Power Africa/BTG has facilitated over 21 million new household and business connections, and over $948 million in public and private financing for off-grid energy access.

Power Africa acts as an honest broker in the region, working with African governments and sector leaders to build the regulatory and governance structures necessary to combat predatory lending and corrupt business practices, and drive public and private investment into the energy sector. For information about Power Africa's many accomplishments to date, please refer to the Power Africa Fact Sheet and the Power Africa web page.

Future Power Africa interventions will continue to be at the forefront of SSA's transition to a more sustainable low-carbon energy system. Activities will deepen engagement with governments, energy ministries, utilities, regulators, financial institutions, other development partners, and international and local energy businesses to support a more just and lasting enabling environment delivering tangible results in the energy sector.

C.5 Results Framework for Enhancing Development through Energy in East and Central Africa



C.6 Theory of Change

- *If,* East and Central African nations develop transparent and investor-friendly energy policy environments that promote equitable energy solutions with low carbon footprints; and
- *If,* access to affordable, productive, and reliable clean power is broadened and expanded, in particular for marginalized groups; and
- *If,* African governments, other donors and the private sector invest greater resources in U.S. clean technology expertise and innovation, to strengthen burgeoning local energy ecosystems;

- *Then*, East and Central African nations can advance development outcomes by ending energy poverty and accelerating economic growth in a carbon-free future.

C.7 Objectives and Results

C.7.1 Objective 1 - Ending Energy Poverty

The first objective is aiming to end energy poverty by increasing access to affordable, reliable energy which can support increased economic activity and improved living standards.

Increased access to affordable, reliable energy includes both household access (on-grid and off-grid), as well as commercial/industrial access. This objective could be achieved through grid densification, grid expansion, customer regularization, and scaled DRE solutions such as construction and installation of metro-grids, mini-grids and solar home systems.

In addition to the direct expansion of services and service-related infrastructure, improved energy sector regulation, strategic planning, quality assurance standards, holistic rural electrification plans with on- and off-grid delineations, implementation of sound policies and strategies, and improving the enabling environment for energy access is necessary to achieve sustained, reliable improvements in delivery. Achievement of Objective 1 is expected to include activities and tasks aimed at both strategic planning and enabling environment support and capacity building.

For on-grid energy access, public and private transmission and distribution companies need to be strengthened to increase and upgrade grid connections and improve the quality of their services (affordability, reliability, sustainability), without jeopardizing utility and sector financial performance. Stronger consumer engagement can help ensure that connections lead to increased energy consumption, more economic activity and improved living standards.

In order to promote economic development and improved standards of living, electricity access must be linked to income-generating activities and livelihoods. This can range from small to large industrial and commercial clients whose businesses would benefit from improved electricity supply, to agricultural activities where productive uses of energy can have great potential for developmental impact. Given that women disproportionately bear the brunt of energy poverty, new connections have the potential to improve the livelihoods of women and girls in powerful ways, although this requires a concerted effort to address potential barriers to access for women beneficiaries of social services.

The DRE sector in East and Central Africa, inclusive of off-grid and point-of-use renewable technologies, has begun a shift towards larger system offerings and business models that support more productive use applications, including dedicated technologies for solar powered refrigeration products, water pumps for irrigation, and e-mobility.[20] This Objective should expand business opportunities in this sector to continue to meet diverse consumer needs while addressing issues of affordability. Additionally, as customer bases are expanded, the thoughtful

[20] Electromobility (e-mobility) is the use of electric cars, as well as e-bikes or pedelecs, electric motorbikes, e-buses and e-trucks.

consideration of gender dynamics and the needs of women customers, whether small or large clients, must not be overlooked.

To increase the adoption and scaling of productive uses of energy, innovative solutions are required to address the barriers to uptake. These barriers include the limited availability of PUE products to potential customers; limited PUE product demand due to lack of awareness among farmers and other end users; high upfront costs due to larger system sizes; and limited ability to pay, given that target customers often have low and/or variable incomes. Consumer financing and other types of installment payments can increase affordability, but many off-grid energy companies currently consider it too risky for their business to finance products over long loan time periods, and require more innovative and flexible financing instruments.

New connections within public facilities can also improve the quality of social services such as education and clean water provision. Water utilities operate energy-intensive pumps and treatment plants around the clock, and need large amounts of electricity to distribute clean water to consumers. Access to electricity can additionally help East and Central African communities increase their resilience by powering irrigation and cooling systems, providing access to redundant electricity sources during climate shocks, and powering telecommunications towers for greater connectivity.

Finally, under Objective 1, installations, upgrading, and/or expansion of off-grid and backup renewable technologies, including but not limited to standalone solar systems, mini-grids, and productive use devices, are anticipated. Such works would constitute construction activities, and can be considered as part of a subcontracting plan, or under the scope of work of a prime contractor. Construction is explicitly prohibited under grants, including under a grants under contracts mechanism (see ADS 303maw).

Expected Results:

- XXX number of new household connections
    - A minimum of X% must be off-grid connections
- XXX number of productive-use off-grid devices or systems sold as a result of USG/Power Africa assistance

C.7.2 Objective 2 - Accelerating a Carbon Free Future

The second objective is to increase the supply of electricity in East and Central African countries through clean energy solutions.

Reducing the carbon emissions from the power sector in East and Central Africa will require a multi-pronged approach that accommodates the need for increased energy supply and consumption while avoiding increases in greenhouse gas emissions. To displace demand for diesel gensets, kerosene, fuel wood and charcoal, and fossil fuel power plants, it is critical to increase DRE, increase the share of renewable energy in generation mixes, reduce grid losses, and optimize grid power supplies within and across borders.

In order to increase the supply and use of clean energy sources, it is critical for East and Central African governments to implement ambitious, viable, climate-resilient pathways–financial,

policy, and technical strategies–to net-zero power systems that also meet their long-term access and economic growth goals.[21] This includes adoption of improved foundational energy sector laws and regulations in alignment with countries' Nationally Determined Contributions and National Adaptation Plans; integrated resource and resilience planning to increase clean energy generation and ensure energy security in light of anticipated climate changes (i.e., hydropower supply given precipitation changes); execution and implementation of such policies and plans; reductions of emissions from existing energy assets (e.g., gas flaring); just energy transition support, including support for decommissioning of emission-intensive power sources; and a strengthened enabling environment for clean energy generation, distributed energy resources, DRE, and cross-border power trade.

To accelerate clean energy via the grid, utilities need to run competitive procurements for clean energy and related services, increase clean energy integration into their grids (including through distributed energy resources), enhance system flexibility through enhanced ancillary services to improve reliability and help integrate variable clean energy and mitigate challenges with DRE on the network, and expanded and strengthened grids to connect wind and solar power resources to load centers. Additionally, utilities should optimize dispatch and improve the operational efficiency of the transmission and distribution infrastructure to reduce technical losses and improve power quality. Independent power producers and off-takers need to bring new clean energy projects to financial close and complete construction and interconnection processes in a timely manner.

Utilities, power pools, and other intergovernmental bodies need to be strengthened to optimize supply and demand for their existing power mixes both within their countries and across borders. This includes political negotiations and signing of power purchase agreements, development of critical transmission projects and interconnectors such as those laid out in the Power Africa Transmission Roadmap, and technical preparation for increased power trade to reduce the need for new generation investments in each individual country.

As central grids expand into rural areas and off-grid solutions are deployed at progressively greater scales, these two models of energy delivery will intersect. Compelling opportunities exist in East and Central Africa to incorporate privately operated mini-grids into the service territories of distribution utilities or to electrify medium-sized cities with mini-grids isolated from the central grid. The Integrated Distribution Framework, championed by the Global Commission to End Energy Poverty, envisages the delivery of universal access within a defined territory using a mix of technologies, both on- and off-grid, and public-private partnerships.[22] Additionally, promising opportunities exist to develop privately financed, captive clean power projects for commercial and industrial (C&I) applications across a range of industries. Uncooperative business enabling environments, entrenched incumbent business models, and technical constraints will be among the key constraints to scaling in these exciting new categories of energy access.

[21] Net zero power systems refers to systems meeting all of their energy needs with energy produced from zero-emission sources.

[22] Integrated Distribution Framework: Guiding principles for universal electricity access (Global Commission to End Energy Poverty and MIT)

Expected Results:

- XXX metric tons of CO2e greenhouse gas (GHG) emissions reduced, sequestered, or avoided through clean energy as supported by USG assistance
- XXX MWs of increased clean energy generation capacity supported by USG assistance

Cross-Cutting Expected Results for Objective 1 and 2:

- Total length of Power Africa supported transmission and distribution lines
- Increased throughput capacity in terms of MWs or MVA
- Aggregate technical, commercial, and collection electricity losses reduced and/or avoided among Power Africa supported service providers
- Total value of new electricity capacity committed for regional trade through bilateral agreements

C.7.3 Objective 3 - Bolstering Energy Sector Investment and Innovation

The third objective is to remove constraints to investment in East and Central African energy sectors, and to increase innovation.

Increased investment and innovation in the energy sector is underpinned by a supportive enabling environment that offers transparent, consistent, and aligned policies and regulations; an educated, empowered, and diverse energy sector workforce; and strong energy sector institutions. Power sector challenges have given rise to opportunities for increased investment and innovation, particularly by the private sector, at all levels of the energy value chain. These opportunities include new technologies, business models, and financial structures to improve electricity generation, transmission, distribution, and access.

There is a need for increased investment in the grid across the continent, especially in transmission and distribution. New business models and financial structures are needed to allow for increased private participation in the sector, such as public-private partnerships or business models laid out in the Transmission Finance Handbook, and novel sources of finance including climate finance, carbon taxes, or renewable energy credits. Technical innovations related to service delivery could include improved energy management systems, technology and software; cybersecurity support as grids are increasingly digitized; co-development of broadband along with electricity infrastructure; local provision of electricity products and services (smart meters, solar components, productive-use goods, etc); increased adoption of ancillary services such as utility-scale battery energy storage systems to help smooth out the variability of renewable energy and improve supply reliability, and supporting initiatives that could increase productive use of grid-connected power (e.g., green hydrogen generation, e-mobility).

Off-grid sector investment within East and Central Africa is increasing, but is still inhibited by enabling environment challenges. The sector requires stronger fiscal incentives for off-grid solar products, cost-reflective tariffs and clear licensing procedures for mini-grids, policies that allow for private concessions, and targeted subsidies that address issues of affordability for poor, rural households. International finance institutions and philanthropy have committed large amounts of capital to the off-grid sector; however, there is a large and growing gulf between capital

committed and capital mobilized. Off-grid companies require greater investment readiness and fundraising support. Investors, both public and private, require greater support for risk analysis and structuring of innovative financing facilities suited to the characteristics of frontier markets.

There are huge opportunities to advance sustainability and compliance with environmental, social and governance imperatives in the energy sector. New approaches to reduce impacts on Africa's globally important flora and fauna are under development and deployment. In addition to opportunities to mitigate global climate change through scaling clean energy in the African energy sector, and the important role energy plays in supporting Africans to adapt to climate change, the sector also needs to anticipate climate change impacts on its infrastructure and operations and prepare to adapt to keep providing its critically important services despite increased risks from storms, droughts, floods, and wildfires.

Likewise, efforts to bolster energy sector innovation should seek the participation of communities currently underserved by the sector, and underrepresented in the sector's leadership and workforce. Actively seeking the participation of underserved and underrepresented communities will contribute to the solicitation of new and creative ideas.

Expected Results:

- $XXX of public and private funds mobilized for energy sector projects
    - A minimum of X% must be funds leveraged for off-grid connections

C.8 Results and Indicators

The Performance Work Statement (PWS) must incorporate interventions that:

(a) Fully address the problems laid out above;

(b) Provide a variety of innovative solutions to address the challenges of the energy sector;

(c) Meet all of the specific objectives and provide a realistic, yet ambitious, plan for hitting the proposed performance targets; and

(d) Provide a clear strategy for meeting Power Africa's overarching goal in a manner that will sustain results beyond the life of the activity.

The PWS should include specific, achievable targets for the implementation period. Power Africa has developed a list of indicators, provided in the table below, to measure program results aligned with each of the activity's objectives and end-of-project targets. Offerors must propose specific targets that meet or exceed the overall "Targets" for each Indicator listed. Offerors may propose up to three more indicators with targets, in addition to those provided in the table below, but should prioritize the use of indicators in the Power Africa MEL Plan 2022, where appropriate. Offerors should disaggregate results between East and Central African countries.

Results/Indicators	Target
Objective 1: 1.1 Number of household connections ● A minimum of X% must be off-grid connections	TBD

Objective 1: 1.2 Number of productive-use off-grid devices or systems sold as a result of USG/Power Africa assistance	60,000
Objective 2: 2.1 Greenhouse gas (GHG) emissions, estimated in metric tons of CO2e, reduced, sequestered, or avoided through clean energy as supported by USG assistance	TBD
Objective 2: 2.2 Increased energy generation capacity (MWs) supported by USG assistance	TBD
Objective 3: 3.1 Public and private funds leveraged for energy sector projects ● A minimum of X% must be funds leveraged for off-grid connections	TBD [$450 million off-grid]
Objective 3: 3.2 Number of institutions adopting policies or procedures to promote gender equity in the clean energy sector workforce as a result of Power Africa support	TBD
Cross cutting: Total length of Power Africa supported transmission and distribution lines	TBD
Cross cutting: Aggregate technical, commercial and collection electricity losses reduced and/or avoided among Power Africa supported service providers	TBD
Cross cutting: Total value of new electricity capacity committed for regional trade through bilateral agreements	TBD

C.9 Activity Parameters and Guiding Principles

C.9.1 Language - The activity is expected to operate in English and French.

C.9.2 Gender - In October 2021, the Administration launched the U.S. Government's first-ever National Strategy on Gender Equity and Equality[23]. Power Africa has identified three main gender gaps prevalent within the energy sector: 1) differences in men's and women's access to and use of electricity; 2) differences in men's and women's participation in the energy sector; and 3) the disproportionate impact of climate change on women and girls as a consequence of unsustainable energy sector policies and investments. For more information on gender issues, please refer to the Power Africa gender analysis (will be attached in the solicitation).

C.9.3 Inclusiveness and Localization – Sustainability of project activities rests upon developing local stakeholder participation and ownership. Therefore, USAID prioritizes engagement and partnership with local actors throughout the design, implementation and management of assistance activities. The key is that local organizations are helping to set priorities, even if they are not the prime implementer of USAID activities. In addition, emphasis should be placed on

[23] https://www.whitehouse.gov/briefing-room/statements-releases/2021/10/22/fact-sheet-national-strategy-on-gender-equity-and-equality/

activities that promote greater inclusion of marginalized communities in energy access efforts. This includes youth, refugees and internally displaced communities. Power Africa has been active in energy service delivery in displacement settings since it co-founded the Smart Communities Coalition with Mastercard in 2018, and continued efforts are needed to bring market-based energy solutions to displaced communities.

C.9.4 Just Energy Transition – The transformation to a clean energy economy requires support for a just, equitable, and inclusive transition process for workers and affected communities so that all are protected against the risks and benefit from the opportunities presented by this transition. By embracing the opportunities to increase clean energy generation and create quality green jobs, it can help drive sustainable economic growth for a resilient and net zero economy.

C.9.5 Capacity Building – Achieving universal access to electricity requires local capacity to maintain and continue the progress made after Power Africa projects end. This means there must be local expertise for policy making and regulation, for managing utilities, and for the private sector to develop, implement, and operate successful, profitable projects. Without an effective, appropriate institution in charge of each of the key components, even the best designed technical system will fail.

C.9.6 Monitoring, Evaluation and Learning – Collaborative Learning and Adaptive Management will be key to the success of EDEECA, given its broad and cross-cutting approach. Adaptive management refers to adjusting in intervention tactics or design based on iterative learning, thereby customizing the intervention. As such, establishing implementation decision points/milestones will be necessary during the life of the activity. While EDEECA may need to test an array of approaches, to ensure results, it will need to learn from its experiments and quickly hone in on those that are getting results, drop those that are not, and adapt approaches where indicated. Such an approach will also require a flexible monitoring system, across intervention components, private sector and public sector actors, and development partners.

The Offeror is also expected to develop a monitoring, evaluation and learning plan. As stated in ADS 201, the project MEL Plan serves to measure progress towards planned results and to identify the cause of any delays or impediments during implementation. The MEL Plan for the project provides a framework for monitoring, evaluation and learning that pulls together performance information from all activities contributing to a project. Evaluations will provide opportunities to learn by doing and generate knowledge for the agency. Lessons from the monitoring, evaluations and budget analysis will be integrated into the project cycle to improve efficiency and effectiveness of the interventions.

USAID expects the Offeror to propose a data collection and analysis plan. This activity will rely on data and evidence to inform its decisions and direct its interventions. The project will aim for data-driven decision-making and use a multidisciplinary approach to improve regulatory quality and governance. The plan should identify data requirements, metrics and illustrative data templates that will be used in the activity. The Offeror is expected to set up a data analytics system to support project activities, identify milestones and achieve outcomes. This system should define data-gathering techniques, analytical methodologies, predictive modeling and technology applications that will be utilized in this activity. Data quality, consistency, accuracy

and completeness should be ensured. Data disaggregation by gender should be followed. Once data is analyzed, the system should also allow the visualization of results using infographics.

C.9.7 Research and Thought Leadership – To achieve Activity objectives, EDEECA must support research and thought leadership to advance energy sector developments and approaches in East and Central Africa, as well as broader Power Africa objectives.

C.9.8 Grants under Contract – This Activity will have a Grants Under Contract component to help meet the objectives of the Contract. The Grants Under Contract will be limited to fixed amount awards and cost reimbursable grants per ADS 302.3.4.13 and will not include cooperative agreements or construction. Recipients may include non-governmental organizations (non-profits or for-profits), universities, public international organizations, private sector, community organizations and private foundations. A key pillar of the Grants Under Contract is to provide support to catalyze effective energy sector innovations that address Power Africa's development objectives, which include 1) ending energy poverty, 2) accelerating a carbon free future, and 3) bolstering energy sector investment.

C.9.9 Power Africa Coordinator's Office and USAID Mission Support – The Activity's success will require extensive support and coordination with the Power Africa Coordinator's Office, USAID missions and bureaus, and partners both in Washington D.C. and in the field, including the following support services:

- *Coordination with USAID Missions and Bureaus and Power Africa Interagency Partners* **-** Proactive outreach and coordination will be required to develop constructive, collaborative relationships with USAID Missions (including Regional Missions), Bureaus, and Power Africa interagency partners. In some circumstances, missions may lack the technical capacity or resources to fully support these efforts, which will require the Activity to adapt and assist as required.
- *Coordination with Power Africa's donor partners* (GIZ, World Bank, African Development Bank, etc.) to leverage activities and take advantage of synergies in working with East and Central African governments.
- *Ad-hoc reports and analysis* **-** The Activity will conduct a wide variety of ad-hoc reports and analysis, which may include tracking energy sector trends and developments in East and Central Africa, synthesizing and analyzing key issues at the national and regional levels, including those relating to gender and environmental factors.
- *Support for USAID Co-Creation and Grants Process Management* **-** Given the focus on effectively identifying and mobilizing resources and expertise, an important component of this Activity will be to facilitate efficient processes through which to co-create, co-invest and partner with the private sector. This may include providing support to Missions as they establish and run Annual Program Statement (APS), Addenda for Global Development Alliances (GDAs), as well as Broad Agency Announcements (BAA).
- *Support Power Africa Partners* - The Activity will advise Power Africa's private sector partners, U.S. companies and other key stakeholders on market opportunities and challenges, as well as the development of transactions that will advance Power Africa's

goals. Further, it will be critical to leverage Power Africa's relationships with official and unofficial private sector partners to advance potential opportunities.

C.9.10 Climate Change – In April 2022, USAID launched 'Climate Strategy 2022-2030' with the objective of helping the Agency chart a course through this decade which "will be decisive for the future of this planet." Several elements of the Climate Strategy are germane to this statement of objectives. For example, Intermediate result 1.1 describes USAID's ambition to sponsor greenhouse gas mitigation measures "that drastically reduce new greenhouse gas emissions, including short-lived climate pollutants like methane." The Climate Policy describes the "extremely limited conditions" under which support for oil and gas projects would be considered, and notes that "US government guidance limits those circumstances to ones in which there are no viable alternatives to meet priority national security, development, or humanitarian objectives, and when support for gas does not delay the transition to clean energy or otherwise inhibit the achievement of net-zero global emissions by 2050 and the country's decarbonization pathway and/or goals." Climate Change Strategy goals for gender equality and inclusive development, equitable access to finance, and a just and equitable transition to net zero economy and financial system also align with Power Africa's vision for Africa's energy future.

C.9.11 Digital Technology – New categories of digital energy management tools empower grid operators to improve reliability by identifying weak system components before they fail. These tools can use grid analytics to forecast supply and demand dynamics on ever shorter time horizons. They can inform dispatch and drive down the unit cost of energy. Future energy distribution ecosystems incorporating these tools will empower energy managers to control costs, improve service delivery, and incorporate ever larger fractions of clean power capacity.

The responsible inclusion and consideration of accessible digital technology aligns with the goals of USAID's Digital Strategy. Building on decades of USAID leadership in digital development, the Digital Strategy outlines USAID's deliberate and holistic commitment to improve development and humanitarian assistance outcomes through the responsible, ethical, and equitable use of digital technology and by fostering open, accessible, inclusive and secure digital ecosystems.

C.9.12 Environmental Compliance

(a) The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (http://www.usaid.gov/policy/ads/200/), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. Contractor environmental compliance obligations under these regulations and procedures will be specified in this contract.

(b) In addition, the contractor must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

(c) An Initial Environmental Examination (IEE) file will be developed and approved (see attachment XX) for the Program funding this SOO. The IEE covers activities expected to be implemented under this award. The contractor shall be responsible for implementing all IEE conditions pertaining to activities to be funded under this award. The IEE will expire on [insert date].

(d) As part of its initial Work Plan, and all Annual Work Plans thereafter, the contractor, in collaboration with the USAID Contracting Officer's Representative and Mission Environmental Officer or Bureau Environmental Officer, as appropriate, shall review all ongoing and planned activities under this contract to determine if they are within the scope of the approved Regulation 216 environmental documentation.

(e) If the contractor plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of environmental documentation amendments.

(f) Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID.

(g) The contractor shall prepare an Environmental Mitigation and Monitoring Plan, (EMMP), describing how the contractor will, in specific terms, implement all IEE conditions that apply to proposed project activities within the scope of the award. The EMMP shall include monitoring the implementation of the conditions and their effectiveness.

(h) The contractor shall integrate a completed EMMP into the initial work plan; and

(i) Integrate an EMMP into subsequent Annual Work Plans, making any necessary adjustments to activity implementation in order to minimize adverse impacts to the environment.

SECTION F - DELIVERIES OR PERFORMANCE

F1. Notice Listing Contract Clauses Incorporated By Reference

F.2 Place of Performance

The place of performance is East and Central Africa, which includes Democratic Republic of Congo, Central African Republic, Republic of Congo, Rwanda, Uganda, Burundi, Tanzania, Kenya, Ethiopia, Somalia, Djibouti, South Sudan, and Sudan.

In addition to a primary project office located in East Africa, the offeror may propose additional field offices in East Africa, and must also support a full-time office with a minimum of three staff in Kinshasa, DRC, to support Central Africa activities.

F.3. Period of Performance

The period of performance is five years, effective from contract signature.

F.4. Performance Standards

Evaluation of the Contractor's performance must be conducted in accordance with the performance standards set forth in the contract, if any, the Contractor's overall performance toward achievement of the objectives in Section C and provision of deliverables in Section F, and the Contractor's compliance with all other terms and conditions of the contract. Each evaluation will be conducted jointly by the COR and the CO and must form the basis of the Contractor's permanent performance record as required in FAR Part 42.15 and AIDAR 742.15.

The Contractor’s performance will be evaluated annually and at contract completion, utilizing at minimum, the following factors:

- Technical (quality of product or service).
- Cost control (not applicable for firm-fixed-price or fixed-price with economic price adjustment arrangements).
- Schedule/timeliness.
- Management or business relations.
- Small business subcontracting (as applicable).
- Other (as applicable) (e.g., late or nonpayment to subcontractors, trafficking violations, tax delinquency, failure to report in accordance with contract terms and conditions, defective cost or pricing data, terminations, suspension and debarments).

F.5. Authorized Work Week

The standard work week is from Monday through Friday unless the CO authorizes differently. No overtime or premium pay is authorized under this Contract. For full-time personnel, the contractor is authorized up to a five-day, 40-hour workweek. A six-day work week when travel per diem is paid may be authorized on a case-by-case basis with the prior written approval of the designated Contracting Officer’s Representative (COR).

F.6. Key Personnel and Other Staffing

The Contractor must have five Key Personnel positions. Of these five positions, three positions (Chief of Party, Senior Technical Advisor and Central Africa/DRC Technical Lead) must be

included, with the remaining key personnel proposed by the Contractor. At least one key personnel must be experienced in gender equality and women's empowerment in addition to other technical qualifications. The qualifications for the key personnel must meet or exceed the qualifications described below.

1. **Key Personnel #1: Chief of Party** - Responsibilities include, but are not limited to:

- Providing overall vision, management, and strategic leadership to the Activity.
- Identifying adjustments in scope and operations to ensure that the project adapts to changes in need and context.
- Supervising and empowering all personnel.
- Establishing effective partnerships with other U.S. government agencies, African partners, development partners, non-governmental organizations, and a wide variety of other stakeholders.
- Effectively communicating in large public settings, as well as with senior government officials.
- Ensuring that managerial, administrative, and financial procedures comply with USAID policies and procedures.

The minimum requirements for this position are as follows:

- Bachelor's degree.
- Minimum ten (10) years of management experience implementing energy programs on- and beyond-the-grid. Sub-Saharan Africa work experience is preferred.
- Excellent interpersonal, diplomacy, and leadership skills, including the ability to manage high-level relationships.
- Proven ability to form collaborative relationships with intergovernmental, government representatives and other stakeholders.
- Demonstrated ability to motivate and lead a dynamic team of professionals across large geographies.
- Prior experience effectively managing large, complex activities and achieving performance objectives.

2. **Key Personnel #2: Senior Technical Advisor** - Responsibilities include, but are not limited to:

- Provide technical leadership in delivery of expected results.
- Manage, supervise and coordinate technical services, prioritize the activities in-country, and provide thought leadership and technical support as needed to accelerate a support activity.
- Regularly liaise with the Power Africa Coordinator's Office, USAID missions, and other USG agencies, as appropriate.
- Maintain strong relationships with relevant regional organizations, such as the African Development Bank, and with private sector companies and host country governments.
- Perform ad-hoc requests.

The minimum requirements for this position are as follows:

- Bachelor's degree
- Minimum 10 years experience implementing energy programs. Africa work experience is preferred.
- Excellent analytical abilities, written and oral communications skills.
- Demonstrated ability to promptly address ad hoc requests

3. **Key Personnel #3: Central Africa/DRC Technical Lead** - Responsibilities include, but are not limited to:

- Provide technical leadership in delivery of expected results in the Central Africa region.
- Manage, supervise and coordinate technical services, prioritize the activities in the Central Africa region, and provide thought leadership and technical support as needed to accelerate a support activity.
- Regularly liaise with the USAID missions in Central Africa, Power Africa Coordinator's Office, and other USG agencies, as appropriate.
- Maintain strong relationships with relevant regional organizations and with private sector companies and host country governments.

The minimum requirements for this position are as follows:

- Bachelor's degree
- Minimum five years experience implementing energy programs. Sub-Saharan Africa work experience is preferred.
- Excellent analytical abilities, written and oral communications skills.
- Fluency in English and French.
- Demonstrated ability to promptly address ad hoc requests.

At least one of the key personnel must be experienced in gender equality and women's empowerment in addition to other technical qualifications.

F.8. REPORTS AND DELIVERABLES

	DUE DATE
Work Plan	● Final Y1 work plan - within 90 calendar days of the date the contract is signed. ● Annual work plans - 30 calendar days prior to subsequent year of implementation
Monitoring, Evaluation and Learning (MEL) Plan	● Final - Within 90 calendar days of the date the contract is signed.
Quality Assurance Surveillance Plan	● Final - Within 90 calendar days of the date the contract is signed.

	Note: This may be combined with the MEL Plan after consultation with the USAID COR.
Gender Integration Action Plan	● Within 30 calendar days of work plan approval. This action plan will provide strategies and plans to address gender issues during implementation.
Grants Manual	● To be finalized within 60 calendar days of the date the contract is signed
Branding Strategy and Marking Plan	● Within 30 calendar days of date contract is signed
Power Africa Tracking Tool (PATT)	● PATT is a central repository for Power Africa performance indicator data for on-grid connections, which requires regular input about projects from development to commissioning.
Power Africa Information System (PAIS)	● PAIS is a central repository for Power Africa performance indicator data for off-grid connections, which requires regular input from implementing partners.
Quarterly Progress Reports	● Within 30 calendar days of the end of the quarter. The last quarterly report of the reporting year shall be replaced by an annual report that summarizes the entire year's accomplishments. Quarterly reports shall include reporting on indicators and milestones as detailed in the M&E Plan.
Annual Report	● Within 30 calendar days of the end of the annual reporting period. The last annual report of the project shall be replaced by the final report that summarizes the entire project's accomplishments, annual government property report, and reporting on indicators and milestones as detailed in the MEL Plan
Final Activity Report	● Four weeks before the contract completion date
Close-out Plan	● Six months before contract completion date

Annual Work Plans:

The Contractor shall develop and submit Annual Work Plans for COR approval. The Annual Work Plan shall define in detail how the Contractor intends to organize its work to implement the tasks outlined in this SOO and achieve expected results within each of the tasks. The Annual Work Plan shall be consistent with the Monitoring Evaluation and Learning (MEL) Plan.

Where projects or activities are implemented in particular locations the MEL Plan must include a discussion on ways to map and track the type of intervention by project component and fund use.

As possible and appropriate, this could be done by country. The Contractor is encouraged to collaborate with relevant stakeholders in monitoring efforts to assure that monitoring and evaluation systems are as cost-effective as possible.

If necessary and given COR consent, the Contractor may revise the Annual Work Plan. USAID reserves the right to review and re-approve Annual Work Plans quarterly or on an as-needed basis.

The first Annual Work Plan shall be submitted to USAID for approval within 90 days of the effective date of the award and must cover the period until the end of the next fiscal year. Subsequent Annual Work Plans must be submitted to USAID for approval at least 30 days before the end of each Activity year. All Work Plans will be approved in writing by the COR.

In all Work Plans, the Contractor must:

1) Provide a brief narrative to define each task assignment, propose a completion date and state who shall accomplish the task. Present recommendations for addressing identified issues and gaps related to gender.
2) Identify milestones as well as deliverables under each task and propose deadlines for their completion; including milestones.
3) Identify any assumptions used in preparing the Work Plan, suggest possible modifications to the approach, if needed, and describe anticipated problems or potential barriers including gender barriers with regard to achieving the project objectives;
4) Propose targets to be addressed in the next year.

At the stage of work plan development, the Contractor may be advised by the COR to engage in a coordinated work planning process with other USAID/USG Activities to ensure that their planned interventions support and complement each other, share target groups and implementation areas, and are implemented over a coordinated timeline.

As part of its initial work plans, and all annual work plans thereafter, the contractor in collaboration with the COR and the Mission Environmental Officer or Bureau Environmental Officer, as appropriate, will review all planned and ongoing activities under this contract to determine if they are within the scope of the approved Regulation 216 environmental documentation. If the contractor plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities will be undertaken prior to receiving written USAID approval of environmental documentation amendments.

Monitoring Evaluation and Learning (MEL) Plan:

The Contractor must develop MEL Plan that is consistent with the Power Africa MEL Plan based on the fiscal year calendar and must include the following elements:

- List of key Activity objectives, expected results and Activity outputs (output is a count of services delivered or items produced) as well as a brief description of the linkages between the Activity outputs and its expected results.

- Definition and detailed description of the performance indicators to be tracked including: unit of measure; data source; justification/management utility; baseline values; annual targets; annual actual data; frequency and schedule for data collection; individual responsibility for data collection and availability of data at USAID; and detailed plans for data analysis, review and reporting.
- Sex-disaggregation of all person-level indicators.

The Contractor is encouraged to propose additional indicators that will assist in managing Activity performance.

Ninety (90) days after award, the Contractor shall submit its Final MEL Plan, which includes a Collaboration Learning and Adapting (CLA) Plan, to USAID together with the Annual Work Plan. The CLA Plan should address the following four elements: collaboration, gaps in knowledge, plans to pause and reflect on progress made, and resources for CLA. The Contractor and USAID shall agree upon the final choice of performance indicators useful for timely management decisions that credibly reflect the actual performance of the project. MEL Plan data must meet reasonable quality criteria of validity, reliability, timeliness, precision and integrity, and be disaggregated by gender.

To ensure that USAID assistance makes the maximum optimal contribution to gender equality, performance management systems and evaluations must include gender sensitive indicators and sex-disaggregated data when the technical analyses supporting the Activity demonstrates that the different roles and status of women and men affect the activities to be undertaken and the anticipated results of the work would affect women and men differently. The selected performance indicators must demonstrate progress in minimizing identified gender-based constraints or highlight new or unexpected disparities that may arise affecting either women or men.

USAID reserves the right to request the Contractor to integrate into the MEL Plan a number of indicators to help USAID measure the immediate program results. The Plan must include standard indicators from Power Africa's MEL Plan, Foreign Assistance Framework (FAF), Objective: Economic Growth (A4), Program Area: Infrastructure (A17) Program Elements: Modern Energy Services (A069), as well as GCC/Clean Energy required indicators. The Plan should also include appropriate gender indicators to capture successes in support of gender equality, women's economic empowerment and the Women's Entrepreneurship and Economic Empowerment Act.

The Contractor must select two or three of the most adequate standard Foreign Assistance Framework (FAF) indicators from the FAF indicators list, set up annual targets, collect actual data and report this data based on a fiscal year calendar.

Power Africa Tracking Tool (PATT)

The PATT is a central repository for Power Africa data. It is a versatile management tool that assists Power Africa and its key stakeholders to monitor progress towards the goal of reaching 30,000 megawatts (MW) and 60 million connections. The Contractor must continuously update project developments on PATT, which is hosted on an Azure, cloud-based database, as well as a

mobile application for Android and iOS, to enable data entry and reporting. The information in the PATT is updated by Power Africa Coordinator's Office (PACO), Missions, and Implementing Partners. The database allows for improved collaboration and information sharing across teams, USG agencies and field-based networks, has the capacity for a variety of analyses on key project information in any required format for decision making and reporting, and allows for the identification of critical issues or constraints so that remedial action may be taken in a timely fashion where necessary.

Quality Assurance Surveillance Plan

The Contractor must develop a Quality Assurance Surveillance Plan (QASP) that provides a systematic method to evaluate performance for the stated contract. At a minimum the QASP will explain the following:

- What will be monitored.
- How monitoring will take place.
- Who will conduct the monitoring.
- How monitoring efforts and results will be documented.

In addition, the QASP should recognize that unforeseen and uncontrollable situations may occur. In consultation with the COR, the QASP may review and revise it on a regular basis.

Note: The QASP may be combined with the MEL Plan after consultation with the USAID COR.

Quarterly Reports:

The Contractor shall submit to USAID Quarterly Reports within 30 days after the end of each FY quarter. This report should include reporting on the EMMP. The first Quarterly Report will cover the period from the award date of this Activity to the end of the Quarter in which the Activity was awarded. At a minimum, Quarterly Reports must include the following: a) progress within the reporting period, and b) financial information. The Quarterly Reports shall also discuss existing and potential problems in Activity implementation and variance from the Annual Work Plan and MEL Plan.

The specific form and content will be agreed between the Contractor and the COR, but must include the following, and not exceed 45 pages:

- An Executive Summary.
- A summary and assessment of project activities and accomplishments during the quarter.
- A summary of problems, issues, and means of addressing/correcting them. For each corrective action proposed, the Contractor shall designate responsible parties and establish a timeframe for completion of the action.
- A detailed work plan for the following quarter.
- A comparison of planned vs. actual activities based on the work plan from the previous quarter (with explanations for any changes).
- A chart showing progress against indicator targets reflecting the MEL Plan.
- Reports may include separate sections based on Mission buy-ins.

(b) Financial Reporting

The contractor shall prepare and submit to the COR every quarter a financial report consisting of a pipeline analysis that includes the following:

- Current contract budget;
- Actual costs incurred to date;
- Projected expenditures through the end of the current quarter and the expiration date of the Contract;
- Remaining funds under the contract;
- Accruals report – total amount obligated, total amount invoiced for, total amount expended but not yet invoiced for, and remaining unexpended funds.

The report must also be broken down by labor category, activity or country (as necessary) and funding account (as necessary). This report does not obviate requirements elsewhere in the Contract for notifying USAID regarding obligation balances and potential Contract overruns.

The three reporting documents: the Activity MEL Plan, the Annual Work Plan and the Quarterly Report shall be consistent, interrelated, and shall complement each other. The Annual Work Plan based upon the Statement of Work shall define how the Contractor will organize its work to achieve the objectives and expected results outlined in the Statement of Work. The MEL Plan shall provide measurable reference points and set up measurable indicators and associated targets that track progress towards the objectives and expected results and define whether this progress is satisfactory. The Quarterly Report shall account for the project's performance against agreed upon accomplishments (Annual Work Plan) and indicator targets (MEL Plan).

Annual Reports:

The final Quarterly Progress Report for the year shall constitute the Annual Progress Report. In addition to the requirements specified above for Quarterly Progress Reports, it must include a report summarizing the previous year’s activities and accomplishments against the respective annual work plan indicators, their targets, and any deviances, as well as a report on government property. This report will serve as a tool by which USAID monitors the performance of the Contractor. Final details on the format of this report shall be developed in consultation with USAID upon award of the contract.

Final Report:

The Contractor shall submit a detailed final report that must include, at a minimum, the following elements:

- Comprehensive financial report showing, by line item, the amounts expended.
- Summary of all project inputs, outputs, accomplishments and impacts.
- Discussion of problems and challenges encountered, including discussion about why (if relevant) certain objectives and indicator targets were not achieved.
- Lessons learned, including lessons learned in promoting women’s economic empowerment.
- Inventory of all reports, presentations, and other key documents and deliverables produced under the award. The Contractor shall compile and deliver all such reports and deliverables, to the COR, concurrently with the Final Report, in a user-friendly, properly indexed, searchable electronic form (e.g., PDF or equivalent media).

Closeout Plan:

The contractor must develop and submit to the COR and CO for approval a closeout plan that will include, but will not be limited to, the following:

- Administration, finance, procurement and management information;
- Dates for final delivery of all goods and services for subcontracts;
- A property disposition plan for the contractor and subcontractor(s) in accordance with contract requirements, which must be approved by the Contracting Officer;
- Review of contract files for audit purposes and final billing to USAID;
- A schedule to address office leases, bank accounts, utilities, cell phones, personnel notification, outstanding travel and social payments, household shipments, vehicles, phone subscriptions, etc.;
- Receipt of all final invoices and contract performance reports;
- Report on the estimated amount of funds not required for the completion of the contract;
- Report on compliance with all local labor laws, tax clearances, and other appropriate compliance matters.

The format and outline of the contents of this closeout plan shall be proposed by the Contractor no later than 180 days prior to the Contract completion date, and approved by the CO no later than 150 days prior to the Contract completion date.

SECTION H: GRANTS UNDER CONTRACT (GUCs)

Grants under Contracts to non-governmental organizations are authorized under this contract. They may be utilized at the contract level, as appropriate and when required by the Contracting Officer. The contractor, when required in any task, may execute grants up to $250,000 (unless a deviation is obtained to have this threshold increased) with U.S. organizations (not-for-profits or for-profits), providing conditions in ADS 302.3.4.13 are met. For non-U.S. organizations there is no ceiling. For partner government entities, the ceiling is $300,000. The contractor must seek approval for grants under contract authority for the contract in accordance with the procedures outlined below.

Grants under Contract should be structured in a way that incentivizes leveraged funding from other sources, either as cost share contributions or as parallel funding of similar activities that support the achievement of common results. The Contractor should employ an adaptive grant-making process that takes into account challenges faced by early stage companies and strengthens the prospect for long-term sustainability.[24]

The following requirements apply to any grant awarded by the contractor under this contract:

(a) USAID shall have substantial involvement in the establishment of selection criteria and shall approve the selection of grant recipients. The Contracting Officer's Representative and the Contracting Officer must approve the grant recipient selection, unless the CO delegates otherwise.

(b) The Contractor must comply in all material respects with USAID's Automated Directives System (ADS) Chapter 303 (including mandatory and supplementary references) in awarding and administering grants.

(c) USAID retains the right to terminate the grant activity (activities) unilaterally in extraordinary circumstances.

(d) The Contractor is not authorized to execute or administer Cooperative Agreements on USAID's behalf.

(e) Requirements which apply to USAID-executed grants shall also apply to grants signed by the Contractor.

(f) The Contractor shall award such grants only to non-U.S., or U.S., non-governmental organizations or partner government entities. The approved amount of such grants shall not exceed $250,000 (for U.S. organizations) unless an exception is provided in writing by the Contracting Officer (and further approved by the HCA). For non-U.S. organizations, there is no ceiling. For partner government entities, the ceiling is $300,000.

(g) The Contractor shall prepare and submit for Contracting Officer's approval, a Grants Manual that outlines, at a minimum, the competition process, selection criteria, types of grants to be

[24] Generating Success: How Flexible Grant Financing Builds Sustainable Companies (EEP)

utilized, the expected distribution of grants over the life of the award, as well as all grants templates. Once the Grants Manual is approved by the CO, the COR will provide concurrence to the CO on grant recipient selection for final CO approval.

The Contractor must comply with all USAID policies, procedures, regulations, and provisions set forth in the Contract and ensure:

(1) sufficient time to complete grantee audits,

(2) sufficient time for the grantee to submit a final report to the Contractor, and

(3) sufficient time for the Contractor to complete its review of the grantee and provide a final report to the government before Contract or Contract close-out.

(i) FAR clause 52.203-16, Preventing Personal Conflicts of Interest, must be followed in the selection and award of grants.

All grants must be closed out no later than the end date of the Contract. Reporting requirements must be in accordance with Section F.