



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

ANNOUNCEMENT

CALL FOR PARTNERSHIP CONCEPTS:

**ENERGY FOR PEACE (E4P):
Energy Transition for PDETs**

**UNDER EXISTING
GLOBAL DEVELOPMENT ALLIANCE ANNUAL PROGRAM STATEMENT
APS No.: APS-OAA-21-00001**

PLEASE NOTE: This is an addendum to an existing announcement. All interested organizations should carefully review both this addendum AND the full announcement, which can be found here: <https://www.usaid.gov/document/global-development-alliance-annual-program-statement>. Important information contained in the full worldwide announcement is not repeated in this specific addendum.

This program is authorized in accordance with Part 1 of the Foreign Assistance act of 1961, as amended.

Through this Addendum to the 2020-2023 Global Development Alliance (GDA) Annual Program Statement (APS) No. APS-OAA-21-00001 (the GDA APS), USAID/Colombia is making a special call for the submission of concepts focused on implementing, co-financing, and sustainably operating an activity to support the energy transition for municipalities located in areas under the Rural Development Plan with Territorial Approach (PDET)¹. The Energy Transition for PDETs GDA falls under USAID/Colombia's Energy for Peace portfolio, which has the objective of developing a model to provide reliable and financially sustainable electricity to producers, their communities, and key social services in strategically selected PDET municipalities.

Energy for Peace (E4P): Energy Transition for PDETs supports the planning, building, operation, and transfer of sustainable solar energy projects in conflict-affected communities in support of the peace accords. Energy Transition for PDETs aligns with U.S. and Colombian government energy transition efforts, aiming to provide clean energy to

¹ PDETs, or *Programas de Desarrollo con Enfoque Territorial* in Spanish, are planning instruments created through the 2016 peace accords. The purpose of these instruments is for local administrations to define the programs and projects they will execute during their term of office, including initiatives they will undertake with the purpose of building peace.

promote economic growth and development in select PDET communities. More specifically, the activity seeks to strengthen the production, quality, incomes, and wellbeing of existing production clusters and their communities through the introduction of abundant and low-cost renewable energy and strengthening markets for their goods and services. Working with the Government of Colombia, the activity has selected a portfolio of nine PDET production clusters and prepared technical and economic pre-feasibility studies for each site. USAID is now looking to engage the private sector with a GDA co-creation process oriented to mitigating risks and increasing profitability to levels sufficient to attract experienced energy companies and investors. A master plan has been prepared which details the opportunities and risks for each site and includes the results of the technical and economic pre-feasibility studies.²

Through this E4P: Energy Transition for PDETs GDA Addendum, USAID/Colombia seeks to engage the private sector to co-create the model, co-finance, implement, and supply reliable and sustainable energy in the selected PDETs, based on a portfolio approach to operational efficiency, profitability, and risk management. USAID intends to provide market-oriented capacity building to the clusters of producers and their communities in order to strengthen productivity and improve demand for their goods and services.

In this GDA, USAID/Colombia seeks to provide blended finance with the objective of engaging an experienced energy company to implement and operate the portfolio of solar generation projects. The energy company will be responsible for the construction, operation, maintenance, and management of energy infrastructure to ensure affordability, reliability, and quality of the power supply. The final designs, financial and operational models will be customized to the specific needs of each site and will respond to unique local needs. They will be co-created with the energy company so that it may engage domestic and/or international private sector actors and investors through innovative blended finance approaches that increase the rate of return and de-risk the investments. As detailed in Annex 1, ability to pay for the energy and economic growth potential will be strengthened through a USAID-funded capacity development program, an investment incubator program to finance improved production technologies, and contracts with private sector anchor off takers that guarantee the purchase of products and services offered by the target communities at fair prices.

The specific objective(s) of this GDA Addendum are to:

- 1) Provide reliable and financially sustainable electricity to producer clusters in the nine selected PDET communities.**

² See Annex 1, Master Plan for details of the market demand for the nine sites and production clusters.

- 2) Improve economic, environmental, and social conditions for increased production, producers' incomes, and a stable peace in the target communities.**
- 3) Leverage private sector capital to invest in, build, and operate the solar mini grids in the nine selected PDET communities, thus demonstrating a model that can be scaled to more unserved communities.**

USAID/Colombia has funded and carried out the pre-feasibility studies for the portfolio of nine PDET mini-grid sites. These pre-feasibility studies included: 1) energy demand studies; 2) solar generation designs; and 3) budgets and financial analyses of each site in the portfolio (Annexes 1 and 3). USAID/Colombia has worked closely with the nine selected communities to determine their energy needs, and to identify key aspects of the solar energy designs. The capital expenditure (CAPEX) of the portfolio is approximately USD \$11,000,000 which includes USAID/Colombia's funding. Subject to funding availability, USAID/Colombia may allocate up to USD \$4,500,000 to the CAPEX of the portfolio in order to raise the internal rate of return (IRR) to levels sufficient to attract experienced energy operator(s) and impact investors. Subject to funding availability, USAID/Colombia may also allocate up to USD \$2,000,000 in additional funding to provide capacity building programs and investment incubation for the producer clusters.

The GDA seeks to attract experienced energy companies that can partner with investors and other donors to complete the CAPEX and implement and operate the portfolio of nine PDET sites in a sustainable manner. USAID/Colombia seeks energy partners and impact investors with the expertise, knowledge, networks, and financial resources to ensure that each of the above development objectives are achieved.

The resulting GDA will complement and maximize the impact of USAID/Colombia's program investments and significantly contribute to USAID's ability to achieve its development objectives.

Unless otherwise stated herein, all terms and conditions of the 2020-2023 GDA APS apply <https://www.usaid.gov/partner-with-us/private-sector-engagement/gda/gda-resources>).³

³ As stated in GDA APS No. APS-OAA-21-00001, the partnerships and alliances proposed in any concept should mobilize and leverage private sector resources at a minimum of 1:1. Proposed alliances that do not mobilize and leverage private sector resources at a value that equals or exceeds the level of funding being requested from USAID will not be considered under this announcement.

I. Background

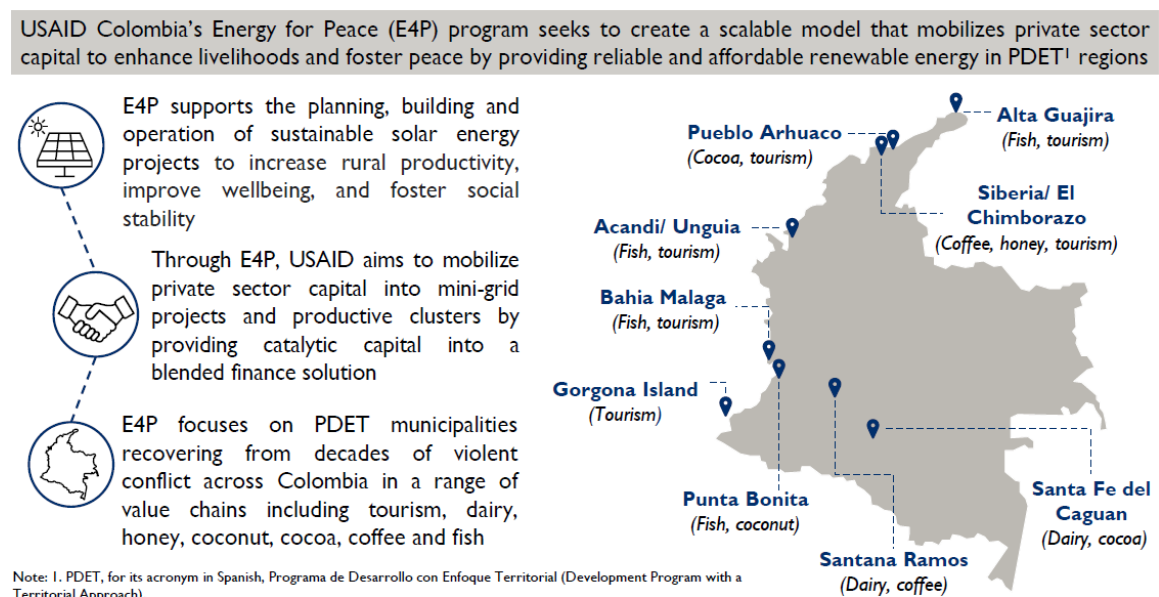
Energy is a fundamental driver for rural development and community wellbeing. However, service degradation, poor administration, and operational collapse have been common with remote rural energy projects to date in Colombia.

PDET municipalities are rural, conflict-affected communities that represent many challenges to private sector investment and operation. These challenges include but are not limited to high security risks; high operational costs; difficulty implementing large scale projects; lack of infrastructure; and low financial returns. Current government financing programs focus on energy for rural households, which are often very poor and do not have the ability to pay for energy. Ability and willingness to pay for energy by users is a fundamental requirement for new investment, and the E4P: Energy Transition for PDETs GDA has been designed to address these challenges.

II. Solicitation

Through this GDA, USAID/Colombia seeks to engage the private sector to co-create, co-finance, operate and implement nine solar energy sites (see figure below) through creative, market-based approaches. The solar energy solutions will provide select PDET municipalities with access to renewable energy for development and social wellbeing and will make energy available to a range of value chains including nature tourism, dairy, honey, coconut, cocoa, coffee, and fishing. As evidence demonstrates, access to abundant, low-cost energy will increase productivity, quality, connectivity to markets, and incomes. Solar generation will also provide electricity for internet services, health centers, schools, and public lighting.

Figure 1 – E4P overview



This GDA APS addendum seeks to engage investors and private sector partners whose businesses are equipped to implement and operate the portfolio of nine E4P solar generation sites. USAID/Colombia welcomes consortia composed of local and/or international private sector entities. Concepts must mobilize and leverage private sector resources at a level that equals and preferably exceeds the level of resources allocated by USAID/Colombia. This engagement will support specific activities that contribute to the achievement of the following E4P: Energy Transition for PDETs objectives:

- 1) Mobilize private sector capital and operating capacity into the nine solar energy deployments to supply the productive clusters and their communities with clean energy.
- 2) Co-create and finalize the design of the solar installations, building on preliminary designs and pre-feasibility studies included in the “Masterplan” and “Virtual Data Room” included as Annexes 1 and 3 of this document.
- 3) Co-create and implement capacity building and investment incubation programs for the local producer clusters with the purpose of increasing productivity, enhancing incomes, ensuring capacity to pay for energy, and improving social well-being.
- 4) Supply the required levels of renewable energy to the production clusters and their communities in a reliable and sustainable way during the useful life of the project solar power plants.
- 5) Create conditions and opportunities for viable productive activities led by women and indigenous peoples.

The objectives above represent USAID/Colombia’s goals but are not meant to limit applicant creativity, and partners may put forward innovative ideas that are complementary to achieving the desired development results. However, the specific result(s) that the alliance will pursue in relation to the objectives must be explicitly stated in the submitted concept. USAID/Colombia will prioritize innovative, cost-effective, market and private sector driven concepts and proposals that support the advancement and effective implementation and operation of the stated in the Energy Transition for PDETs GDA objectives.

USAID/Colombia is open to all kinds of implementing approaches. However, as stated in the GDA APS, *“the GDA model and the GDA APS prioritize and focus on particular types of private sector entities as core partners”*. Eligible private sector entities are limited to:

- Private for-profit, commercial entities such as a business, corporation, small or medium enterprise, or private firm⁴;
- Private foundations affiliated with private for-profit, commercial entities⁵;

⁴ Parastatals and government-owned companies do not qualify as private sector for purposes of meeting the private sector collaboration and leverage requirements under the GDA APS and this addendum.

⁵ Examples: Coca-Cola Foundation; Gap Foundation; Mastercard Foundation. Previous versions of the GDA APS also included grant-making foundations not affiliated with private for-profit, commercial entities as private sector. That is no longer the case.

- Private equity or private financial institutions, including banks, private investment firms, mutual funds, private equity funds and insurance companies;
- Private business or industry associations, including but not limited to chambers of commerce and related types of entities⁶; or
- Cooperatives.

III. Evaluation Criteria

Proposed alliances will be evaluated based on the general criteria set forth in the GDA APS in Section VI: Concept Paper Evaluation Criteria and Considerations⁷.

In addition to the criteria set forth in the GDA APS: Concept Paper Evaluation Criteria and Considerations, USAID/Colombia will apply the following additional considerations during the Concept Paper review process.

1. Strategic Alignment: USAID/Colombia's most important consideration in reviewing applications will be the degree to which proposed alliances support the strategic goals of the Energy Transition for PDETs GDA by co-financing, implementing, and operating the portfolio of nine solar energy generation sites using cost-effective, market-driven approaches.
2. Geographic Scope: USAID/Colombia is interested in pursuing alliances that align geographically with the nine prioritized zones detailed in the Master Plan (Annex 1).
3. Leverage Requirement: USAID/Colombia expects to receive GDA concepts that mobilize and leverage private sector resources at a level that significantly exceeds the funding being allocated by USAID and is sufficient to take the portfolio to financial closure. The proposed leverage is expected to be reasonable, realistic, and achievable. Applicants must submit letters of commitment from any entity that will be a source of private sector leverage that include the amount of leverage they will provide.⁸
4. Long-term Sustainability of Private Sector Engagement and Investments: Concepts must present a clear sustainability strategy. Sustainability in this context is defined as *"the likelihood of long-term success of the alliance, which ultimately requires advancing private sector business growth and economic opportunities and/or corporate social responsibility, local ownership, leveraging local resources and expertise, and increasing the ongoing achievement of significant and enduring development results over time"*. Applicants should think creatively about how the proposed alliance can use resources and expertise to advance inclusive economic development, gender inclusion and equity, win-win alliances, local ownership,

⁶ Such associations and entities must be private, and the members must be entities, not individuals. Quasi-governmental associations would not satisfy the private sector partner requirement.

⁷ GDA APS: <https://www.usaid.gov/partner-with-us/private-sector-engagement/gda/gda-resources>

⁸ Prospective partners are advised to review Appendix I of the GDA APS, which sets forth the terms of the private sector leverage requirement and the criteria used to determine whether or not a contribution is potentially eligible to count as private sector leverage.

financial sustainability over time, and scale our development impact in Colombia. The sustainability strategy needs to be aligned with the private core business and include a market-driven perspective related to delivering the energy service.

Lastly, USAID/Colombia will prioritize alliances that:

- Address these development challenges with market-driven solutions, successfully connect the productive clusters to the mainstream economy and increase income generation opportunities for women and ethnic communities;
- Contribute and apply private sector expertise from diverse sectors, that could include technology, digital and infrastructure connectivity, smart logistics and financial services, among others;
- Involve close collaboration between USAID/Colombia and the private sector;
- Entail the sharing of risks;
- Demonstrate technical capability and experience in building, operating, and managing solar solutions for productive uses;
- The financial capabilities and performance of the key members of the alliance will be taken into account, and the willingness of the key members to commit their own funding as part of the final investment package will be favorably considered;
- Demonstrate the ability to seek and consolidate funding from other donors and investors in order to complement USAID/Colombia contributions and take the project to financial closure;
- Include a meaningful community consultation process of the final energy design following USAID's [Policy on Promoting the Rights of Indigenous Peoples](#) and principles⁹;
- Involve local private sector actors that are already working in the nine regions or that are willing to make new investments in the prioritized geography.
- Involve local non-governmental organizations that can deepen relationships with the communities and assist in community consultations during the planning, implementation, and operation of the energy solution.

Proposed alliances should be consistent with USAID legal and policy restrictions, including those set forth in USAID's Automated Directives System (ADS) and in the Foreign Assistance Act of 1961.

(Note: If USAID requests a full proposal, applicants will be given additional, specific evaluation criteria that speak to the subject matter of the concept.)

⁹ The community engagement, consultation processes and capacity building programs are designed to fully engage the community on the project design, implementation, and operation, with a view to facilitating the consulta previa process if required.

IV. Application Instructions and Review Process

USAID/Colombia will be responsible for the review process and management of any awards issued under this Addendum. Applicants are required to follow the concept submission instructions set forth in the GDA APS and submit Concept Papers using the [Concept Paper Template](#). Information provided by proponents in Section I.E of that Template must address the objectives and criteria presented above.

USAID/Colombia will develop one virtual outreach gathering where additional information about the Energy Transition for PDETs, USAID's GDA APS process, and general guidelines on how to prepare and submit Concept Notes will be presented by USAID/Colombia's GDA team and the Office of Acquisition and Assistance (OAA)¹⁰. Interested entities should pre-register to participate in the outreach gatherings at the following sign-up sheet [here](#). Participation will be limited to three individuals per organization for any in-person sessions. There is no limit on the number of participants per organization for virtual sessions. Event details, including dates, times and physical and online locations will be shared with organizations following their registration. **Registration ends April 26, 2023, at 5:00pm (Bogotá time).**

All potential applicants, regardless of whether they participate in the outreach gatherings, need to follow the Addendum process stated here:

Step 1: Initial discussion meetings:

In order to engage in this USAID/Colombia GDA process, and before submitting a Concept Paper, prospective applicants should email GDAColombia@usaid.gov with a cc to gda@usaid.gov to indicate their interest in discussing possible collaboration under this GDA APS Addendum. **Any requests for conversations with USAID/Colombia under this addendum must be submitted via email at GDAColombia@usaid.gov from May 2, 2023, until June 2, 2023, at 5:00pm (Bogotá time).**

The initial discussions will be held between USAID and the private sector partner(s). If additional discussions are warranted, and other partners should be included, USAID and the private sector will arrange such discussions prior to determining whether a concept submission would be appropriate.

The USAID/Colombia GDA team will discuss the extent to which a proposed idea is appropriate and aligns with USAID's goals and complies with the evaluation criteria set forth in Section III. Under the GDA APS, the POC and their team can have robust and extensive communication with prospective private sector partners with regard to potential alliance ideas and activities. Such communication helps foster the co-creation that is core to the Global Development Alliance approach.

¹⁰ These outreach gatherings are not required under the GDA guidelines, but the Mission will conduct them in order to disseminate all information and documentation on the program.

Step 2: Submission of concept papers:

After the initial meetings, the GDA USAID/Colombia team sends an email to the potential partners indicating whether USAID/Colombia is willing to move forward with the process and entertain a Concept Paper submission. If USAID/Colombia indicates a willingness to entertain and review a Concept Paper, the applicant must use the GDA Concept Paper Template (Annex 6). **Concept Papers must be submitted by July 7, 2023, at 5:00pm (Bogotá time) in order to be considered under this Addendum.** Concepts must be submitted to GDAColombia@usaid.gov with a cc to gda@usaid.gov.

Step 3: Evaluations:

Concept papers will be evaluated by USAID/Colombia per the considerations, criteria and processes outlined in the GDA/APS Section VI and Section III of this document. **Concepts will be reviewed and answered by September 8, 2023, 5:00pm (Bogotá Time).**

Step 4: Continued Co-creation:

After USAID/Colombia reviews the concept, the USAID/Colombia team will send an email to the applicant, indicating whether USAID/Colombia wishes to move forward in the process and continue co-creating the concept under the addendum. If USAID/Colombia expresses interest to continue the co-creation, the applicant will be invited to attend one or more virtual and/or in-person co-creation sessions. Participation will be limited to three individuals per organization for any in-person sessions. There is no limit on the number of participants per organization for virtual sessions. The sessions present an opportunity to refine the concept, address USAID/Colombia review committee feedback, and allow the potential partners to provide further details. The session is aimed at determining whether and how USAID/Colombia and the partners can effectively collaborate and, if so, developing the details of the GDA and the program description for any award USAID/Colombia would issue in support of implementing activities designed to achieve the objectives of the GDA. However, it should be noted that an interest in continuing with the process is NOT a commitment to an award or even a request for a full application. Those determinations will be made after further co-creation efforts.

Step 5: Full application:

Depending on what emerges from Step 4, USAID/Colombia's Office of Acquisition and Assistance (OAA) may request a full application or proceed directly to award negotiations. Awards made under this addendum will depend on the type of award made, will follow USAID standard requirements, and will be evaluated based on the evaluation criteria set at the Full Application phase.

Language: All concepts submitted under this GDA/APS Addendum must be in English or Spanish using the GDA Concept Paper Template (Annex 6). However, if a Full Application is requested, the application and all other accompanying documentation must be submitted in English and follow specific instructions.

V. Questions and Further Assistance

Questions regarding the substance and objectives of this addendum should be directed to the GDA USAID/Colombia team at GDAColombia@usaid.gov with copy to gda@usaid.gov. USAID/Colombia is interested in getting questions as soon as possible. USAID would prefer potential **Applicants submit their questions by April 26, 2023, at 5:00pm (Bogotá time)**. While USAID/Colombia will certainly entertain and respond to questions throughout the process, past experience indicates that developing and submitting questions as early as possible in the process is of tremendous value to prospective partners and applicants.

Please note that frequently asked questions (FAQs) and/or select questions that reveal a need for clarification of matters in the addendum will be posted at [grants.gov](https://www.usaid.gov/grants). The list of FAQs will be revised on an ongoing basis if and as needed. Prospective applicants should regularly check [grants.gov](https://www.usaid.gov/grants) for new questions that might get posted. USAID/Colombia will not post all questions that are submitted; USAID/Colombia will only post recurring or specific questions USAID/Colombia determines warrant posting to clarify matters under the addendum.

Questions regarding the substance and terms of the 2020-2023 GDA APS should be directed to gda@usaid.gov.

For additional information regarding guidelines and procedures to submit a concept paper, please refer to the GDA APS which can be found at the following website: <https://www.usaid.gov/partner-with-us/private-sector-engagement/gda>

VI. RESOURCES AND TEMPLATES

Public resources and templates that might be helpful for potential Applicants:

Annex 1: E4P Master Plan [Link](#)

Annex 2: E4P Overview Presentation [Link](#)

Annex 3: E4P Data Room [Link](#)

Annex 4: [USAID Agency Policy on Private Sector Engagement](#)

Annex 5: [Private Sector Landscape Assessment](#)

Annex 6: [GDA APS Concept Paper Template](#)

Annex 7: [Global Development Annual Program Statement](#)