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## **REQUEST FOR PROPOSALS**

### **Consultancy Services to Prepare a Solar Energy Policy Framework for Africa**

**PROCUREMENT NO: AUC/IED/C/379**

**September, 2018**

## Section I: Letter of Invitation

24<sup>th</sup> September, 2018

Dear Sir/Madam,

### **REF: Consultancy Services to Prepare a Solar Energy Policy Framework for Africa**

1. The African Union Commission (AUC) would like to engage the services of a Consulting Firm to provide services **to Prepare a Solar Energy Policy Framework for Africa**. The AUC invites interested and eligible bidders to submit technical and financial proposals for the assignment as per attached Terms of Reference (TOR).
2. A firm will be selected under **Quality and Cost Based Selection Method procedures**. The **TECHNICAL** and **FINANCIAL** offers must be delivered in **TWO SEPARATE** envelopes enclosed in an OUTER envelope to the address below. The minimum technical score required to pass is 70% to proceed for further financial evaluation.
3. The deadline for submission of proposal is **26<sup>th</sup> October, 2018** at 1500hrs East Africa Time. Late bids will be rejected and returned unopened to bidders. The Outer envelope should bear the name and address of the bidder. Language of the bid or proposal should be in English.
4. Bidders may request for clarifications no less than 7 days from the deadline for submission, from The Chairperson, Internal Procurement Committee, African Union Commission, Email : [tender@africa-union.org](mailto:tender@africa-union.org)
5. Bidders must provide the following documents :
  - (i) Certificate of Incorporation (Company Registration)
  - (ii) At least 3 contactable references in the last five (5) years
  - (iii) Company profile demonstrating at least five (5) years
6. The address for deposit of bids is: The Chairperson, Internal Procurement Committee, African Union Commission, Building C, 3<sup>rd</sup> floor, TENDER BOX, Roosevelt Street, and P. O. Box 3243, Addis Ababa, Ethiopia.

Yours sincerely,

**Head, Procurement, Travel and Stores Division**

**Department of Infrastructure and Energy  
Division**

**Consultancy Services to Prepare a Solar Energy  
Policy Framework for Africa**

**TERMS OF REFERENCE**

September, 2018

Addis Ababa

# Terms of Reference for Consultancy Services to Prepare a Solar Energy Policy Framework for Africa

## 1. Introduction and Background

On average, access to electricity in Africa is 52 per cent, while 71 per cent of the population still uses biomass energy, in the form of firewood and charcoal, as the primary energy source for cooking and heating. Each year Africa is losing between 2-4% of its GDP due to bottle necks in the energy sector and power shortages.

The African continent is among the regions that receive the highest insolation in the world with a theoretical solar energy potential of 11TW. On a regional basis the ECOWAS receives about 1800 kWh/m<sup>2</sup>/year, the East African Region 1500 – 2000 kWh/m<sup>2</sup>/year; Central Africa 2000 – 2400 kWh/m<sup>2</sup>/year and Equatorial Africa 1400 – 1800 kWh/m<sup>2</sup>/year while Southern Africa receives 1500 - 2100 kWh/m<sup>2</sup>/year. This demonstrates the huge potential for solar energy to contribute to the provision of sustainable and affordable energy especially for remote rural areas.

Although Africa is endowed with this huge solar energy potential, the majority of the continent's population still face energy poverty. Challenges encountered in efforts to extend the electricity grid especially to remote sparsely populated rural areas have proven the cost effectiveness of using distributed renewable energy interventions such as small hydropower and solar photovoltaic. Across the African continent, several projects have been developed to harness solar energy; specialised renewable energy agencies such as centres for renewable energy and energy efficiency, rural electrification agencies, and renewable energy investment units to promote wider use of solar energy have been established, but despite the abundance of the resource the deployment of solar energy in Africa has lagged behind other regions.

To address the problem of low deployment of solar energy, the African Union Commission (AUC) commissioned a study to examine the status of the deployment of solar energy and solar energy policy framework across Africa.

The study, among other activities:

- Reviewed documents in solar energy programs across the different economic regions of Africa;
- Analysed the existing plans, policies and capacities at Regional Economic Communities (RECs) levels including the Centers for Renewable Energy and Energy Efficiency (CREEEs) for synergy and complementarity.

- Considered global trends in solar energy development, existing work in different regions of Africa including any policy gaps identified, technological advancements, capacity needs, among other considerations

Based on their findings, the study proposed an AU Solar Energy Programme outlining the key activities, indicators, timeframe and cost estimate, and a program of activities for 2018 and beyond.

Most of the barriers to wider deployment of solar energy revolved around poor policy formulation, weak institutional and regulatory frameworks, weak institutions, and low participation of the private sector in solar energy programs.

It is against this background that the AUC wants to prepare a solar energy policy framework to guide the RECs and Member States prepare solid policies which create an enabling environment for private sector investment in renewable energy programs, increased cooperation between key stakeholders and a better understanding of the potential benefits and impacts of solar energy as well as its role in rural electrification and economic development of Africa

## **2. Objectives of the Consultancy**

The objectives of the consultancy are to:

- Prepare a solar energy policy framework (SEPF) to guide RECs and Member States to prepare harmonized policies for an Africa-wide solar energy development program;
- Design a capacity building program for RECs, CREEEs; and
- Design a program of activities for capacity building for AUC, RECs and CREEEs with outputs and indicators.

## **3. Scope of Work**

The Consultant is expected to carry out the following activities that will assist in formulating a SEPF which considers not only the existing situation in the RECs but also borrows from lessons from other developed countries, while at the same time focusing on Africa's developmental aspirations.

The Consultant is expected to focus on the major applications of solar energy such as solar PV (solar home systems, distributed power generation and grid-connected solar PV). The major tasks are:

### **3.1 Carry Out A Situational Analysis**

To give grounding and context to the SEPF, the Consultant needs to carry out detailed study and analysis of the prevailing situation in the various regions of Africa. This shall include, but not limited to, the following aspects:

- Socio-economic development level(s);
- Industrial development level;
- Industrial capacity;
- Energy situation;
- Renewable energy markets; and
- Financial markets.

### **3.2 Review Development Plans /Targets to Give Basis for The Policies**

This will allow the Consultant appreciate the developmental aspirations which the individual economic regions want to achieve. This can be seen in the context of continental development goals such as Africa Agenda 2063, the UN SDGs 2030.

### **3.3 Review the RECS' Experiences with Solar Energy Deployment**

The Consultant should review programs and projects formulated and implemented by the RECs and their Member States in the past ten years, their successes and problems experienced.

This helps the Consultant to glean some lessons on what does not work and should be avoided or modified and what works in the region and why it works.

### **3.4 Review Global Trends in Solar Energy Deployment**

It is important to learn from those countries that have made tremendous progress in solar energy deployment in order to identify key success factors which could be adopted or adapted to the African situation. Lessons can also be learnt from failures in terms of what to avoid.

### **3.5 Review Existing Solar or Renewable Energy Policies**

Some regions have formulated energy policies of varying degrees of detail, ranging from plain energy policies, through renewable energy policies to more specific technology specific policies. In some regions, policies are given without any targets or implementation strategies. In yet others, the REC has given guidelines and targets and left the formulation of national policies and targets to the individual member states. In short, the policies are not harmonised, with each region having its own format.

The Consultant will use this review to identify gaps and alignment shortcomings in the regional policies which need to be addressed through the SEPF.

### **3.6 Identify Capacity Gaps at The REC and CREEE Level**

One of the barriers to wider deployment of solar energy was identified as the weak capacity in the RECs, CREEEs and their Member States to formulate sound solar energy policies and programs. In order to identify training needs which must be addressed in the RECs, the Consultant will assess the capacity of the various RECs, their CREEEs and national institutions to progress solar energy programs.

### **3.7 Formulate Capacity Building Program**

Once the capacity gaps in the RECs and CREEEs have been identified, the Consultant shall formulate a capacity building program to capacitate the RECs and CREEEs and national institutions where necessary, with targets, outputs and indicators.

### **3.8 Formulate SEPF Outlining Key Activities, Indicators and Timeframes**

Based on the findings, the Consultant is expected to formulate a Solar Energy Policy Framework (SEPF) which can be used as a guide to RECs and CREEEs to produce harmonised solar energy policies on the African continent.

## **4.0 Expected Output**

The main outputs from this assignment are:

- A Solar Energy Policy Framework (SEPF);
- Capacity building program for RECs and CREEEs; and
- A program of activities for the AUC with outputs and indicators to enhance capacity at the RECs and CREEEs for policy formulation in the first 12 months.

## **4.1 Solar Energy Policy Framework (SEPF)**

The Consultant is expected to produce a solar energy policy framework (SEPF). The SEPF should contain guidelines on the following components:

### **Sustainability criteria:**

- Social – social acceptance and stakeholder involvement.
- Economic sustainability - and
- Environmental sustainability.

### **Governance of Solar Energy Programs - Clarity of Roles**

To avoid confusion and minimize overlap and/or gaps, the Consultant should clarify the roles of the various stakeholders: RECs, CREEEs, National institutions, Government (national and local) - in policy making, regulation, implementation and inter-ministerial and inter-agency coordination.

### **Policies to Enable Private Sector Participation**

The policies which are required to promote private sector participation need to be identified. Also, there is need to specify the role of the private sector. Private sector participation is required in implementation of solar energy development programs, financing of solar energy development programs as well as in local manufacture of solar equipment to enhance sustainability. The analysis should consider the special case of Small and Medium Enterprise and the policy requirements and instruments that would enable them to play a greater part in solar energy development in Africa.

### **The Role of Civic Society, Community Based Organisations (CBOs) and Gender Considerations**

There is need to clarify the role of Civic Society, CBOs and Gender in solar energy development and identify policy requirements, instruments and incentives that would enable them to participate effectively in solar energy development in Africa

### **Instruments for Promoting Solar Energy Programs**

The success of solar energy development programs depends, inter alia, on successful formulation and application of relevant instruments. The Consultant should consider the following instruments for promoting solar energy development and give guidance on their application:

- Regulation;
- Timetables to achieve targets;
- Standards;
- Awareness;
- Stakeholder engagement;
- Capacity building;
  - Engagement with banking and financial institutions;
  - Removal of financial barriers;
  - Policy incentives;
  - Targets.

### **Gender Mainstreaming**

Develop guidelines on how gender can be mainstreamed in solar energy policies.

### **Procurement of Solar Energy Services**

Develop guidelines on the various methods used in procuring renewable energy (specifically solar energy) services such as feed in tariffs, auctions etc. and the corresponding evaluation criteria.

### **Policy Support Instruments for Solar Energy Development Programs**

The Consultant should also give guidance on the design and application of the following instruments:



- REFIT
- PPAs
- etc.

### **Financing Models for solar Energy Programs.**

Analyse different financing models available on the market and give guidance on how these can be accessed.

### **Monitoring and Evaluation of Solar Energy Programs**

Develop guidelines for monitoring and evaluation of solar energy development programs, giving details such as stakeholder identification, data to be collected and data collection methods, indicators for solar energy programs such as distributed rural electrification, solar water heating etc.

## **4.2 Capacity Building**

### **Assessment of Capacity for RECs, CREEEs and National Institutions**

The Consultant will assess the capacity of RECs and CREEEs for policy formulation, program development as well as for monitoring and evaluation of programs.

### **Formulation of Capacity Building Program for RECs and CREEEs**

After assessing the capacity shortfalls for RECs and CREEEs, the Consultant should develop a capacity building program to address the gaps, giving SMART objectives with outputs, estimated costs and indicators for the first five years.

## **5.0 Consultancy Competencies**

The Consultant's team must have members with the following expertise:

- Advanced Degree (Minimum Masters' Degree) in energy policy development;
- Have a traceable record in practical energy policy analysis and formulation, training needs assessment and capacity development;
- Excellent understanding of the energy and environment issues in Africa;
- Experience in gender main streaming in energy;
- Excellent interpersonal skills;
- Command of English and at least one of the other three of the official AU languages (English, French, Portuguese, Arabic) within the team;
- At least 10 years professional experience in an African setting

## **6.0 Project Time Frame**

The Consultancy is expected to take about 9 months split roughly as follows:

|     | <b>Activity</b>  | <b>Timeframe</b> |
|-----|--|------------------|
| 6.1 | <b>Background work</b> – Situational Analysis, review of the solar energy policies, institutional and regulatory frameworks. | 3 months.        |
| 6.2 | Design of Solar Energy Policy Framework with appropriate guidelines.   | 4 months         |
| 6.3 | Design of a capacity building program.   | 2 months         |

## 7.0 Suggested Literature / Sources of Information

The Consultant can find some information on the barriers to wider solar energy deployment and policy gaps in the report to the AUC by Hermit Consultants titled 'Policy Framework and Programme Design for Small Hydropower and Solar Energy Development in Africa' (2018).

Among other sources of information, the consultant may consider a supportive framework conditions as developed in COMESA's guidelines covering the aspect of policy regimes, Feed-In-tariffs, Public Private Partnerships, for adoption by its member states; COMESA Model Energy Policy Framework and AU Africa Bioenergy Policy Guidelines.

### **SELECTION CRITERIA**

| <b>S/N</b> | <b>AWARD CRITERIA</b>  | <b>ALLOCATED SCORES</b> |
|------------|--|-------------------------|
| 1.         | Specific experience of the Consultants related to the assignment | 10                      |
| 2.         | Adequacy of the proposed work plan and methodology               | 40                      |
| 3.         | Qualification and Competence of the key staff for the assignment | 40                      |
| 4.         | Knowledge and experience of the region                           | 5                       |
| 5.         | Language   | 5                       |
|            | <b>TOTAL POINTS</b>  | <b>100</b>              |