**Request for Proposals**

**Consulting Services for the Delivery of A**

**Lessons Learned Study of InfraCo Africa Investments**

1. **Project Context**

InfraCo Africa seeks to alleviate poverty by mobilising private sector investment into sub-Saharan infrastructure projects. We do this by funding teams of experienced project developers or by investing directly into projects which need the financial commitment and leverage that InfraCo Africa can bring. Our support reduces the risks and costs associated with early stage project development, ensuring that a project develops from concept to bankable investment opportunity.

InfraCo Africa is part of the Private Infrastructure Development Group (PIDG). Established in 2004, we are managed as a private company although funded by the governments of Austria (ADA), the Netherlands (DGIS), Switzerland (SECO) and the UK (DFID). Our projects have mobilised over US$2 billion of investment and provided new infrastructure for approximately 13 million people, improving living standards and powering economic growth in sub-Saharan Africa.

Amongst these projects, InfraCo Africa has invested in three innovative businesses involved in the delivery of infrastructure services to underserved populations: in Kalangala Infrastructure Services (Uganda), Redavia Tanzania Asset Ltd (Tanzania), and Standard Microgrid (Zambia). These investees are briefly described below:

* KIS is a pioneering mixed utility company that has responded to the complexity of Bugala Island’s infrastructure needs. KIS has delivered and now operates two modern roll-on roll-off ferries; has upgraded the island’s 66km Luuku – Mulabana main road; is distributing clean water to 19 villages on the island; and has developed 1.6MW of hybrid solar-diesel power and recently taken over operation of the Kalangala Town Council (KTC) grid.
* Redavia has developed an innovative containerised PV solution: standardised shipping containers that provide the PV panels, fittings, back-up batteries and control systems required to provide up to 100KWp of installed solar PV capacity to off-grid business off-takers like mines or mills, or to remote communities. These containers can operate as a standalone solution on a greenfield site, providing power for the first time, or alternatively hybridise with or displace existing diesel generators, reducing operating costs. Containers are offered on a rental basis, individually or as a modular array, and can be rapidly redeployed if needs change or lease terms change.
* Standard Microgrid is launching a standardized and innovative technology platform for mini-grid rural electrification across Zambia. Using a standardized demand based generation and storage unit, distribution infrastructure, and cloud-connected software enabling pre-paid connections, the company aims to electrify 150 villages in its first phase of development.

These investments are examples of a shift in InfraCo Africa’s investment strategy, responding to the new dynamics of utility services provision in sub-Saharan Africa and, as such, examples for a novel approach. Whereas historical InfraCo Africa investments focused on more traditional infrastructure approaches, InfraCo Africa has recently adopted the risk profile of early stage venture investors, supporting innovative business models, novel technologies, and pioneering but growing management teams.

1. **Objectives of the Assignment and Scope of Work**

Given the above project context, the Assignment has two broad objectives:

1. To provide InfraCo Africa with a result’s based review to harness the lessons learned from its three non-conventional infrastructure investments, and;
2. To provide recommendations to InfraCo Africa regarding its future support for non-traditional and distributed infrastructure investments in terms of markets, investment strategies, financing models, and other.

Questions to be answered through the project include but are not limited to:

* What has been achieved by these investments so far, from both a commercial and technical perspective compared to initial expectations and objectives? How sustainable are the investments Proposing the key indicators you would use to measure the above.
* To what extent has InfraCo Africa’s investment and participation in the investments leveraged additional funding, and acted as a catalyst for sustainable and inclusive economic development?
* Are these investments exit-able ie will follow on private sector investment be ready to buy InfraCo Africa out? If so, when?
* Who are the main beneficiaries of each business, how have they been directly impacted (i.e. what is the direct developmental impact of the investment) and ` How have the investments catalysed further (direct/indirect) social, economic, and environment impacts in the targets areas and amongst the beneficiaries of each investment?
* How effective has InfraCo Africa’s investment been (i.e. as per comparative cost benefit analysis) compared to other financial instruments (e.g grants) in delivering social, economic and environmental benefits to the beneficiaries

The results of this study will be used to inform InfraCo Africa’s future investment strategy in a variety of distributed infrastructure business models. Guidance regarding the following questions shall be provided by the consultant:

* Was a blended finance (grants/commercial finance) approach useful in each project, how did it work, and why did it work (or why not)?
* What was the value added of InfraCo Africa’s chosen investment strategy and post-investment support - in each case?
* Can these projects serve as a blueprint for either scale, replication, or both in their specific infrastructure category (i.e. mini grids), also for future InfraCo Africa investments?
* Which markets in SSA may be most relevant for replication of the studied cases and business models?
* Can the models be exported to West Africa?

Additional questions related to the performance of the existing investments and implications for InfraCo Africa’s future investment strategy will be elaborated and refined during the inception phase of the project.

In order to answer these questions and achieve these objectives, the Consultant is expected to provide at a minimum the following:

* + Organizational, technological, and business model overviews of investee companies;
  + Target/actual business and impact results analysis of each investment;
  + Assessment of investment performance over time, vis-à-vis expectations and respective investment milestones;
  + A basic mid-term assessment regarding the viability of the business models based on the aforementioned assessment but also more in general;
  + Assessment of reporting lines and monitoring of financial and impact performance within each investee;
  + Review of the organizational, technical and other backstopping support from InfraCo Africa towards each investee to date, the extent utilized, the value-add generated for investees, and recommendations for additional or differentiated TA;
  + Review of InfraCo Africa’s investment instruments employed in each investment in the light of actual results ("What would we do differently today, based on the lessons learned?”);
  + Provision of Strategic (scaling considerations, replication/new market considerations, partnerships) and Investment recommendations (follow-on, non-financial support) for investee that would allow an InfraCo Africa exit;
  + Make recommendations on InfraCo Africa’s future investment in, and support for similar decentralized infrastructure services delivery models (financing instruments, stage, technologies, markets/sectors, resources, tools etc);
  + Following on from this, make further recommendations on how InfraCo Africa can improve on post-investment engagement (reporting, monitoring, governance, etc.);

1. **Proposed Approach and Methodology**

InfraCo Africa expects the Consultant to provide a comprehensive methodology, work plan, and budget for the Assignment. We anticipate project approaches to include desk-based research, field evaluation of each investee company, and in-person meetings with InfraCo Africa.

1. **Team Composition and Qualification Requirements for Key Experts**

The Consultant team is expected to include a Team Leader, Senior Consultant, and sector- specific technical experts. The qualifications of the Consultant team are as follows:

* Team leader: Minimum 15 years’ experience in the design, implementation, development, and analysis of investment transactions and the underlying business models, strategic management and organizational assessment of assignments in energy and infrastructure; specific and relevant experience in the geographies and topics of the study; expert familiarity with impact investment, development financing, and the investment objectives of InfraCo Africa.
* Senior Consultant: Minimum 8 years’ experience in analysing and advising infrastructure and/or renewable energy companies in the sub-Saharan African context, including in renewable energy access; specific and relevant experience in the geographies of the study; expert familiarity with impact investment, development financing, and the investment objectives of InfraCo Africa.
* Sector Technical Experts: Minimum 10 years’ experience in the analysis of technical design, performance, and cost effectiveness of relevant infrastructure sectors; specific and relevant experience in the geographies of the study.
* Additional requirements
  + Specific knowledge and experience in technology and knowledge transfer in emerging and frontier economies;
  + Specific infrastructure and energy access investment assessment experience in target geographies;
  + Previous experience in market assessment, investment assessment, business model assessment and development in infrastructure and energy access – or transferrable experience from other sectors;
  + Experience in working with multilateral, bilateral, or regional development partners in the context of infrastructure and energy access investments;
  + Experience with impact investing in sub-Saharan Africa;
  + Flexibility and experience in complex assignments requiring short-term field missions in sub-Saharan Africa.

1. **Time Schedule for Deliverables and Reporting Requirements**

The expected time frame for the project is outlined below.

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| --- | --- |
| Kick-off Meeting | In-person, Week 1 |
| Desk-Based Research | Week 1-2 |
| Methodology and Work Plan Development | Week 2-3 |
| Inception Report | Week 3 |
| Data Collection – Field Missions | Weeks 4-6 |
| Data Synthesis | Week 7 |
| Project Update | In-person; week 8 |
| Draft Takeaway Messages (written) | Week 10 |
| Draft Report to Client | Week 13 |
| Discussion of Draft Report with Client | Week 15 |
| Final Report to Client – inclusive of Standard MicroGrid recent progress | Week 17 |
| Presentation and final discussion of results with Client | In-person; week 20 |

1. **Proposals**

Consultants are requested to submit a Technical Proposal of no longer than 10 pages (exclusive of Annex). Technical Proposals should contain the following:

* A Technical Proposal submission cover sheet signed by an authorized representative of the Consultant;
* Description of Consultant;
* Comments or Suggestions on the Scope of Work;
* Preliminary description of Methodology and Work Plan;
* Suggested key impact metrics to be assessed per investee;
* Composition of proposed team, including task assignments and level of effort;
* Annex: Signed CVs of project team
* Annex: Shortlist of relevant project references from firm and/or members of project team.

Consultants are requested to submit a Financial Proposal submission cover sheet signed by an authorized representative of the Consultant. Financial Proposals should include a full project budget aligned to the Operating Policies and Procedures of InfraCo Africa, January 2015.

1. **Input from InfraCo Africa** **and Counterpart Personnel**

InfraCo Africa will provide the following project inputs:

* Facilitate introductions to and ensure full cooperation of investee companies;
* Facilitate introductions to relevant public and private stakeholders as requested/required by the consultant team;
* Relevant project documentation as requested/required by the consultant team.

The main InfraCo Africa counterpart to be involved in the Assignment is: Mr. Bertrand Belben, Email: [bbelben@infracoafrica.com](mailto:bbelben@infracoafrica.com)

1. **Language**

The language of the requested services is English.

1. **Confidentiality**

All documents which are part of this RFP will be treated as Confidential.

1. **Response date and time**

Please respond with you offer no later than 11th December 2017 midnight GMT.