The AECF

The AECF (Africa Enterprise Challenge Fund) is a non-profit institution supporting early and growth stage businesses – through provision of patient capital – to innovate, create jobs, leverage investments and markets to create resilience and sustainable incomes for rural poor and marginalised communities in Africa.

AECF’s strategy is focused on agribusiness/agriculture and renewable energy sectors with increased support to climate technologies, deepened focus on gender, youth, and employment, aimed at attaining the institution’s vision of ‘A Prosperous and Enterprising Rural Africa’.

Since 2008, AECF has invested in 268 businesses across sub-Saharan Africa focusing on Agribusiness, Renewable Energy and Climate Technologies. As of 2018, we have impacted more than 17 million lives, created over 12,000 jobs and leveraged over US$750 million in matching funds from the private sector. With the vision to build “A Prosperous and Enterprising Rural Africa”, AECF provides high-risk, small and growing businesses with patient, low-cost financing and advisory support services to pilot, refine and scale their operations and ideas.

AECF investing in Renewable Energy and Climate adaptation in Mozambique

The REACT Mozambique intervention was implemented between 1st June 2012 to 31 December 2018 funded by the Netherlands Ministry of Foreign Affairs (NMFA). The intervention sought to provide catalytic financing to renewable energy businesses and climate technologies, which had the potential to create transformative impact on communities in Mozambique. AECF provided 55% of the total funding as interest-free loans and 45% of the disbursements as non-repayable grants to early-stage enterprises and start-up businesses in Mozambique. The intervention was designed to deliver the following:

- Reach 25000 people with products and services that help them adapt to climate change
- Create 750 private-sector jobs in the REACT companies
- Serve 9380 rural people in Mozambique by low-cost clean energy products and services
- Mechanisms in place to select and manage investees with the highest potential for transformational impact,
- Renewable energy businesses and climate technologies established and commercially viable

A total of 12 companies were selected; two companies withdrew hence a total of 10 companies received funding. Eighty percent of the portfolio are start-up companies, reflecting the nascent sector of business models addressing climate change. The 10 businesses focused on Biofuels – biodiesel production, Off-grid Solar PV and solar-powered charge stations, Livestock management and Recycling and waste management.
Objectives of the REACT Mozambique Window.

The objective of the Window was to support private sector investments in the following areas:

- Increased access to low cost, clean energy for rural businesses and households. This includes cost-effective renewable power, commercially viable renewable fuels and other clean energy alternatives.
- Products and services that help smallholder farmers adapt to climate change. Examples are drought-resistant seeds, water harvesting and conservation technologies or early warning weather systems that increase resilience and reduce vulnerability.
- Financial services that increase access to finance for low-cost clean energy and climate-resilient technologies or catalyse financial solutions, such as weather insurance, for smallholder farmers.

Scope of work

Overall objective

The objective of this assignment is to improve AECF’s project design; investee selection process, maximise the impact that can be generated from specific projects and provide lessons from the intervention.

Immediate Objectives

- Assess whether the intervention logic has held by reviewing the relevance of the intervention, analysing both the investment selection process, including the marketing approach to the private sector and the performance of individual investments.
- Identify the key success areas of projects invested in by AECF and determine whether there is scope to replicate the REACT Mozambique concept more widely in the future and if so, how a future REACT Mozambique approach should be conceived.
- Identify lessons learnt from investing in REACT Mozambique.

Description of tasks

The selected consultant is expected to assess ten projects (Annexe 1) funded under the REACT Mozambique window through desktop assessment of project reports and contractual documentation, direct consultation and the use of remote data gathering techniques such as online surveys to understand:

- Review the relevance of the intervention, particularly the selection process, marketing approach of the project to the private sector and performance of funded investees.
- Identification of actual or potential replicability of investee successes to instigate market system change at local or regional levels.
- The challenges in commercialising the innovation before the receipt of AECF funds; Alternative sources of investment finance and broad assessment of the input additionality of AECF resources.
- Additional funds raised post AECF contracting and the contribution of the AECF grant to this.
- Financial and business performance of investees compared to the original plan.
- Achievement of development impact compared to the original plan;
• Analysis of disparities between actual and expected development impact, including corrective actions that can be proposed to investees to improve overall impact;
• Identification of unplanned impacts;
• Assessment of the contribution of AECF funds to the original programme objectives of reaching broader market system change;

Output and Reporting Requirements.

The consultant will be expected to deliver the following outputs:

i. A short inception report submitted within 14 calendar days of the start of this assignment with methodology and approach, including timings and any initial observations or issues that will affect implementation;

ii. Two technical reports – a confidential analytical report on the performance of AECF projects answering the questions (Annexe II) on relevance, effectiveness, impact, sustainability and efficiency, and a broader report covering the consolidated analysis.

iii. A presentation of the findings and discussion with the AECF either in person or by virtual means.

The evaluation should be framed in a readily accessible format such as the OECD-DAC to ensure the clarity of evaluative definitions

Duration of Service

The assignment should undertake within three calendar months and is expected to commence in August 2020.

Qualifications and team profile

The tenderer can propose an individual or a team of consultants as they see fit to offer the most appropriate solution. Different experts can provide different skills but the minimum competencies to be provided by the team together must include:

• Significant (at least 10 years’) experience in conducting evaluations (especially in the Renewable energy sector in the sub-Saharan Africa context with a focus on climate-smart agriculture, experience working in Mozambique is an added advantage)

• Demonstrable competence in private sector investments directly linked to increased access to low cost, clean energy for rural businesses and households

• Clear understanding and experience in mobilising innovative ideas into private sector across the renewable energy sector.

• Fluency in written and spoken English and Portuguese

Management

The lead consultant will report to the REACT Senior Programme Officer
**Evaluation Criteria**

The following criteria will be used for the evaluation:

<table>
<thead>
<tr>
<th>Key areas for Evaluation / Assessment</th>
<th>Weighted Award</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical</strong></td>
<td>70</td>
</tr>
<tr>
<td>a) Demonstrated (at least 10 years’) qualification and experience in conducting evaluations (especially the Renewable energy sector in the sub-Saharan Africa context with a focus on climate-smart agriculture) (20 points)</td>
<td></td>
</tr>
<tr>
<td>b) Experience specifically working in Mozambique. Preference will be given to consultants based in Mozambique (10 points)</td>
<td></td>
</tr>
<tr>
<td>c) Demonstrable competence in private sector investments directly linked to increased access to low cost, clean energy for rural businesses and households (15 points)</td>
<td></td>
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<tr>
<td>d) Approach, methodology and understanding of the assignment. (10 points)</td>
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<tr>
<td>e) An understanding and proof of previous experience of the OECD DAC criteria (10 points)</td>
<td></td>
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<tr>
<td>f) Institution Registration documents (5 points)</td>
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</tbody>
</table>

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation (30%). Companies applying should also submit their Registration and other relevant statutory documents. An application shall not be considered incomplete if these documents are not submitted.

**Financial Proposal**

Reality to market/value for money based on the assignment (inclusive of any applicable tax). 30

**Proposal submission**

Interested consultancy firms and individuals are requested to submit their technical and financial proposals to procurement@aecfafrica.org by 5:00 PM E.A.T on 10th August 2020. For enquiries, please email wkhara@aecfafrica.org and copy procurement@aecfafrica.org

- The **Subject of the email should read** “Consultancy to evaluate the REACT Mozambique Window.”
- Technical and Financial proposals will need to be submitted as **separate documents**. Financial proposals will not be opened until the conclusion of the technical evaluation and then only for those proposals that are deemed qualified and responsive.
- The **Financial proposals shall include all applicable taxes quoted separately.** If taxes are not mentioned in the financial proposal, The AECF shall consider that they are included in the prices provided.
Disclaimer

The AECF reserves the right to determine the structure of the process, number of short-listed participants, the right to withdraw from the proposal process, the right to change this timetable at any time without notice and reserves the right to withdraw this tender at any time, without prior notice and without liability to compensate and/or reimburse any party.
<table>
<thead>
<tr>
<th>Round</th>
<th>Company</th>
<th>Activity</th>
<th>Year started</th>
<th>AECF funding (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3R- Formerly Carbon Africa</td>
<td>Transformation of Municipal Solid Waste into value-added products in major cities in Mozambique</td>
<td>2015</td>
<td>1,400,000</td>
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<td></td>
<td>Agro-Negociopara (ADM)</td>
<td>Improving livelihoods in Cabo Delgado province through the development of a Jatropha value chain</td>
<td>2014</td>
<td>1,500,000</td>
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<tr>
<td></td>
<td>Amarula Farms</td>
<td>Edifying Agriculture Through Technology</td>
<td>2014</td>
<td>500,000</td>
</tr>
<tr>
<td></td>
<td>Everest Energy (Closed)*</td>
<td>Sustainable production and commercialization of renewable charcoal for household and institutional use</td>
<td>2014</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Fortune CP</td>
<td>Solar Off-grid Pre-paid Electricity</td>
<td>2014</td>
<td>500,000</td>
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<tr>
<td></td>
<td>Gesto Energia</td>
<td>IUNGO energy kiosks</td>
<td>2014</td>
<td>549,424</td>
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<tr>
<td></td>
<td>Mosagri</td>
<td>Increase in food and energy security through Moringa plantation for food, energy, health supplements, to create an agro village</td>
<td>2014</td>
<td>750,000</td>
</tr>
<tr>
<td></td>
<td>Mozambique Biofuel</td>
<td>Ethanol production</td>
<td>2014</td>
<td>1,450,000</td>
</tr>
<tr>
<td>2</td>
<td>Signature Energy</td>
<td>Biomass-based Thermal Power Plant for the rural population</td>
<td>2014</td>
<td>1,500,000</td>
</tr>
<tr>
<td></td>
<td>Tsoni Farm</td>
<td>Climate-resilient red meat and compost production and processing in the dryland savannah of Chemba</td>
<td>2014</td>
<td>894,000</td>
</tr>
</tbody>
</table>
Annexe II - The Evaluation Questions

The following key questions will guide the end of project evaluation:

a) **Relevance** – Assess the design and focus of the project
   - To what extent did the Project achieve its overall objectives?
   - What and how much progress has been made towards achieving the overall outputs and outcomes of the programmes (including contributing factors and constraints);
   - Was the project relevant to the identified needs?

b) **Effectiveness** - Describe the management processes and their appropriateness in supporting the delivery
   - Was the programme effective in delivering desired/planned results?
   - How effective were the strategies and tools used in the implementation of the project?
   - How effective has the project been in responding to the needs of the beneficiaries, and what results were achieved?

c) **Efficiency**
   - Did project activities overlap and duplicate other similar interventions (funded nationally and/or by other donors)?
   - Are there more efficient ways and means of delivering more and better results (outputs and outcomes) with the available inputs?
   - Could a different approach have produced better results?
   - What are the strengths, weaknesses, opportunities and threats of the project’s implementation process?

d) **Sustainability**
   - To what extent are the benefits of the projects likely to be sustained after the completion of this project?
   - What is the likelihood of continuation and sustainability of project outcomes and benefits after completion of the project?
   - Describe key factors that will require attention to improve prospects of sustainability of project outcomes and the potential for replication of the approach?
   - How were capacities strengthened at the individual and organizational level (including contributing factors and constraints)?
   - What are the key risks facing the sustainability of key program outcomes and output?

e) **Impact**
   - To what extent were the results (impacts, outcomes and outputs) achieved? - Were the inputs and strategies identified, and were they realistic, appropriate and adequate to achieve the results?
   - To what extent did the Project’s M&E mechanism contribute to meeting project results?
   - Were the target set realistic within the Mozambique context