

Health Electrification and Telecommunications Alliance Fundraising and Technical Assistance Window: Call for Concepts

Abt Global and our partners invite concept note submissions from eligible entities seeking technical assistance and financial support for fundraising activities that will contribute directly to market-based approaches and innovations in health facility electrification and digital connectivity in sub-Saharan Africa. Ideal concepts are those that are ready to implement and can leverage financing from other private, NGO, and public sector actors.

NOTICE OF FUNDING OPPORTUNITY (NOFO) SUMMARY

NOFO No.: HETA-2024-009
Issuance Date: 1 May 2024

Deadline: 30 August 2024

Description: Call for Concept Notes – Technical Assistance and Financing Support for

Fundraising for Health Electrification

For: Power Africa Health Electrification and Telecommunications Alliance (HETA)

Implemented by: Abt Global LLC (USAID Cooperative Agreement No. 72067422CA00003)

Contact: <u>HETA@abtglobal.com</u>

BACKGROUND

An estimated 100,000 health facilities in sub-Saharan Africa lack reliable access to the electricity and digital connectivity they need to equitably serve their communities. Without these services, they can't keep the lights on for nighttime births or emergency surgeries, run equipment that keeps vaccines viable, or modernize their communication and records management systems. This creates lifethreatening gaps in essential and emergency healthcare, limits access to health services, and diminishes country health systems' overall resilience to climate change and other threats.

Launched in October 2022, the Health Electrification and Telecommunications Alliance (HETA) is USAID Global Development Alliance¹ and Power Africa's flagship initiative for health facility electrification and digital connectivity in sub-Saharan Africa. HETA's mission is to catalyze public-private partnerships and sustainable business models that increase access to reliable, renewable energy and digital connections for 10,000 health facilities—vital improvements to support equitable access to life-saving care across the

¹ https://www.usaid.gov/partner-with-us/private-sector-engagement/gda

region. Together with diverse partners from the public, private, and social sectors, HETA is making it easier and less costly to invest in the systems that power healthcare and productive uses of energy.

The alliance is led by Abt Global with three other founders—RESOLVE, bechtel.org (Bechtel's social enterprise), and Orange. Beyond these founding partners, HETA is an open platform with space for investors, implementation partners, and innovators working on energy and digital solutions for health in sub-Saharan Africa.

According to recent examinations of this emerging market, there is a \$1.5 billion investment need for public and private health facility electrification across sub-Saharan Africa². To reach HETA's ambitious goals, the financing needed to supplement USAID's investment is at least \$100 million to reach 10,000 health facilities.

Although there is momentum to meet the need, a number of challenges have hindered more robust financing for electrification, especially for public health facilities²:

- In many of the target countries, government is still a major provider of healthcare, despite low expenditures, especially in rural and underserved communities.
- Governments' ability to spend on health electrification infrastructure is limited.
- Donor funding for this fundamental health system infrastructure has largely focused on up-front
 equipment installation, without long-term solutions for funding operations and maintenance
 (O&M)—essential for longevity of the energy systems and trust that these investments are
 sustainable.
- Private investments in health electrification have been limited by long contractual agreements and uncertainty around payments/return on investment, especially from government payers.

CALL FOR CONCEPTS

HETA is exploring a range of context-driven business models that approach energy as a service—paying for electricity delivered rather than equipment installed. Successful business models will generate revenue to ensure long-term O&M of the systems—addressing a key challenge for sustainability and creating job opportunities in the communities where we work.

This call for concept notes **is open to eligible** entities seeking technical assistance and financial support for fundraising activities that will contribute directly toward innovative, market-based approaches to health facility electrification and digital connectivity that can be rapidly implemented and can leverage financing from other partners (private, NGO, public).

The anticipated level of financial support for fundraising for each applicant selected is estimated at \$10,000 to \$100,000, and/or capped to at most 10 percent of the applicant's fundraising target.

Technical assistance will be provided upon approval of concept notes, recipients will each receive four to eight hours of technical assistance. Funds will reimburse the applicant's costs associated with fundraising. Applicant's fundraising targets will count towards leverage upon successful fundraise.

Funds will be disbursed in alignment with fundraising milestones with an initial mobilization fee as needed. Successful applicants will be required to provide evidence of funds raised and will be required

² Health Facility Electrification Capital Landscape, SEforALL, October 2023



to provide evidence of use of funds to the stated outcomes and impact outcomes achieved post-grant period up to the timeline stated in the technical proposal for implementation of the proposed project.

Organizations may apply for multiple fundraising rounds but will only receive one award at any given time. The table below represents the technical assistance services provided in-kind based on the type of eligible candidate.

Technical Assistance Services⁴

Services	Organizations implementing innovative, market-based approaches	Impact investors	Developers
Review investor outreach material (pitch decks)	~	~	~
Review financial models, strategic plan, and milestones	~	~	~
Review and facilitate connections to fit- for-context investors/funders	~	~	~
Advisory services to identify new financing instruments specific to the needs of eligible organizations under this concept note	~		✓

ELIGIBILITY

Private for-profit and not-for-profit businesses, health facilities, and organizations may submit concept notes. Applicants must not be government owned, operated, or affiliated. The following organizations are targeted:

- Organizations that can deploy innovative, market-based approaches to health facility electrification and digital connectivity.
- Impact investors interested in creating a portfolio of investees for health facility electrification and digital connectivity with demonstration of clear additionality.
- Off-grid *energy as a service* organization working in sub-Saharan Africa that can rapidly execute health facility electrification.

INSTRUCTIONS

Concept notes must be a maximum of 10 pages³ and submitted to <u>HETA@abtglobal.com</u>. Submissions must be in a format that can be opened in standard office programs, such as PDF or a Microsoft Office file format.

⁴ Once the applicant is selected and finalized, the applicant will receive four to eight hours of technical assistance.



³ One page is considered to be one side of a U.S. letter or A4-sized page.

Concept notes must include a cover page that includes the name and address of the organization and complete contact information for at least one point of contact (name, title, phone, and email address). The cover page is not part of the 10-page limit.

Concept notes must clearly demonstrate alignment of the proposed activities with HETA's goal of improving electricity reliability and/or digital connectivity at health facilities in sub-Saharan Africa.

At a minimum, concept notes should include technical information and a budget. Technical sections cover the following:

- Brief problem statement
- Proposed solution and approach, including:
 - o Geographic focus
 - Proposed period of performance
- Fundraising strategy and leverage target
 - Fundraising amount
 - Types of investors
 - Fundraising strategy
 - Fundraising timeline and milestones
 - Outreach materials (e.g., pitch deck, one-pagers) Not included in the 10 page limit and may be attached as an annex material
- Proposed use of HETA support and funding
 - o Percentage of capital raised towards health electrification
- Anticipated outcomes
 - o A minimum of 15 health facilities electrified
- Sustainability plan
- Gender, equity, and social inclusion strategy
- Description of organizational capacity and relevant experience
- Summary of successful performance on past fundraising efforts

The concept note must include a budget that clearly demonstrates the cost to meet the fundraising target, use of those funds, funding requested from HETA to reimburse the fundraising cost, total fundraising target delineated by type of financing (i.e. equity, debt etc.), fundraising timeline and milestones, and the applicant's own contributions (cash and/or in-kind), and co-funding from other sources, showing how the combined sources meet estimated total funding requirements. The budget is part of the 10-page limit.

Note: HETA has a broad definition of *health facility* that includes primary, secondary, and tertiary facilities as well as laboratories, pharmacies, and storage facilities in the public and private sectors. Other health facilities not listed here may be defined in the concept note. However, HETA has a mandate to reach underserved communities in harder-to-reach areas and will prioritize concept notes that sustainably contribute to that mandate.

For any questions, please contact Arun Asok, Global Head, Private Capital and Impact Investing (<u>Arun.Asok@abtglobal.com</u>) or Hamsini Balaji, Analyst, Private Capital and Impact Investing (<u>Hamsini.Balaji@abtglobal.com</u>)



SELECTION

Representatives from HETA's founding partners (Abt, bechtel.org, and/or RESOLVE) will review concept note submissions on a rolling basis. Proposed activities and budgets will be evaluated based on parameters outlined in the guidance section and how they align with some or all the following criteria:

- At least 50 percent of the fundraising target is directly attributable to health electrification and digital connectivity efforts. Digital connectivity involves enhancing access to internet and use through investment in information technology infrastructure, devices, and/or applications in the facilities. A lower allocation to health electrification will be considered (as an exception) if supported by strong impact objectives and a path to grow allocation in the future.
- The scale of investments intended to be mobilized relative to the fundraising expenses.
- Adoption of an energy-as-a-service or results-based financing model in which payments are contingent on demonstrating performance of renewable energy systems and/or digital connections.
- Fundraising target will be achieved within six months of being selected to receive assistance from HETA. Longer fundraising timelines will be considered as an exception if supported by a clear rationale.
- Demonstration of clear additionality (seeking HETA's support for fundraising in addition to other grants or funding for the proposed objectives).
- Likelihood that the concept will result in measurable improvements in health services due to improved or new electricity access and reliability and/or improved digital connectivity for health facilities.
- Applies innovative approaches to financing and includes leverage funds from the private sector and/or philanthropic (donor) sources in accordance with the USAID leverage statement in Appendix 1 (included as an attachment to this call for concepts).
- Includes sustainable approaches such as engaging/partnering with governments and local actors (e.g., service providers, developers, implementers) to support sustainable models.
- Supports youth and/or women's participation in the energy sector.

Weighted Selection Criteria

Criterion	Weight	Sub-criteria	
1. Strategic fit	25	 a. Does the concept contribute to HETA's overall strategic objectives? b. Does the concept propose measurable improvements to electrification access and reliability and/or improved digital connectivity for greater health outcomes at facilities? c. Does the proposed solution generate sufficient leverage? 	



Criterion	Weight	Sub-criteria
2. Technical approach	25	 a. Does it include a clearly defined problem statement (demonstrates an understanding of local needs, etc.)? b. Does it present a clear and practical relationship between the defined problem and solution proposed? c. Is the technical approach innovative, cost-effective, and/or transformative and does it seek to scale proven approaches or support new, innovative approaches specifically with financing? d. Is the proposed plan realistic and clear? e. Does it identify potential obstacles and solutions to sufficiently address them?
3. Budget: cost- effectiveness, leverage	20	 a. Is the budget reasonable, realistic, allowable, and cost effective to undertake proposed activities? b. Is the budget delineated in terms of funds requested from HETA for reimbursement of fundraising costs, use of those funds, and applicant's contribution (cash or in-kind)? c. Does the budget include measurable leverage that the offeror will bring to the proposed concept?
4.Organizational capabilities	15	 a. Does the Offerer outline experience and expertise required to carry out the proposed concept such as past performance on similar projects and staff with relevant skills to implement? b. Does the offeror outline past fundraising performance including amount raised, investors liaised with/partnered with, milestones achieved?
5. Sustainability	10	a. Does the concept note propose strategies to ensure sustainability beyond HETA's initial investment, such as engaging/partnering with local actors to raise additional funding and/or support sustainable models?
6. Gender equality and social inclusion (GESI) considerations	5	a. Does the concept note specifically include GESI considerations, such as supporting youth and/or women's participation to achieve HETA objectives?

TIME FRAME

This call will remain open through August 30, 2024.

APPENDIX 1: LEVERAGING IMPACT: THE PRIVATE SECTOR RESOURCE REQUIREMENT

Please refer to the attachment provided with this announcement.

APPENDIX 2: ABT'S SUPPLIER CODE OF CONDUCT

Our suppliers' performance, and adoption of the highest standards of human rights, labor, environmental and ethical conduct is critical to our client's success. Abt requires its suppliers to operate in accordance with the principles, standards, and business conduct detailed in the Abt Supplier Code of Conduct. This Code applies to all Abt suppliers, contractors, grantees, subcontractors, subgrantees, sub awardees, subrecipients, and their related entities ("suppliers") delivering goods or services to Abt and our clients worldwide.

For more details and to review the code of conduct, please visit https://www.abtglobal.com/work-with-us/supplier-resources.