



Results Based Finance (RBF) for “Green Technologies”

Expression of Interest (EOI) Application by Beneficiary Organizations

EOI Issue **Date: 10th December 2018; Submission Deadline: 11th January 2019**

1.0 Introduction

Micro-Enterprises Support Programme Trust (MESPT), has since the year 2002 developed a niche in supporting the growth of micro, small and medium enterprises by providing integrated business solutions for sustainable development. The Trust is a multi-donor entity jointly founded by the Government of Kenya and the European Union who later relinquished their position to the Royal Danish Embassy in Kenya, Ministry of Foreign Affairs of Denmark (DANIDA). Through its vision of being the leading and preferred provider of resources for the development of enterprises, MESPT is anchored on three (3) pillars namely:

- i. Green Growth Development
Promotion of Resource Efficient, Clean and Climate Sensitive Technologies & Solutions.
- ii. Enterprise Development
Market Development for MSMEs through a value chain approach to enhance effectiveness.
- iii. Value Chain Development
All-inclusive and holistic View of the Micro-Enterprise as they engage with upstream and downstream stakeholders.

MESPT has in the recent years implemented a DANIDA funded Business Sector Programme Support (BSPS II) under the Business Competitiveness Component as well as Natural Resource Management Programme (NRMP). Currently MESPT is implementing the DANIDA Country Programme dubbed Value Chain Greening and Financing Programme under the Green Growth and Employment Thematic Programme 2016–2020. The Thematic Programme objective is “Inclusive greener growth with higher employment” and will be achieved by focusing support on two intervention areas:

1. Sustainable growth and jobs from investment and trade especially for women and youth;
2. Sustainable use of natural resources and community resilience.

The programme focusses majorly on addressing poverty and sustainability issues, accelerating private sector led growth and rendering it greener and more inclusive. The programme is expected to create employment opportunities, business growth and increased rural household incomes, hence reduced poverty levels. Further the programme seeks to promote technologies

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that build household resilience to climate change consequently reducing the poverty factor that causes households to unsustainably exploit natural resources and the environment.

2.0 Result based financing of green technologies

Micro Enterprises Support Programme Trust (MESPT) is working with farmer groups in Kwale, Kilifi, Tana River, Lamu, Taita Taveta, Kajiado (Loitoktok area), Makueni, Machakos, Kitui, Nakuru, Nyandarua, Meru, Embu, Kirinyaga, Nyeri and Laikipia Counties on water resources management. The farmer groups are involved in the following value chains; export vegetables, passion fruit, mango, avocado, nuts (macadamia, coconut) and dairy. MESPT intends to provide incentives to suppliers of technologies mainly dam liners, shade nets, solar pumps and biogas plants for every successful installation done to target farmers/farmer groups.

3.0 Objective

MESPT intends to incentivize suppliers of technologies for catalysed adoption of the same by targeted farmers/farmer groups whilst guaranteeing post installation/supply technical support.

4.0 Justification

MESPT under the Green Growth & Employment Programme (GGEP) is supporting clean and efficient technologies such as solar irrigation pumps, water harvesting through water pans excavations, installation of dam liners, drip irrigation systems, biogas plants installations, solar lighting and improved cookstoves. There has been slow uptake of the technologies influenced by inadequate know how on the part of the end users (farmers/farmer groups). This has resulted to delapidation of already existing solution due to minimal utilization, poor maintenance and lack of appreciation of value for money for the investment.

The service providers/suppliers of the technologies have been more driven by number of installations/technologies rolled out as opposed to number of functional installations/technologies with desired results to the end user. This has resulted to minimal support being provided to end user for successful utilization and accrual of benefits from the investment. MESPT through an RBF model seeks to motivate qualifying service providers/ clean technology suppliers to enhance their engagement(s) with the end user(s).

The RBF model will enhance the interrelationship between MESPT overall agenda for increased productivity to be linked and aligned with objectives of the technology supplier/service provider



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and that of the end user. This will generate a responsible proactive and value adding engagement between the parties with tangible results.

MESPT through the RBF aims at working with qualifying service providers/suppliers of clean technologies in order to catalyse adoption. It is in this breath, that MESPT invites potential suppliers for expression of interest.

5.0 Operating guidelines

The following operating guidelines will apply:

1. Service providers/technology suppliers shall be selected by evaluation of presented EOIs against a pre-determined criteria.
2. Shortlisted applicants will have an opportunity for an orientation meeting with MESPT team for clarification and understanding of the RBF concept.
3. MESPT shall enter into implementation contracts with successful applicants.
4. Suppliers shall provide implementation progress report on quartely basis.
5. Supliers shall provide after sale service to the farmers/farmer groups on quaterly basis upto 6 months.
6. Cobranding with MESPT will be done where possible.

6.0 Incentive structure

Incentives will be guided by the following:-

1. Installations done to members of the farmer groups working (with MOUs) with MESPT.
2. Incentives will be paid based on successful installation and functionality of the technology after commissioning.
3. Incentives will paid/limited to installations of solar pumps, dam liners, shade nets, biogas plants.
4. Incentives will be pegged on 10% of the cost of the technology.
5. 50% of the incentives will be paid after installation and a proof by the client/farmer of the installation.
6. The remaining 50% of the incentives will be paid 6 months after installation and the suplier is expected to carry out monitoring of the functionality of the technology on quaterly basis and provide the farmer with after sale service and training.



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7. There shall be proof (letter) by the farmer on the functionality of technology and adequacy of the services offered during the monitoring visits by the supplier.

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8. Incentives payments will be requested through MESPT field office.
9. Incentives will be discounted by 15% where the achieved results are below 50% of the pre-agreed targets.

7.0 Eligibility criteria for service providers of green technologies

The service provider/technology supplier(s) must meet the following conditions for eligibility: -

1. The supplier(s) should be a company, organization or individual involved in the installation of targeted technologies.
2. The supplier(s) should have been in the business for not less than 3 years (profile demonstrating experience and capacity).
3. Demonstrate willingness to enter an implementation contract with MESPT.
4. Demonstrate willingness to market, supply and carry out installation of the technologies to MESPT partnering farmers/farmer organisations.
5. Demonstrate willingness to offer competitive prices to the farmers.
6. Demonstrate willingness to provide technical support to the farmers for a minimum of 6 months after commissioning and presenting quarterly reports to MESPT on performance and training offered to end user.
7. Demonstrated ability to offer flexible payment mechanisms will be an added advantage.

8.0 Evaluation criteria

The evaluation criteria will be as indicated below:-

No.	Evaluation area	Maximum points
1	Experience with supply and installation of the technologies	20
2	Motivation for RBF Initiative	20
3	Description of the financing scheme available for adoption of the technologies	20
4	Willingness to enter into an implementation contract and offer competitive prices	10
5	Willingness to pre-finance activities and claim incentives after delivery of preagreed results	10
6	Description of the monitoring system and tracking mechanism and after sale services of installed technologies	20



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Grand total	100
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Potential applicants are hereby requested to complete the application below and forward a PDF file info@mespt.org or forward hard copies to NRM Officer MESPT P.O Box 187-00606, Sarit Center, Westlands, Nairobi clearly *Marked RBF for Green Technologies*.

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Application Template (Max. 4 pages)

GENERAL INFORMATION		
CONTACT DETAILS AND TYPE OF ORGANISATION		
Name of Applicant		
Contact person	Name:	Position:
Full contacts of organisation	Physical	Postal
	Telephone	Email
Type of organisation		
PRESENCE		

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Operations in Kenya	County	Details		
	Headquarters of your organization			
	Number of branches			
	Number of years of operation			
	Number of employees			
<i>Provide in the following table additional information of Counties where your organization has operations directly or through associates (information should be summarized per County):</i>				
County	Towns within the County with branches and/or associates (e.g. Machakos Town, Masii e.t.c)	Number of branches per County	Number of associates per County	
Total				

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EXPERIENCE IN GREEN TECHNOLOGIES

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Do you have any experience with the technologies?	1. Yes <input type="checkbox"/> 2. No <input type="checkbox"/>			
	<i>If YES, for how long has your organization been in this type of business? If NO, when do you intend to start?</i>			
	Provide information for the technology solution involved in the following table (where applicable)			
	1. Dam liners <input type="checkbox"/>	2. Shade-nets <input type="checkbox"/>	3. Solar Pumps <input type="checkbox"/>	
	4. Biogas installation <input type="checkbox"/>	5. Others (specify) <input type="checkbox"/>		
Who are some of your customers/clients in the last 3 years?	Name of the client			
	Location, County			
	Technology supplied			
	Contact details			
Total				
Motivation statement, Financing mechanism, willingness to pre-finance activities and Monitoring				
Motivation statement	<i>Briefly outline the reasons and motivation for your interest in the RBF initiative?</i>			



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Financing mechanism	<p><i>Do you have any financing mechanism for adoption of the technologies?</i></p> <p>1. Yes <input type="checkbox"/> 2. No <input type="checkbox"/></p>
	<p><i>If YES, provide details</i></p>

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Indicate willingness to pre-finance marketing activities	<p><i>Provide information on willingness pre-finance activities such as marketing in order to ensure that farmers adopt the targeted technologies.</i></p>
Monitoring of technologies after installation	<p><i>Kindly provide details of the monitoring mechanism of the installed technologies.</i></p>
Willingness to enter into agreement	<p><i>Is your organization willing to enter an implementation contract with MESPT and offer competitive prices to the targeted farmers?</i></p>
Any experience with incentives model/ structure?	<p>1. Yes <input type="checkbox"/> 2. No <input type="checkbox"/></p>
	<p><i>If YES, provide details</i></p>

Signed by:

Name: _____

Stamp

Position: _____