

Procurement Policy

Stichting Clean Energy and
Energy Inclusion for Africa

(CEI Africa or the Foundation)

Adopted by the Board of CEI Africa on 19-5-2022

Approved by the Supervisory Council of CEI Africa on 19-5-2022

Version Control

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1. Introduction

Procurement of goods, works and related services and consulting and other services financed by Stichting Clean Energy and Energy Inclusion for Africa (referred to in this document as “CEI Africa” or the “Foundation”) shall be governed by this procurement policy (referred to in this document as the “Procurement Policy” or the “Policy”)¹. The objective of this policy complies with the basic principles of KfW-financed procurement in accordance with internationally recognized practices (e.g. competition, fairness, transparency, confidentiality, proportionality, economic efficiency and sustainability as defined in the *KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner countries* (<https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Publications-Videos/Publication-series/Guidelines-and-contracts/>)).

The Policy applies to all parties that the CEI Africa has a contract with or will enter into a contract with including activities financed by CEI Africa Window Budget which are currently the window “Smart Outcomes Fund” (result based financing and in the future similar performance based grant financing) and the window “Crowdlending for Energy Inclusion” (co-investments in the form of loans, quasi-equity, partial guarantees or similar with digital crowdlenders).

CEI Africa will ensure through the no-objection approval process that itself, the Foundation Manager, Consortium Partners and TA recipients comply with the Procurement Policy.

The Board of CEI Africa shall report to the Supervisory Council upon request, and on a periodic basis as part of its regular reporting timetable, on all planned procurements (through the procurement plan in Appendix 5) and on awarded contracts.

Table 1: Definitions

Concept	Description/Definition
CEI Africa	Stichting Clean Energy and Energy Inclusion for Africa
Incorporator	KfW
Foundation Manager	Triple Jump
Consortium Partners (Advisory and Consultancy Service Partners)	Sub-contractors of the Foundation Manager, namely Persistent Energy Capital (PEC) and GreenMax Capital (GM)
TA recipient	Any entity receiving a TA grant from CEI Africa to build its capacity.
Procuring Agent	Legal entity responsible for procuring goods or services under this Procurement Policy.
No-objection Agent	Legal entity responsible for providing the no-objection approval conform to this Procurement Policy.

¹ This Procurement Policy is an adaptation of KfW’s “Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries” dated January 2019 (update 2021). The Procurement Policy will likely be reviewed when new contributors make relevant contributions to CEI Africa. Any changes to the Policy must be determined by the Board and approved by the Supervisory Council of CEI Africa with no objection by the incorporator of CEI Africa. The owner of this Procurement Policy is CEI Africa.

Stichting Clean Energy and Energy Inclusion for Africa

CEI Africa Direct Operating Budget	Budget to cover for CEI Africa’s direct operating expenses as defined in the Foundation Management Agreement– see also Appendix 1
CEI Africa Window Budget	Budget to cover CEI Africa’s project expenses as executed through the Crowdfunding and/or the RBF window – see Appendix 1
RBF policy framework	The policy framework that governs the RBF window
Contractor	Any entity being selected and contracted after a procurement process to deliver goods, works or services.

Scope

The policy applies to all procurements financed by the CEI Africa Direct Operating Budget or CEI Africa Window Budget. **Not in scope are:**

- Procurements financed through the management, advisory and consulting fees under Schedule 1 of the Foundation Management Agreement. In this case proprietor procurement guidelines and/or the Basic Principles² prevail.
- Procurements financed by the CEI Africa Window Budget where the standard process in accordance with the RBF policies and operating manuals is applicable.

See appendix 1 for a detailed overview of budget streams and the applicability of this Policy.

Procurement Agent and No-objection Agent

The Procurement Policy contemplates two distinct no-objection levels:

Table 2: Two distinct procurement levels

Procuring Agent	No-objection Agent
<ul style="list-style-type: none"> • CEI Africa • Foundation Manager (TJ) 	Incorporator (KfW)
<ul style="list-style-type: none"> • Consortium Partners (PEC, GM) • TA recipient 	Foundation Manager (TJ)

The procurements will in all cases be administered by the Foundation Manager.

2. Procurement Methods and Thresholds

Five basic procurement methods, set forth below in ascending order of their level of competition, are contemplated by this Procurement Policy:

- Direct Award
- Price Quotation
- Limited Competitive Bidding (LCB)
- National Competitive Bidding (NCB)
- International Competitive Bidding (ICB)

The following table sets forth the lowest competition level procurement method that may be used for the different types of procurement for goods, services (including consulting services) and works

² Basic Principles as defined in KfW Guidelines for Procurement (January 2019, update 2021), p 11.

at different contract value levels. If a proposed procurement does not fit in one of these five categories, the No-objection Agent should be consulted.³

Table 3: Procurement methods and thresholds

Procurement Level / Contract value (without VAT)**	Type of procurement	Procurement route
< EURO 20K	Any type*	A1: Direct Award
EURO 20 - 100K	All good and services* with special circumstances	A2: Direct Award – Special Circumstances
EURO 20K – 200K	Standard Goods and Services ⁴	B: Price Quotation
EURO 20K – 200K	Consulting services, non-standard goods or services	C: Limited Competitive Bidding
EURO 20K to 500K	Works (construction)	C: Limited Competitive Bidding
EURO > 10K	Financial Services for CEI Africa	C: Limited Competitive Bidding
> EURO 200K	All goods (standard and non-standard), consulting and non-consulting services	D: Int/National Competitive Bidding
> EUR 500K	Works (construction)	D: Int/National Competitive Bidding

* Excluding financial services for CEI Africa

** Contracts cannot be artificially split to fall within the designated value range. Contract value is to be determined based on expected duration of the delivery of procured Goods, Works or Services.

A1. Direct Award

In a Direct Award, only one preselected, qualified Person⁵ is requested to submit an offer on the basis of a functional description, a specification or a terms of reference. Direct Awards may ordinarily be used as an exception to using a price quotation or LCB only if the amount involved is < EUR 20,000.

In all Direct Awards, the Procuring Agent shall verify (satisfy itself of) (i) the qualification of the selected contract partner and (ii) the appropriateness and competitiveness of the offer/price (“verification exercise”)⁶. For Direct Awards the Procuring Agent shall document the outcome of the verification exercise.

³ For example, if the Procuring Agent wishes to make a Direct Award in excess of EUR 20,000 and not falling in the special circumstances described below under Direct Award.

⁴ Standard commercially obtainable off-the-shelf goods or non-consulting services that do not require elaborated specifications/task descriptions, nor elaborated technical offers by the bidders. Examples are standard office supplies, standard computer hard/software, topographical survey etc.

⁵ “Person” means any natural or legal person or an association of two or more of the foregoing.

⁶ Factors in support of these two points might include, for example: an established relationship with the supplier based on previous recent tenders; commodity pricing; known hourly/daily rates for similar services, etc.

A2. Direct Award – Special Circumstances

Under the special circumstances as specified below, a Direct Award may be made for contract values between EUR 20,000 and EUR 100,000.

Special circumstances are as follows:

- 1) Purchase of any type of goods, services (incl. consulting) or works where there is a unique selling point. A “unique selling point” exists when, due to a specific combination of expertise and experience required, technical reasons/features or the protection of exclusive rights (e.g. patent, copyright), the assignment or contract can only be performed by a specific supplier.
- 2) Purchase of any type of goods, services (incl. consulting) or works where there is *force majeure*. Force Majeure is defined as reasons brought about by unforeseeable events not attributable to the Procuring Agent or CEI Africa as the case may be (e.g. in the cases of natural disaster, crisis or conflict).
- 3) Amendments of an existing contract, provided that the nature and scope of the amendment does not result in a substantial modification of the initial contract content and the amount is less than 25% of the original contract value.
- 4) Follow-up phases of existing contract EUR 20,000 to EUR 100,000 and < 100% of original contract value, provided that all four of the following conditions are met: (i) attention was drawn to this potential follow-on phase in the original contract award precedent tender documents; (ii) the original contract was awarded on at least a price quotation basis; (iii) the Contractor’s performance in the previous phase is satisfactory; and (iv) the specifications or the terms of reference are largely identical.

For Direct Awards in excess of EUR 20,000 based on one of the above mentioned special circumstances the Procuring Agent shall (i) document the outcome of the verification exercise and (ii) explain fully in writing the basis for meeting the foreseen special circumstances and request a no-objection⁷ at the appropriate level as indicated in the table 2 on page 2, before contracting.

The written documentation and explanations called for in the above section are referred to as a “direct award memo”. A sample format for a direct award memo is set forth in Appendix 2⁸.

B. Price Quotation

In a Price Quotation, at least three preselected qualified suppliers are requested to submit a price quotation. The request for quotation shall specify the information necessary and relevant for a supplier to quote a price, including the technical specifications or requirements, a quotation deadline (not less than 20 days) and any required delivery timing and details. Failure of a supplier to timely respond to the quotation request shall not prevent the award of the contract to a supplier who does respond.

⁷ Please note that for a no-objection it is assumed that the facts as specified in the direct award memo are true; the review only concerns the plausibility of the argumentation. No-objection accordingly does not substitute for the analysis the Procuring Agent has to conduct and is not to be considered an endorsement or approval of the procurement decision.

⁸ CEI Africa Foundation has elaborated specific formats to be used by the Procurement Agent.

The selection of the supplier is generally based on the best offer⁹. The composition of the price quotations to be selected shall ensure a fair competition, i.e. preferably only quoted from local or only international suppliers.

C. Limited Competitive Bidding (LCB)

In an LCB, a tender process in the form of a request for proposals (RFP) is conducted that is restricted to a limited number of preselected, qualified suppliers who are invited to submit an offer. In general, not less than three qualified suppliers shall be requested to submit an offer. To this end, the Procuring Agent will develop a list of the proposed suppliers from whom offers will be solicited and will document in writing the decision that the proposed suppliers are qualified for the envisaged activity i.e. overall experience, human resources, financial resources and expertise in relation to the subject of the contract.

The Procuring Agent will ensure that the RFP will:

- Include specifications or terms of reference that are sufficiently detailed for the bidder to be able to determine the nature and quality of the goods, services or works required, including, in the case of civil works, a description of the works and the site and technical and/or architectural drawings.
- Specify the award criteria (e.g. price, technical/quality scoring, combined).
- Include a sample contract and Declaration of Undertaking.
- Specify process and deadlines (including bid validity) and clear instructions to bidders and provide that the tender shall remain open for at least 20 days.

D. National Competitive Bidding (NCB) or International Competitive Bidding (ICB):

In a NCB or ICB, a full public tender is conducted. The Procuring Agent will consult the No-objection Agent to determine which of the two (NCB or ICB) is considered most adequate. The Procuring Agent will also ensure that:

- The tender is advertised in recognized on national, regional, and international newspapers. For international tenders advertisement on GTAI¹⁰ is mandatory.
- The tender documents will:
 - Provide that the tender shall remain open for at least 20 days
 - Specify process and deadlines (including bid validity) and clear instructions to bidders
 - Include bidder eligibility criteria, including qualifications and financial status
 - Specify the award criteria (lowest evaluated bid price, technical scoring, or combined)
 - Include provisions on the cancellation of the invitation to tender
 - Include a sample contract and Declaration of Undertaking
 - Include specifications or terms of reference that are sufficiently detailed for the bidder to be able to determine the nature and quality of the goods, services or works required,

⁹ Best offer takes into account key criteria such as price, quality, suitability, delivery terms, warranty, etc.

¹⁰ Germany Trade and Investment GmbH ("GTAI"), the economic development agency of the Federal Republic of Germany which publishes diverse project and procurement related information on its website (www.gtai.de).

including, in the case of civil works, a description of the works and the site and technical and/or architectural drawings.

The evaluation of the offers shall strictly follow the methods and criteria as specified in detail in the tender documents (for further information: *KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner countries*, e.g. “Evaluation Methods for Consulting Services”, “Evaluation Methods for Works, Plants, Goods and Non-Consulting Services” and “Evaluation Criteria for Procurement of Consulting Services”).

Prior to the launch of the tender, the Procuring Agent is required to submit the tender documents for no-objection to the appropriate No-objection Agent (see table 2 on page 2).

The Procuring Agent will consult with the No-objection Agent as early as possible about any procurement that would require a NCB or ICB procedure. In certain limited circumstances an LCB might be appropriate even if the NCB/ICB threshold is exceeded, and the No-objection Agent may waive the requirement to conduct grant exemptions in such circumstances. Exemptions from NCB or ICB must be agreed in writing by the No-objection Agent.

3. General Procedures Applicable for all Procurement Procedures

3.1 No-objection of tender documents and contract templates

If a series of procurements are expected to follow a standardized approach, it may be appropriate to no-object the standardized tender documents and contract templates. Prior to the first tender, the Procuring Agent will obtain the no-objection for the standard tender documents and standard contract template from the appropriate No-objection Agent (see table 2 on page 2).

With regard to the contract template, the Procuring Agent has two options when contracting to third parties.

- 1) Using CEI Africa’s standard templates for a) consulting services, b) goods purchases and c) civil works¹¹ that have received prior no-objection by the Incorporator.
- 2) Using the Procuring Agent’s own standard templates for these different contract types that have to be no-objected by the appropriate No-objection Agent before being used (i.e. no-objection must happen before any contracts are signed).

Procurements for standard goods and standard non-consulting services of < EUR 200,000 (i.e. procurements eligible for Price Quotation) are not subject to the requirement to use the CEI Africa template or a no-objected form (i.e. vendor form is permissible).

¹¹ In this case, the use of the term civil comes from civil engineering , which receives this name to differentiate itself from military engineering .

3.2 Tender Committee

The Procuring Agent shall create a tender committee of at least three and not more than six persons who will familiarize themselves with this Procurement Policy and be responsible for adherence to it.

Procurement evaluation and approval shall at a minimum meet the following standards:

- For all procurements of up to EUR 10,000, at least two members of the tender committee, shall be involved and approve the award.
- For all procurements of EUR 10,000 or more, at least three members of the tender committee, shall be involved and approve the award.
- Award approval shall be written form (which includes electronic/e-mail form) and shall be maintained as part of the award record.
- For any Direct Award evaluation and approval shall include review and approval of the Direct Award Memo. For any Direct Award Memo for an award pursuant to one of the special circumstances stated in Section 2.1 for this Policy, after approval by the committee and prior to contracting, the direct award memo will be submitted to the appropriate No-objection Agent for no-objection.

3.3 Documentation

The Procuring Agent will always document their award decisions and its rationale and keep them for review and audit by the Supervisory Council of CEI Africa or by the external auditor, as needed.

- Document requirements for Direct Awards are noted in the explanation of the Direct Award method above.
- For awards other than Direct Awards, the record will document: adherence to this Policy, the list of suppliers/firms invited, the list and value of the quotations/offers received. The outcome of the procedure (including evaluation matrix and evaluation results), and the (sound) economic criteria on which award is based. The record shall also store the request for quotation/RFP/tender documents and the quotations/offers submitted.

For contracts other than contracts for standard goods, the record will also document any decision to base the contract on the supplier's standard terms.

Sample formats for Price Quotation and LCB records are set forth in Appendix 3 and 4, respectively¹².

The documentation to demonstrate compliance with this Policy and with relevant procurement laws and regulations – if any - must be stored, complying with the relevant legislation of the EU, the Netherlands and of Germany and also in line with regulations in the respective country where the procurement is done in case of procurements by a TA recipient (as defined above), but at least for a period of seven years following grant completion.

¹² CEI Africa's Foundation Manager is free to adapt the sample format without seeking prior approval by the Supervisory Council or by the incorporator of CEI Africa if it reflects the substance of the requirements of this Policy.

3.4 Corrupt Practices and Confidentiality

Corrupt and fraudulent practices are excluded.

Fraudulent practices: any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.

Confidentiality: All procurement-related information is confidential. Only the parties involved shall have access to the relevant information in accordance with their respective right to information.

For further information (e.g. Grounds for Exclusion, Sanctionable Practice, Misprocurement etc.) see *KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner countries*.

Except for Direct Awards, the selection procedure will be confidential. While the tender procedure is ongoing, the Procuring Agent will not release any information on the assessment of the bids or the recommendations on the award of contracts to bidders or to any other persons who are not officially involved in the selection procedure.

4. Review and update of Policy

The Procurement Policy shall be reviewed regularly by the Board. Any changes must be determined by the Board and approved by the Supervisory Council of CEI Africa with no objection by the Incorporator of CEI Africa.

Appendix 1: CEI Africa budget streams and applicability of this Procurement Policy

Level	Budget	Explanation	Applicability
Foundation	Direct Operating Expenses (art 5.5 of the Foundation Management Agreement)	Expenses to operate Foundation, e.g. Auditor, Investment Advisor and other third party out-of-pocket expenses	Yes
Foundation Manager and Consortium Partners	Direct Operating Expenses	Exceptional expenses, following clause 5.5. of Management Agreement	Yes
	Management, Advisory and Consulting fees. Defined as operating expenses of the Manager and its Consortium Partners in Schedule 2. 1 of the Foundation Manager Agreement.	Expenses to implement activities according to Schedule 1 of Management Agreement	No (Basic Principle apply, proprietor guidelines)
Window Budget	CL window – investments	Investment support to CL	No (only applicable to Grants)
	CL window – TA	TA support to CL and its value chain	Yes
	RBF window – projects	RBF finance of (assetco's of) developers	Only for exceptions to the RBF policy and operating manual
	RBF window – TA	TA support to developers	Yes

Appendix 2 Sample Direct Award Memo and Related Recordkeeping

Stichting Clean Energy and Energy Inclusion for Africa: XXX

Memo to Tender Committee:

1. A Direct Award to *[name of contracting partner]* is recommended based on *[please choose one]*:
 - Contract value < EUR 20,000;
 - One of the exemptions applicable for Direct Awards in excess of EUR 20,000 in the Procurement Policy.
2. The functional description, a specification or a terms of reference for the Direct Award is...
[set forth below/set forth in an Annex to this memo].
3. The qualifications of the contracting partner and competitiveness of the offer were assessed as suitable based on ...
[brief description of the verification exercise required for all Direct Award Memos].

[Include the following two paragraphs if the Direct Award is based on one of the special circumstances specified in Section 2.1 of the Procurement Policy]:

4. The exemption for Direct Awards applicable to the procurement was...
[indicate the exemption, e.g., unique selling point].
5. The basis for the application of the exemption is...
[provide full explanation why the exemption is applicable]

Additional information required for a Direct Award

- Evidence of approval by representatives of the Tender Committee as required by the Procurement Policy (physical or electronic signatures or e-mail approvals)
- Evidence of no-objection by the appropriate No-objection Agent (see table 2, page 2).

Appendix 3– Sample Price Quotation Record

1. The information provided to proposed suppliers as the basis for the price quote (e.g. the technical requirements or specifications, a quotation deadline and any required delivery timing and details) was...

[set forth here or in an Annex]

2. A request to quote (including the quote information as above) was provided to:

[names and dates]

3. Quotations were received from:

[names and dates]

4. Analysis:

Name of Supplier	Price Quoted	Advantages	Disadvantages

5. Decision of the Tender Committee:

[supplier chosen and reasons]

6. Evidence of approval by representatives of the Tender Committee as required by the Procurement Policy (physical or electronic signatures or e-mail approvals)

7. The request for quotation and supplier price quotation documentation is...

[attach as an Annex or indicate where stored].

Appendix 4 Sample LCB Record

1. The names and bases for determining that the proposed Persons invited to offer were qualified for the envisaged activity (i.e. overall experience, human resources, financial resources and expertise in relation to the subject of the contract)
[names and bases for qualification of each Person invited]

2. The LCB tender documents meeting the requirement for CEI Africa’s tenders (RFPs) for Limited Competitive Bids are...
[attach as an Annex or indicate where stored]

3. Offers were receive from:
[names and dates]

4. Analysis:

Name of Supplier	Price Quoted	Advantages	Disadvantages

5. Decision of the Tender Committee:
[bidder chosen and reasons, including discussion of the chosen award criteria (e.g. price, technical/quality scoring, combined) and its application]

6. Evidence of approval by appropriate representatives of the Tender Committee as required by the Procurement Policy (physical or electronic signatures or e-mail approvals)

7. Reasons for any decision to base the contract on the bidder’s standard terms.
[discussion of reasons].

Appendix 5 Procurement plan

(Version No. 1, dated xx/2022)

Serial No.	Procurement No. ¹³	Type ¹⁴	Short Description of Contract Content	Estimated Contract Amount ¹⁵	Source of Funds ¹⁶	Tender Procedure ¹⁷	Stages ¹⁸	Tender Documents ¹⁹	Review by KfW ²⁰	ESHS risk level ²¹	Estimated Tender Publication	Comments ²²
1							1					
2							1					
3												
4												
...												

Agreement(s):List of other procurement related general arrangements or exceptions, if any.

¹³ KfW's Procurement No. for the respective Tender Process to be provided by KfW's procurement manager; "n/a" if not yet available.
¹⁴ "C" for Consulting Services, "W" for Works, "G" for Goods, "P" for Plant and "NC" for Non-Consulting Services. Incl. Contracts contracted beforehand, if any.
¹⁵ To be completed in the currency of the underlying Funding Agreement with KfW.
¹⁶ Share (in %) of the Contract financed by KfW, through the PEA's own funds and/or other financing institutions.
¹⁷ "ICB" for International Competitive Bidding, "NCB" for National Competitive Bidding, "LCB" for Limited Competitive Bidding, "Q" for Price Quotation and "DA" for Direct Award.
¹⁸ "1" for Single-Stage Selection or "2" for Two-Stage Selection
¹⁹ Institution whose standardised Tender Documents are used. It is recommended to use KfW's Standard Tender Documents.
²⁰ "F" for full review or "S" for simplified review.
²¹ "B" for basic, "E" for elevated, "H" for high ESHS risk level or "n/a" if not applicable and "NE", if an ESIA/ESMP is not yet available. The ESHS risk level of a specific Contract is not necessarily identical with the Environmental and Social risk category of the whole project/programme. The level at project appraisal may be indicative and finalised when preparing the Tender Documents for the Contract. If available, the ESIA/ESMP should be consulted and KfW's Standard Tender Documents for further guidance.
²² Contract related explanation / procedural arrangements (e.g. justification for direct award, One-/two-envelope, evaluation method, thresholds for Tender Procedures in programmes).