



USAID/JAMAICA ADDENDUM

CALL FOR CONCEPT PAPERS

STRENGTHENING ENERGY SECTOR RESILIENCE IN JAMAICA

Under

**GLOBAL DEVELOPMENT ALLIANCE (GDA)
ANNUAL PROGRAM STATEMENT (APS)**

APS No: APS-OAA-16-000001

USAID and the PRIVATE SECTOR: PARTNERING FOR IMPACT

PLEASE NOTE: This is an addendum to an existing announcement. All interested organizations should carefully review both this addendum AND the full announcement, which can be found here: <https://www.usaid.gov/gda/global-development-alliance-annual-program>. Important information contained in the full worldwide announcement is not repeated in this specific addendum.

This program is authorized in accordance with Part 1 of the Foreign Assistance Act of 1961, as amended.

The GDA APS is not a Request for Applications (RFA) or a Request for Proposals (RFP). Instead, the **GDA APS requests Global Development Alliance Concept Papers**. Based on those Concept Papers, USAID will determine whether to request a full application from an appropriate partner in a proposed alliance. The GDA APS requires Private Sector Engagement (PSE); so applicants will be expected to engage and collaborate with private sector entities (as defined under the GDA APS) to develop and propose prospective GDAs and related activities.

I. BACKGROUND

USAID wishes to support actions and activities that will strengthen the ability of Jamaica's energy sector to withstand or rebound quickly from a natural or human-made shock. For purposes of this addendum, energy sector resilience is broadly defined as Jamaica's ability to anticipate, prepare for, and adapt to changing conditions; and to withstand, respond to, and recover rapidly from natural disasters through adaptable and holistic planning and technical solutions.

In the past decade, storms pummeling the Caribbean have increased in both frequency and intensity. Their impact can be particularly large relative to the size of an island's economy, producing enormous financial consequences to the government, the private sector and residents in general. For example, when Hurricane Gilbert made landfall in Jamaica in 1988, the World Bank estimated \$700 million of damages, equivalent to 18 percent of GDP at the time. Similarly, Hurricane Maria—which hit Dominica in 2017—caused estimated damages as high as 276 percent of Dominica's GDP, setting that country's development back years. Authorities project that Jamaica's vulnerability to seasonal storms will only increase over coming decades.

The 2017 Atlantic hurricane season graphically illustrated the key role of utility services to post-disaster response. When a disaster disrupts electrical grids or water distribution systems, critical infrastructure – such as hospitals, shelters, police stations, fire stations, military installations, communications relays and command centers—may be impaired and not able to deliver vital services. For hospitals, a power outage means lung machines stop, vaccines and insulin degrade without refrigeration, and operating rooms fall dark. Because almost all water is pumped with electricity in Jamaica, a power outage also often means a water cutoff—which compounds post-disaster problems. Sites such as hospitals and shelters must have uninterrupted power to be able to respond to ongoing and emergency critical needs right after a disaster.

Access to electricity is not only central to Jamaica's disaster response, but also to the private sector's ability to rebound following a severe weather event. Jamaica's sole electrical power company, Jamaica Service Company (JPS), heavily relies on four main fossil-fuel based power plants to generate energy across the island. Following a disaster, however, fossil fuels become susceptible to sharp, unexpected price rises. Additionally, Jamaica's current transmission grid has a limited ability to quickly recover and distribute energy after a disaster. JPS has taken some steps to strengthen grid resilience, but its progress on decentralizing and introducing renewables is slow and for consumers, alternatives beyond buying energy from JPS remain limited.

Bolstering energy resilience involves addressing vulnerabilities across several parts of the energy sector, which in the highly regulated energy industry must involve public and private actors. Government regulations, policy and enforcement can remove bottlenecks for further private sector advancement in the sector and enable the private sector to innovate and advance the market. In addition to re-convening the Energy Council for effective management and coordination, the Government of Jamaica (GOJ) has taken steps to “jump start” the market to build the energy resilience of its country by undertaking energy efficiency improvements in public buildings and investing in renewable energy supply to critical infrastructure. Examples include a public-private partnership with the Development Bank of Jamaica to install solar panels on thirty schools and direct contracts for installation of solar panels on hospitals.

USAID/Jamaica desires to partner with key energy and disaster risk reduction (DRR) stakeholders to leverage local private sector assets for Jamaica's energy resilience by building upon the interest, commitment, and capacity already in the country. To this end, USAID/Jamaica offers this Global Development Alliance call inviting Jamaica's private sector to implement a DRR project that addresses a key remaining area of vulnerability: resilience of the energy sector to natural disasters and severe weather events. USAID/Jamaica's current plan, subject to the availability of funds, is to use up to \$4 million to build and implement the DRR project from FY 2020-2024.

II. THE NEED FOR NEW APPROACHES

USAID recognizes challenges to building energy sector resilience in Jamaica. The obstacles include but are not limited to centralized market structures, lack of financing for diversifying types of energy sources and products used in a country; challenges around transparency, accountability, and inclusion. Other broad challenges to successful intervention can include extensive donor compliance requirements for partners; funding requirements that may not align with local context and priorities; and program design and implementation systems that are often not set up to prioritize local voices, leadership, and management.

In response -- and based on months of consultative reviews -- USAID proposes a market-based approach and Global Development Alliance partnership modality to address these challenges and enhance resilience in Jamaica's energy sector. Basically, USAID/Jamaica aims to facilitate private sector engagement in the diversification of the country's energy market as a means to reduce disaster risk. USAID investments will spur domestic markets for alternative energy solutions implemented largely by small and medium Jamaican enterprises. Through this addendum, USAID aims to advance the development of a **resilient alternative energy market**, focused on increasing consumer choice for clean, low cost, off-grid energy sources that enhance grid resilience to disasters, allowing the country's economy to rebound more quickly after an earthquake or severe weather event. Ultimately, USAID aims to create a system that will operate indefinitely into the future without subsidies. If successful, the approach will be considered for replication in other parts of the Caribbean.

III. OBJECTIVES and ILLUSTRATIVE APPROACHES

USAID wishes to support actions and activities that will strengthen the ability of Jamaica's energy sector to withstand or rebound quickly from a natural or weather related shock. For purposes of this addendum, energy sector resilience is broadly defined as Jamaica's ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from natural disasters through adaptable and holistic planning and technical solutions.

All interventions will be tailored to local conditions and developed together with local counterparts to ensure ownership and sustainability of results. USAID requests solutions that advance the development of a resilient alternative energy market.

On the demand side, proposed activities towards this objective would do the following:

- 1) support opening the legal and regulatory framework (e.g., by providing analysis and advocacy) to create space for increased diversification of products, energy types and services offered or used in the energy sector;
- 2) increase public sector use of energy efficiency and distributed electricity generation; and
- 3) raise consumer awareness and ability to access financing to help further increase demand for modern energy technologies.

As noted earlier, USAID is convinced that the private sector has a central and vital role to play. USAID/Jamaica therefore has initiated a convening of a Private Sector Alliance for Energy and Disaster Resilience (the Alliance), following months of consultations with private sector stakeholders. The Alliance, once consolidated, is intended to provide a forum for coordination among key energy- and disaster-related Ministries and the private sector. Participants are invited to collaborate on strengthening the ability of Jamaica's energy sector to withstand or rebound quickly from a natural or manmade shock and to bolster overall energy sector resilience, with special focus on enabling private

sector participation and contributions. The Alliance, once constituted, will identify and help to advance regulatory, policy, and financial changes needed to encourage diverse private sector activity in Jamaica's energy resilience framework. This Alliance will require secretariat support; applicants to this APS Addendum should preferably describe how their proposal will cover secretarial and coordination functions for the Alliance, which is anticipated to consist of representatives from between three and eight public and private sector organizations who meet up to four times a year to ensure coordination on disaster resilience activities in the power sector.¹

In addition, the list below provides examples of other types of activities that USAID is interested to support in order to unleash the supply of decentralized, modern energy and energy efficiency services and equipment provided by local vendors, based on local private sector capabilities:

- Facilitating energy resilience financing from private-sector banking institutions;
- Supporting identification and energy resilience strengthening of key public disaster-response infrastructure points, such as police stations, fire stations, community centers and hospitals;
- Supporting development and finalization of the country's Energy Sector Resilience Framework;
- Convening and coordinating efforts across all stakeholders to identify and support additional areas of policy and regulatory reform needed to allow optimal fuel diversification, distributed points of generation, transmission siting and wheeling, as measures for increasing flexible grid response in case of disasters;
- Collaborating on enhancing policies, standards and measures for energy efficiency;
- Creating efficiency across the power sector, as a means to enhance the efficacy of all investments;
- Opening spaces for more diverse private sector participation in the provision of services and equipment to the energy sector and to consumers;
- Designing and implementing additional finance facilities for clean energy and energy efficiency projects in the country;
- Creating standards for small scale renewable energy (RE) installations;
- Establishing a system to let buyers know what RE hardware performs most reliably over time;
- Analyzing the best locations in Jamaica for solar and wind resources;
- Developing training facilities for installers to improve their ability to help their clients protect panels and generators during an extreme event or to quickly restore full functioning after one;
- Streamlining processes for net billing for residential customers; and
- Enabling the private sector as a focal point for keeping critical infrastructure operational in remote, rural areas during a shock.

IV. ADDITIONAL CONSIDERATIONS

¹ Please note that the emerging Private Sector Alliance for Energy and Disaster Resilience is NOT a GDA and is distinct from any GDAs that may be developed and supported under this addendum. However, as noted above, applicants under this addendum should preferably describe how their proposed GDA and related activities will cover secretarial and coordination functions for the Private Sector Alliance for Energy and Disaster Resilience.

This Addendum seeks to reduce the risks posed by natural disasters and improve disaster response and recovery by enhancing power sector resilience, recognizing that actions to this end can have co-benefits that help to improve energy reliability, reduced utility costs, and greater power sector sustainability.

For the purposes of this call for concepts, “energy sector” references Jamaica’s power sector, not including transportation. References to renewable energy are not limited to solar, but rather encompass the range of alternatives including hydro and wind. Though liquid natural gas (LNG) can make significant contributions to diversifying Jamaica’s energy mix, concepts primarily or substantially supporting LNG will not be considered under this Addendum.

Concepts in response to this Addendum are requested to focus on Jamaica, not the Caribbean region writ large.

NOTE: As stated on page 1, this addendum is issued under the Global Development Alliance (GD) Annual Program Statement (APS). The GDA APS **requires** extensive engagement of and collaboration with the private sector. Any concept paper submitted under this addendum must demonstrate that the private sector was a core partner in the development of the proposed GDA and its related activities and will continue to be a core partner in the implementation of the GDA and its related activities. The GDA APS is **not** a matching grants program; the GDA APS is a **private sector engagement program** that seeks to work with the private sector to identify and support market-based and private sector led solutions to key development challenges.²

V. EVALUATION CRITERIA

Proposed concepts will be reviewed per the objectives and considerations set forth in this addendum and evaluated based on the criteria set forth in the Global Development Alliance (GDA) Annual Program Statement (APS) as stated in Section IV: Concept Paper Review Criteria and Considerations (page 17 of the GDA/APS: (<https://www.usaid.gov/GlobalDevLab/documents/2016-2017-global-development-alliance-annual-program-statement>)).

Concept notes prepared in response to this Addendum should propose activities valued at no less than \$2 million of USAID funds. Private sector resource contributions should at least equal and preferably exceed the amount of funding being requested from USAID.

VI. CONCEPT PAPER INSTRUCTIONS AND REVIEW PROCESS

² Organizations interested in securing loans to support financing of small and medium enterprises in the area of energy resilience may be interested to know that the US Government has recently signed and announced a new Development Credit Authority (DCA) loan guarantee with the National Commercial Bank Jamaica Limited (NCB). This regional loan portfolio guarantee will foster greater lending to support investments in small and medium enterprises in the area of energy resilience. The DCA agreement with Jamaica’s National Commercial Bank (NCB) provides a \$25 million loan guarantee, which will increase lending to individuals, households, SMEs and companies across the Caribbean region for small-scale non-oil energy projects, such as renewable energy, power generation and distribution, and energy efficiency. It will also support some SME lending, for working capital, machinery, equipment, facilities, business growth, expansion, and other investments. Of the \$25 million, \$10 million will be deployed in Barbados, Grenada, Jamaica, or Saint Lucia. The remaining \$15 million will be available for The Bahamas, Dominican Republic, St. Kitts and Nevis, and Trinidad and Tobago. Please note this lending program is not a GDA program. In addition, any lending that might result from or be accessed through the DCA program cannot be used to meet the private sector leverage requirement under this addendum. The DCA program is simply mentioned to make organizations aware of other activities (and funding opportunities) that exist in the energy resilience sector that might be of interest. While work under the DCA program might complement work that is proposed under a GDA, the DCA program is a separate program.

USAID/Jamaica is responsible for the review process and management of any awards issued under this Addendum. Applicants are required to follow the Concept Paper instructions set forth in the [GDA APS](#) and the [Partner and Applicant Resources](#).

Communication and Submission

Please note that while USAID can have extensive and robust discussions with applicant entities seeking to receive and manage award funding from USAID under this Addendum, USAID cannot engage in highly specific or detailed activity design discussions with such entities until they submit a qualifying concept paper.

By contrast, and prior to concept paper submission, USAID is free to engage in more detailed design discussions with the private sector and other partners not seeking to receive and manage a USAID award. Questions regarding the nature and scope of partner discussions prior to the submission of a concept paper can be directed to gda@usaid.gov or Ken Lee at kenlee@usaid.gov.

Once a qualifying concept paper has been submitted, USAID can engage the private sector and all other partners to the proposed alliance in highly specific and detailed design discussions as the co-creation process continues. Such discussions would include prospective award recipients.

Please note that non-private sector applicants must include a letter of support directly from the prospective applicant's private-sector partners. For U.S based Non-Governmental Organizations, [2 CFR 200](#) and [2 CFR 700](#) are applicable. For non-U.S based Non-Governmental Organizations, [ADS 303mab](#) Standard Provisions for Non-US Non-Governmental Organizations apply.

Applicants are required to follow the concept paper instructions set forth in the GDA APS and submit concept papers using the [Concept Paper Template](#). Information provided in Section I.E of that Template should address the objectives and criteria presented above.

The completed Concept Paper and required Supporting Information should be sent to USAID at jmopportunities@usaid.gov with a copy to gda@usaid.gov.

For consideration, **concept papers must be submitted by 4:00PM EST on March 24, 2020, 4:00 pm** Jamaican time. However, USAID encourages prospective partners to submit quality concept papers as soon as possible during the submission period (e.g. January 24 – March 24, 2020). USAID is eager to explore and develop alliances that address the objectives of this addendum. As a result, USAID may review concept papers on a rolling basis. Concept papers and proposed alliances that warrant further consideration may advance in the process earlier than the specified Mission deadline.

USAID/Jamaica may not provide a response to a concept paper until 45 days after the deadline for submissions. Please do not inquire regarding the status of a concept paper until after that time. USAID appreciates applicant patience and understanding with regard to these timelines. USAID reserves the right to fund any, some, or none of the full applications that ultimately result from submitted concept papers and the co-creation process under the GDA APS.

USAID will inform each applicant of the concept paper review decision. If a concept paper receives a favorable review, USAID will contact the partners to explain next steps and continue the co-creation process. If the subsequent discussions are productive, and USAID determines the proposed GDA

warrants further consideration, USAID will request a full application from the partners. Specific guidance and instructions regarding the full application process will be provided at that time. See also the GDA APS for further information.

VII. QUESTIONS AND FURTHER ASSISTANCE

Questions regarding the substance and terms of the USAID/Jamaica Addendum to the GLOBAL DEVELOPMENT ALLIANCE (GDA), ANNUAL PROGRAM STATEMENT (APS): APS-OAA-16-000001, should be directed to jmopportunities@usaid.gov with copy to gda@usaid.gov.

Prospective applicants are strongly encouraged to submit questions as soon as possible and preferably before February 28, 2020. Frequently asked questions (FAQs) and/or select questions that reveal a need for clarification of matters in the addendum will be posted at [DRR Jamaica Frequently Asked Questions](#). The list of FAQs will be revised on an ongoing basis and applicants should regularly check the link for new questions that might get posted. USAID will not post all questions that are submitted; USAID will only post recurring or specific questions USAID determines warrant posting to clarify matters under the addendum.

Questions regarding the substance and terms of the 2016 – 2018 GDA APS should be directed to Ken Lee at kenlee@usaid.gov, with copy to gda@usaid.gov and jmopportunities@usaid.gov.

For additional information regarding guidelines and procedures to submit a concept paper, please refer to the [GDA APS](#) and the [Partner and Applicant Resources](#).

Note that the GLOBAL DEVELOPMENT ALLIANCE (GDA), ANNUAL PROGRAM STATEMENT (APS) APS No: APS-OAA-16-000001, **can be found at the following website:** <https://www.usaid.gov/GlobalDevLab/documents/2016-2017-global-development-alliance-annual-program-statement>)

The list of FAQs will be available at the following address: <https://www.usaid.gov/documents/1862/jamaica-drr-aps-faq>