SUBNATIONAL CLIMATE FUND

Request for Proposals

Charging Ahead: Market Viability and Growth Pathways in East Africa's Electric Motorcycle Transition

Version 12 November 2025

This document serves to provide an overview of the underlying project relevant to the Subnational Climate Fund (SCF), context on data availability and goals of the mandate, as well as an estimated scope of work requested from the consultant. Final details of the mandate should be covered by the subsequent proposal submitted by the consultant.

1. The Subnational Climate Fund

The SCF is a blended finance impact fund formed to pursue attractive risk-adjusted returns for private investors while generating measurable and certified environmental and social impacts. The Fund is focused exclusively on pursuing investments in mid-size climate infrastructure with nature-based solutions in various developing countries across Latin America and the Caribbean, Africa, the Mediterranean, and Asia. The Fund is managed by Pegasus Capital Advisors, a commercial Private Equity impact fund manager and further benefits from a separate, grant-funded Technical Assistance facility managed by The International Union for the Conservation of Nature (IUCN) and implemented by Catalytic, IUCN, and Gold Standard.

2. Context of the Potential Study Agreement

The SCF is considering a potential investment opportunity relating to an electric mobility company. The company's strategic vision includes:

- Expanding beyond Kenya into the broader East African market (Rwanda, Uganda, Tanzania)
- Leveraging Kenya's 90% renewable electricity grid to deliver significant emissions reductions
- Creating local jobs with a commitment to gender equity (40% female workforce)

The East African motorcycle market has historically been dominated by internal combustion engine (ICE) vehicles, with pre-market crash sales estimated at 200,000 units annually in Kenya alone. Current market conditions show approximately 70,000 annual ICE motorcycle sales (to be confirmed in study), with emerging EV competition from regional players including Ampersand, Spiro, Zembo, and Volta.

This feasibility study is critical to assess the company's commercial viability, competitive positioning, and realistic market penetration potential as SCF evaluates investment opportunities in the electric mobility transition in East Africa.

Catalytic and SCF will make available selected data sources and reports, including statistical references from the Kenya National Bureau of Statistics (KNBS) and other relevant publications, to support data verification and accelerate the consultant's market assessment. Consultants are expected to validate and, where necessary, complement this data through independent analysis and primary research, acknowledging that some publicly available datasets may present inconsistencies or reporting gaps.

3. Scope of Work for Market Viability and Demand Trajectory Study

The consultant is expected to assess the commercial viability of the company's proposed sales ramp-up by analyzing its potential market share within the East African motorcycle market, benchmarking

against ICE and EV competitors, and projecting adoption pathways over the next 24 months and 10 years.

1. Market Projections and Sizing

Objective: Quantify the addressable market opportunity and the company's current and potential market position.

Activities:
- Map the size and historical trajectory of the East African motorcycle market, distinguishing between ICE and emerging EV segments. This should include analysis of:
    - Historical market peaks (2020-2021: approximately 250,000-285,000 units annually)
    - Market contraction and current trends based on latest available data
    - Preliminary market estimates suggest current annual sales of 70,000-145,000 units across ICE and EV segments. Consultants must validate and refine these figures using KNBS registration data, industry sources, and primary research
- Quantify the company's current market penetration relative to validated total ICE and EV sales
- Benchmark the company's market share and sales volumes against other EV market participants (*detailed competitive analysis in Section 3*)
- Develop three adoption scenarios for EV motorcycles with supporting assumptions:
    - Short-term adoption pathway (12-24 months)
    - Medium-term adoption pathway (5 years)
    - Long-term adoption pathway (10 years)
- Project the company's potential market share under each scenario, accounting for competitive dynamics and market constraints
- For long-term projections (5-10 years), extend analysis beyond East Africa to include a broader regional or continental perspective, capturing potential growth dynamics across comparable African markets (e.g., Nigeria, Ghana, Ethiopia, South Africa) that may influence regional EV adoption, competitive dynamics, and the company's expansion opportunities.

2. Market Pathways and Barriers to Adoption

Objective: Identify key drivers and obstacles affecting EV motorcycle adoption in East Africa.

Activities:
Demand-Side Analysis:
- Assess fuel price trends and their impact on TCO (total cost of ownership) comparisons between EV and ICE motorcycles
- Evaluate rider economics including daily operating costs, maintenance savings, and payback periods
- Analyze availability and terms of consumer financing options for motorcycle purchases

Technology Pathway Assessment:
- Compare charging versus battery swapping models for adoption, convenience, and cost implications
- Evaluate infrastructure requirements and scalability of each model
- Assess grid reliability and renewable energy integration advantages

Barrier Analysis:

Building on the demand-side and technology pathway assessments above, evaluate the following adoption barriers with quantitative and qualitative evidence:

a) Price and Affordability Constraints
- Compare upfront costs of the company's motorcycles versus ICE alternatives
- Assess price sensitivity among target customer segments (boda-boda operators)
- Evaluate impact of localization on future pricing competitiveness

b) Financing Challenges
- Analyze credit availability for EV purchases among informal sector workers
- Assess impact of exchange rate volatility on import-dependent components
- Evaluate cost of capital and its effect on lease-to-own or financing schemes

c) Infrastructure Challenges
- Map availability and density of charging/battery swap networks across target markets
- Assess grid reliability and power availability in urban and peri-urban areas
- Evaluate integration with mobile money payment systems (M-Pesa, etc.)

d) Consumer Behavior and Trust
- Assess performance perceptions and range anxiety among potential customers
- Evaluate concerns about resale value and longevity of EV motorcycles
- Analyze impact of early adopter experiences on market confidence

e) Institutional Barriers
- Identify policy uncertainty affecting EV adoption decisions
- Assess taxation of EV imports, components, and batteries
- Evaluate effectiveness and durability of government incentive programs

3. Competitive Positioning Analysis

Objective: Benchmark the company against competitors and identify sustainable competitive advantages.

Activities:

Regional EV Competitor Benchmarking:
- Conduct detailed comparison of the company versus other regional EV companies
- Compare key metrics: pricing, sales volumes, market presence, financing terms, and customer acquisition costs

Business Model Comparison for both bikes and charging networks:
- Analyze proprietary battery systems versus open swapping network approaches
- Analyze building out own charging network for own batteries vs. ability to charge / swap batteries of competitors as well.
- Compare financing models: direct sales, lease-to-own, pay-as-you-go, battery-as-a-service
- Evaluate vertical integration strategies and implications for unit economics

ICE Incumbent Threat Assessment:
- Assess potential competitive threat from established ICE manufacturers (Bajaj, Lifan, TVS, etc.) entering the EV market and whether they are able to easily import EV vehicles from their other markets into the Kenya / East Africa. If this is feasible, what has limited them from doing so till date.
- Evaluate advantages of incumbents: scale economies, established distribution networks, brand recognition, and after-sales service
- Project timeline and likelihood of ICE manufacturers launching competitive EV offerings

Company Differentiation Analysis:

- Identify and validate the company's competitive differentiators including:
  - Product- and production strategy
  - Brand positioning and market perception
  - Financing partnerships and terms
  - Product performance and quality
  - After-sales service and support network
- Charging Strategy
- Assess sustainability and defensibility of these differentiators over time

4. Policy and Regulatory Environment Assessment

Objective: Evaluate the policy landscape affecting EV adoption and identify regulatory risks and opportunities.

Activities:

Kenyan Policy Framework:
- Review current EV-related incentives, tax exemptions, and duty waivers
- Assess government regulatory commitments and implementation status
- Evaluate stability and predictability of EV support policies
- Identify planned policy changes or sunset provisions

East African Regional Context:
- Extend analysis to Rwanda, Uganda, and Tanzania EV policies
- Assess opportunities for regional market harmonization
- Evaluate barriers to cross-border trade and operations
- Identify regional integration opportunities (e.g., EAC initiatives)

Risk Assessment:
- Evaluate exposure to policy reversal risks (e.g., reinstatement of import duties)
- Assess impact of fuel subsidy policies on EV competitiveness
- Identify tariff risks on imported components
- Evaluate political economy factors affecting EV policy durability

4. Deliverables

The consultant shall deliver the following:

1. **Comprehensive Market Viability Study Report (60-80 pages)**
   - Executive Summary (5-7 pages) including investment thesis and key findings
   - Table of acronyms and terminology
   - Detailed analysis sections corresponding to each scope area
   - Clear documentation of data sources, assumptions, and methodologies used for market verification and extrapolation
   - Bibliography and data sources

2. **Market Projections Model (Excel format)**
   - Historical market data (ICE and EV segments)
   - Three adoption scenario models with clear assumptions
   - The company's market share projections under each scenario

- Sensitivity analysis for key variables

3. **Competitive Landscape Matrix**
   - Detailed comparison of the company versus competitors across key dimensions
   - Business model comparison framework
   - Strategic positioning recommendations

4. **Policy Risk Assessment Matrix**
   - Evaluation of regulatory risks and opportunities by country
   - Timeline of anticipated policy changes
   - Mitigation strategies for identified risks

5. Requirements

Applicants should demonstrate in their proposal that their project team meets the following qualifications:

Required Expertise:
- Proven experience in automotive or mobility market analysis in sub-Saharan Africa
- Deep understanding of East African markets, particularly Kenya, and motorcycle/two-wheeler sector dynamics
- Experience analyzing electric vehicle adoption patterns and market transitions
- Demonstrated capability in competitive intelligence and business model analysis
- Strong quantitative skills including scenario modeling and forecasting

Preferred Qualifications:
- Prior experience with EV market studies in developing markets
- Knowledge of informal transportation sectors (boda-boda, okada, etc.)
- Understanding of microfinance and consumer financing in emerging markets
- Familiarity with East African policy and regulatory environments
- Network of local contacts for primary research and data validation
- Experience with climate finance or impact investment due diligence

Team Composition:
- Lead analyst with minimum 7 years of experience in automotive/mobility markets
- Supporting team members with relevant regional and technical expertise
- Local East African partner or team member strongly preferred for market access and insights

6. Indicative Timeline

Work is expected to commence immediately after the consultant is appointed. The work is expected to be completed within **three** months after signing the service contract. The delivery of services and reporting timeframes are anticipated to be as follows:

Market Viability and Demand Trajectory Study	
Activity / Deliverable	**Indicative timeline**

Kick-off meeting Establish communication channels for initial information exchanges, confirm the project schedule, confirm the reference framework, and agree on data sources and methodology.	Week 1
Inception report with detailed methodology and data collection plan	Week 2
Draft report 1: Market Projections and Competitive Analysis sections	Week 6
Draft report 2: Complete draft study for review	Week 10
Final report incorporating SCF and company feedback	Week 12

7. Form of Proposal & Requirements

Please prepare a brief proposal for the performance of this work, including the scope of work, project team and qualifications, and estimated costs.

1) **Scope of Work:** The scope of work should include a description of the specific activities that will be performed in order to accomplish the required tasks identified in Section 3. This should include any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc. If the Consultant feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as "Optional Tasks".
2) **Project team and qualifications:**
   This should include the name of the principal staff members and any sub-contractors, and a brief description of their role within the project team. Qualifications of staff should include relevant technical capabilities, full CVs, specific previous experience similar to this assignment, specific in-country experience and knowledge.
3) **Estimated costs:**
   A total time and expenses cost estimate (not to be exceeded), in US Dollars, must be provided for the required scope of work. A breakdown of the estimated costs by task must also be presented in tabular format and should include Direct Labour Costs (number of hours or days per staff and their associated unit costs). If field visits are necessary, travel costs will be covered by the SCF separately from the consultancy fee under "Indirect Labour Costs". Please note that "Per Diems" are not an eligible expense under our travel expense policy. Please also note that Catalytic is exempt from VAT. Your financial proposal should therefore not include VAT.
4) **Contract & payments:**
   The contract will be based on Catalytic's standard terms of engagement, fixing a total consultancy fee on lump-sum basis in US Dollars. Catalytic will pay the consultant in 2-3 instalments: E.g. one advance payment of 20% upon signature of the contract, one payment of 40% after delivery of the draft report, final payment of 40% after delivery of the final report.
5) **Conflicts of interest & KYC documentation:**
   As part of the proposal, the Consultant shall also confirm that they do not have a conflict of interest and that they are in a position to provide an adequate, accurate and objective review. In addition, we will request an extract from the commercial registry and passport copy for a KYC / DD check for shortlisted candidates.

8. Submission

Please submit your proposal before **November 27, 2025** by sending it to **project@catalyticfinance.org**