



**ENERGY AND ENVIRONMENT PARTNERSHIP  
PROGRAMME WITH SOUTHERN AND EASTERN  
AFRICA**


***A Programme Funded by the Governments of Finland,  
Austria and UK Department for International  
Development and Hosted by the Development Bank of  
Southern Africa***

**FOURTH CALL FOR PROPOSALS**

**23 December 2011 – 16 January 2012, 13h00 (GMT+2)**

**GUIDELINES FOR PROJECT PROFILE APPLICATION**



 Austrian  
Development Cooperation



## **GUIDELINES FOR EEP PROJECT PROFILE APPLICATION: FOURTH CALL FOR PROPOSALS**

The EEP Programme is jointly funded by the Ministry for Foreign Affairs of Finland (MFA), the Austrian Development Agency (ADA) and the Department of International Development (DFID) of The United Kingdom.

### **A. ELIGIBILITY OF APPLICATION**

#### **I. Eligible Applicants**

Eligible applicants for project financing by the Energy and Environment Partnership (EEP) Programme include private companies, public institutions, research organisations, educational institutions, charitable organisations, Non Governmental Organisations (NGOs), Community-Based Organisations, Not-for-Profit Organisations and Cooperative Organisation. Applicants who have participated in previous EEP-S&EA Calls for Proposals are also allowed to participate in this Fourth Call for Proposal.

Individuals and government entities are not eligible. An applicant should be registered with the appropriate registration body in your country of operation and your appropriate registration number will be required on the application form before you are allowed to proceed with your application online.

Each organisation should submit ONLY ONE application for a given country. The EEP Programme strives to give every entity a chance and encourages a diverse pool of submissions from applicants. Applicants can partner with other organisations or entities in order to meet human resource capacity and competence to implement the proposed project. If a project is submitted by a consortium of organizations, the lead partner will be the applicant. The applicants should be the organisations or entities which have longer term commitment to develop the projects to investment stage. Applications will not be accepted if submitted by consultancy companies on behalf of their clients who are supposed to be the lead applicants. The consultancy firms should remain with the role of providing services to the project lead applicant and should be listed as a project partner.

Only applicants who have committed the required level of own contribution to the project budget will be eligible. Please check Section VII for details.

#### **De Minimis Aid Received**

Please note that the support received from EEP is under the EU Regulation 1998/2006 (De Minimis Aid Regulation). This regulation only applies to project partners originating from the EU countries. Project partners not originating from the EU should not worry about this.

The affected proponents are responsible for ensuring that the De Minimis Aid does not exceed the maximum limit, which is 200 000 Euros during the period of 3 years. If any of the project partners have received the De Minimis Aid during the last 3 calendar years, they shall contact the EEP Regional Coordination Office (RCO) before submitting the project profile application online.

#### **II. Choosing Type of Project Activities (Section 1.4b on Application Form)**

The scope of EEP Call for Proposals is limited to projects that deal with the development phase of concrete renewable energy producing or/and quantifiable energy saving/conservation projects. The proposed activity must form one of the core activities of a project development

cycle leading to a bankable stage of an investment that produces renewable energy or/and saves a quantified amount of energy or conserves it.

Although the other activities that generally provide an enabling environment for the promotion of renewable energy and energy efficiency/conservation projects are important, these types of projects are excluded from the scope of EEP Call for Proposals. There are other grant funding programmes that support such activities but EEP does NOT. An EEP funded project actually ends up producing renewable energy or saving energy by itself or by a bigger investment project later. EEP funded project is NOT about “promoting” renewable energy or energy saving/conservation but about “producing” renewable energy or “saving/conserving” energy. Thus activities like Market Development Studies, Market Surveys/Design, Strategic Framework Studies, Capacity Building/Training, Policy Development Studies, Regulatory Frameworks, Energy Planning Tools, Innovative Financing Schemes Development not producing renewable energy or saving or conserving energy are all outside the scope of the EEP Call for Proposals and if you submit such proposal applications they would NOT be considered for funding.

The Eligible EEP activities are pre-feasibility study, feasibility study, pilot project, demonstration projects and an up-scaling of existing pilot or demonstration project. The main eligible activities are defined as follows: Whenever any of these options is selected in Section 1.4b of the application form online, the following definitions would be what is implied:

- a. **Pre-Feasibility Study:** A preliminary assessment of the technical and economic viability of a proposed project and may comprise activities such as:
  - Comparing alternative approaches to various elements of the project, and the most suitable alternative for each element is recommended for further analysis.
  - Estimating costs of project development from feasibility study to operations.
  - Assessing benefits of the project and calculating preliminary economic benefits.
  - Determining the requiring environmental and other operational permit issues

The pre-feasibility study should determine whether or not to proceed with a detailed feasibility study.

- b. **Feasibility Study:** Analysis and evaluation of a proposed project to determine economic viability. The Feasibility Study is a refinement of the pre-feasibility study and should present enough information for interested investors to finance the project. The main output from a feasibility project should be a “bankable feasibility study” with all the necessary permits such as power purchase agreements, clearance on the Environmental Impact Assessment, water use rights, feedstock supply agreements and other business specific requirements according to the laws of the country where the project is implemented.

For a pre-feasibility and feasibility projects to be approved for EEP grant funding, the proposal would have to clearly indicate which aspects of the project bankability have been completed and which ones are still outstanding (refer to Application Form Section I.6f).

- c. **Pilot Project** – This is a type of projects which are testing project ideas, a product/service or a technology on a small-scale in order to check the conditions and

operational details before full scale launch of production and/or marketing. Pilot projects should form part of an overall market development strategy. For a pilot project to be approved for an EEP grant, the project proposal should clearly indicate further steps envisaged towards large scale self sustaining operations after the piloting phase if the product/service is proven to be profitable (refer to Application Form Section I.6).

- d. **Demonstration Project-** This category comprises projects which aim to establish evidence that a project, a product/service or a technology works. This may show the performance of a product/service or a technology in actual use conditions, or it may encourage the trial use or purchase of the product/services or technology. For a demonstration project to be approved for EEP grant, the project proposal should clearly indicate further steps towards large scale self sustaining operations after the demonstration activities if the product/service is proven to be profitable (refer to Application Form Section I.6).
- e. **Project Scale-up.** This category comprises all EEP previously supported pilots, demonstrations and pre-feasibility projects AND other scaling up initiatives from projects which have never been funded by EEP previously. The applicant will have to provide sufficient motivation for the scaling up and indicate which phase that has been reached in implementing the project and what is required to develop the project up to a commercial phase (refer to Application Form Section I.6d).

It must be noted that funds allocated to pilot and demonstration projects in this Fourth Call for Proposals will not exceed 50% of the total grant available.

### III. Sector Focus

You would be required to choose one of the following sectors that best describes your project:

- Rural Energy Solutions
- Electrification
- Industrial energy efficiency
- Industrial energy solution
- Urban/ Peri-urban Energy Solutions
- Water supply,
- improvement of education
- Health/hygiene services provision)
- Agricultural Development
- Other (will have to be specified)

### IV. Technology/Energy Resource Focus

You would be required to choose one of the following technologies or energy resources that best describes your project:

- Solid Biomass (improved woody biomass, improved charcoaling, improved cookstoves, etc)
- Liquid Bio-fuels (Bio-diesel, Bio-ethanol). Projects which promote biofuels from *Jatropha curcas* are not eligible
- Biomass power generation

- Biogas for large scale thermal applications or for electricity generation
- Biogas for small scale domestic applications
- Energy Efficiency/Conservation (Quantifiable)
- Geothermal
- Hydroelectric Power
- Solar PV (grid/off-grid/ mini –grid)
- Solar thermal applications (SWH, CSP, etc)
- Waste-to-Energy
- Wind turbines for electricity generation
- Wind pumps
- Hybrid (indicate sources and technologies)
- Multi-Energy Use Solution
- Other (will have to be specified)

Please note that Projects which promote biofuels from *jatrophas curcas* are not eligible

#### V. Geographic Coverage

The projects must be implemented in at least one of the following Southern and Eastern African Partner Countries: Botswana, Kenya, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania and Zambia.

Projects whose resources and budgets are allocated to specific project activities to be carried out in more than one of these countries are considered **Regional** projects. Projects involving more than one country but with most of the project resources and budgets (more than 80%) utilised in only one country CANNOT be considered as Regional.

#### VI. Duration

The project implementation period is limited to 12 months.

#### VII. Funding Amount and Mechanism

The EEP contribution is a non-reimbursable grant principally aimed at supplementing the applicants' own funding. Project developer co-funding contribution is therefore a key requirement for eligibility for EEP funding for all applicants since that demonstrates commitment, ownership and sustainability of the project.

For this Fourth Call for Proposals, all applicants are expected to make a commitment of some level of own contribution by project partners in order to be eligible. For all projects, the Amount Requested from EEP should not be more than EUR 200 000 depending on the type of project. For a Leading Applicant being an NGO, Community Based Organisation, Non-for Profit Organisation and the like, the Amount Requested from EEP should not be more than 90% of the Total Project Cost and the Total Own Contribution should not be less than 10% of the Total Project Cost. For all other organisations being the Lead Applicant, the Amount Requested from EEP should not be more than 75% of the Total Project Cost and the Total Own Contribution should not be less than 25%.

It is important to note that projects with higher proportion of own fund contribution stands a better chance to be selected.

The estimated projects grant budget for this Fourth Call for Proposals is about EUR 4.3 million and this is expected to be awarded to about 25 projects. It should be noted that the EEP funds

should be considered as "seed money" to support concrete and sustainable projects. All disbursements after the grant approval will be based on actual costs incurred and project milestone payments will be approved after submission of progress and financial reports with sufficient proof to support expenditures reported.

#### VIII. Project Partners

It is advisable that projects include partners from both Beneficiary Partner Countries and technology supplying countries that would enhance technology transfer as one key objectives of the EEP Programme.

#### IX: Expected project results and impacts

Selected projects shall contribute to the achievement of the EEP objectives which is to increase access to modern, affordable and reliable energy services through increased usage of renewable energy and energy efficient technologies. The projects should therefore present specific, measurable, quantitatively verifiable outputs with their respective indicators as follows:

No	Expected Output	Indicator
1	Increased generation of energy from renewable resources and/or energy saving	Amount of energy [in kWh] generated/saving over the lifetime of the project
2	Increased access to sustainable energy services	Number of new electricity connections /efficient products disseminated by the project over its lifetime
3	Increased opportunities for employment and income generation	Number of jobs created
4	Reduced emission of greenhouse gases	Amount GHG emission reduction per year in tCO <sub>2</sub> eq/year

EEP projects should indicate its positive impacts on the following five cross-cutting issues namely the environment, gender, good governance, combating poverty and HIV/AIDS, if possible. If selected, the applicant will have to provide details on the project impacts when developing the full proposal.

#### X – Procurement

All procurements of materials, equipment and services shall be made in accordance with the Finnish legislation on public procurement (Public Procurement Act available at <http://formin.finland.fi/public/default.aspx?contentid=209147>), generally accepted principles and good procurement practices.

The following broad procurement guidelines will be followed:

- Costs below €100.00: procedure to be decided upon by the company.
- Costs between €100 to €3 999.00: comparison of at least three quotes/offers obtained directly from suppliers.
- Costs between €4 000.00 to €29 999.00: competitive tendering with invitations to tender sent directly to potential suppliers.
- Costs above €30 000.00: competitive open tendering with invitations to tender announced publicly.

These are minimal requirement that will form part of the agreement for execution of the project. In addition to these minimum requirements, the applicant will follow own procurement policy after approval by the RCO but these would have to be generally acceptable transparent process.

Please consider appropriate time requirement and costs for procurement of project items according to the broad procurement procedures above.

## B. RULES FOR PROPOSALS SUBMISSION

Only online submissions at the EEP website [www.eepafrica.org](http://www.eepafrica.org) will be accepted in this Fourth Call for Proposals and no submissions through emails will be processed for evaluation or approval. A worksheet of the online application form is attached for your perusal and this has also been made available on the website. To save you time, you are kindly advised to print the worksheet and prepare all the information that is required before proceeding to fill up the form online. The form is structured as the online form and will be useful to guide you in terms of the restrictions in number of works and other validations. It is also very important to familiarize yourself with all the changes in the application requirements by reading the Application Guidelines first before proceeding to fill up the form online.

The application worksheet comprises four Major sections namely 1) Overview, 2) Project Details 3) Financial Information and 4) Applicant information. Instructions on the information which should be filled in each section is available on the worksheet.

The following rules will strictly apply:

- a. Applicants need to create an account at the EEP-S&EA website, log in and then complete the application form.
- b. After completing the form online and clicking the "Submit" button, you would receive an email feedback message to your user email address indicating the success of your submission as well as a copy of your completed application.
- c. Incomplete application forms or applications submitted via email will not be accepted.
- d. Each application will be identified with the applicants email address and its registration user name for a legal entity.
- e. Applications should be submitted by the lead partner, the organization which will sign the project contract with EEP. Applications which are received through other project partners will be rejected.
- f. For all applicants, it is advised that you download the offline application form, check the requirements and make notes offline before logging in to fill the online form. To enable all applicants to acquaint themselves with all the requirements of the Fourth Call for Proposals before logging in to fill the application online, **the online application system will only open to the public on 04 January 2012** when project proponents will be allowed to submit their applications.
- g. It is also advised to avoid completion of the online application form towards the deadline when the usage traffic on the website is expected to be high such that it may cause slow system response.
- h. If you do not receive any confirmation message after you have submitted your proposal online, please inform EEP S&EA on [eep@dbsa.org](mailto:eep@dbsa.org). If you do not receive a PDF copy of your proposal through your email address after your online submission, it could be that your proposal submission was unsuccessful due to outstanding or incorrect information and therefore you may have to check if all is in order first before contacting our office.

- i. Where in difficulty submitting your proposal through the EEP website please contact your National Coordinator for assistance in perhaps using their internet for submission. The contact details of the National Coordinators have been listed below for your perusal.
- j. The **deadline** for submission of the project profile note is **16 January 2012 13h00 South African Time (GMT+2)**. Any proposal submission after this time will be rejected by the online application system and any emails or telephone calls received regarding such late applications will not be responded to.

### **EEP National Coordinators**

#### **Botswana**

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## C. PROJECT PROPOSAL EVALUATION AND APPROVAL PROCESS

The application process will involve two tier submission processes starting with a concept note (Project Profile) and then followed by a full proposal for those projects which would be selected from this online application. In the first instance, only Project Profiles (concept notes) must be submitted to the EEP RCO for evaluation. Thereafter, applicants whose Profiles would be pre-selected by the EEP Steering Committee (SC) will be invited to submit a Full Proposal for final technical evaluation. Further to a positive feedback from the evaluation of the Full Proposal, a contract will be signed between the Ministry for Foreign Affairs of Finland (MFA) and the project developer for the implementation to start. The process of evaluations and approvals following the Project Profile submission is detailed below.

### I. Screening of Project Profiles

The evaluation process starts with an online screening of all the submitted Project Profiles according to the basic requirements of the EEP Programme. The EEP Regional Coordination Office (RCO) will further screen the submitted applications regarding some key administrative aspects such as completeness of the application, appropriate amount of the requested EEP contribution and applicants own contribution, eligible scope of the project and time plan for implementation of the project before submitting the eligible ones to the National Coordination (NC) and Technical Evaluation Team for their evaluation.

### II. Evaluation of Project Profile

The National Coordination Team (NC) pre-evaluates the Project Profiles by ranking them against each country's policy priorities, strategies and legislation. The resulting projects ranking is then sent to the Steering Committee (SC) through the RCO to be considered for funding.

The Technical Evaluation Team (TET) evaluates the Project Profile against the preset EEP Project Evaluation Criteria and gives technical evaluation scores and recommendations for shortlisted projects. These scores and recommendations are then sent to the SC for approval consideration. The evaluation criteria and their respective scores are as presented below:

Category	No	Criteria	Max Score Points
PROJECT OVERVIEW	1	Application Authenticity [1.1]	1
	2	Own Contribution [1.2]	2
	3	Project Identity [1.3-1.6]	3
	4	Executive Summary [1.7]	4
	5	Project Scale-Up Potential	4
PROJECT CONTENT	6	Project Definition [2.1- 2.8]	15
	7	Coherence [2.1- 2.8]	5
	8	Technology Appropriateness [2.2-2.3, 1.4-1.5]	10
	9	Innovation & Dissemination [2.10]	5
	10	Sustainability [2.9]	5
	11	Project Planning [2.7]	5
	12	Risk Mitigation [2.11]	5
PROJECT FINANCIALS	13	Appropriate Cost And Financing [3.1]	4
	14	Accuracy And Precision [3.1]	4
	15	Own Contribution Adequacy [3.1b]	4

Category	No	Criteria	Max Score Points
APPLICANT ASSESSMENT	16	Co-Financing [3.1b]	4
	17	Human Resource Cost [3.3]	4
	18	Partner Credibility [4.1-4.2, 1.A1 -1.7]	4
	19	Capacity [4.3]	4
	20	Project Track Record [4.4]	4
	21	Experience [4.5]	4
			<b>100</b>

- The Technical Evaluation may also suggest some modifications for the project idea, technology, work plan, partnership, management or budget.
- The Project Profiles with evaluations of the TET and NC are then sent for the Steering Committee Approval through the RCO.

### III. Project Profile Approval at the Steering Committee

The EEP Steering Committee (SC) is made up of the National Coordinators and the donor representatives from the Ministry for Foreign Affairs of Finland (MFA), Austrian Development Agency (ADA) and the United Kingdom Department of International Development (DFID). At the Steering Committee meeting, it is the National Coordinator that presents the Project Profiles of his or her country to the members by providing the basis for their ranking. In case of a regional project, the Project Profile can be presented by one of the National Coordinators involved or the Regional Director of the RCO. The SC makes project approval decisions based on a consideration of both the rankings of the National Coordinators and the technical evaluation reports. The approval of the Project Profile, indicating the amount of allocated funds, may include conditions or recommendations to be incorporated in the Project Proposal.

### IV. Feedback to Project Proponents after Approval of Projects by Steering Committee

After the first round of Steering Committee provisional approval of projects, all applicants will be notified of the status of their application. Should the project profile not be approved, the proponents will receive notification thereof and will be encouraged to resubmit their applications during the next call for proposals.

### V. Full Proposal Development and Final Evaluation

Based on the recommendations of the Steering Committee, the Project Proponent is asked to develop and submit a Full Project Proposal within 6 weeks according to specified guidelines. The Full Proposals are then sent by the RCO for final Technical Evaluation to especially ensure compliance with the SC recommendations. Expenses covered by EEP Funding Contribution should be the following:

- Technical services and consultancies on the project
- Travel expenses on the project
- Equipment and materials for the project
- Project execution expenses
- Project promotion
- Auditing
- Dissemination of project information

Please note that the professional fee rates and travel cost rates should be based on reasonable industrial/market rates such as those defined by Governments or professional councils/associations in the country of implementation.

## **VI. Contracting and Start up of Project Execution**

The final approval will be done by the Ministry for Foreign Affairs of Finland (MFA). Once approved and ratified by the partners, the Project Proposal turns into the document that governs the execution of the Project. A contract will be co-signed by the MFA and the lead applicant and the RCO will facilitate the process. All the documents prepared and included in the Project Proposal will enter into force upon signature between the parties. The project activities should start within three months from this time. All disbursements are undertaken based on delivery of project milestones except in special cases where upfront payment can be justified based on written motivation provided.

The RCO will supervise and monitor the execution of the projects with the assistance of the National Coordination, where possible.

## **VII. Timelines for the Projects**

1. Announcement of the Call for Proposals: 23 December 2011 – 16 January 2012.
2. Deadline for submitting Project Profiles: **16 January 2012 13h00 South African Time (GMT+2)**. The application form must be completed online and submitted before the deadline.
3. The online application form will be available for submission of applications on Wednesday 4 January 2012.
4. EEP Steering Committee Meeting to approve Project Profiles: **16 March 2012**
5. Notification of award and invitation of full proposals: **23 March 2012**
6. Deadline for receiving full proposals: **30 April 2012**
7. Contract signing and start of projects: **July 2012**.