

# EEP AFRICA CALL FOR PROPOSALS

## Application Guidelines

Clean Energy Powering Green Growth

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Deadline for Submission  
10 MARCH 2020 at 13:00 (HELSINKI TIME, GMT +3)



**EEP**  
Africa



**NORDIC  
DEVELOPMENT  
FUND**

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EEP Africa is hosted and managed by the Nordic Development Fund (NDF).  
Funding partners are Austria, Finland and NDF.



Ministry for Foreign  
Affairs of Finland



# 1. Summary

The EEP Africa Innovation Window is launching an open, competitive Call for Proposals with the theme: **Clean Energy Powering Green Growth**, with a particular focus on clean energy for productive use and clean energy in circular economy solutions.

Project developers are invited to submit applications for early stage off-grid and on-grid clean energy projects in active development phase in Southern and East Africa. Projects will be evaluated based on Concept Innovation, Development Impact, and Business Model & Financial Sustainability.

All applications need to demonstrate a clear need and additionality for EEP Africa financing.

## Eligibility

### Focus – Clean Energy Powering Green Growth

This call targets proposals with innovative business models that utilize clean energy for productive use and create clean energy solutions in circular economy increasing economic activity and creating jobs.

### Who Can Apply

Companies, start-ups and social enterprises. (Registered legal entities only!)

### Which Technologies

Biofuels liquid, Biogas, Cookstoves, Energy efficiency, Geothermal, Hydropower, Solar PV, Solar thermal, Solid biomass, Waste to energy, Wind power, other RE/EE technology or a combination of the previous, including energy storage projects.

## Evaluation Criteria

- Concept Innovation
- Development Impact
- Business Model and Financial Sustainability

### What Activities

Feasibility Studies or Pilot, Demonstration, Replication, or Scale-up Projects.

### Where

Botswana, Burundi, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

## Financing

Grant EUR 200,000 – 500,000 (minimum co-financing 30%)

Repayable grant EUR 200,000 – 500,000 considered only for on-grid/utility-scale feasibility studies (minimum co-financing 30%); repayable at financial close

# Indicative Timeline

## Opening Of The Call

28 January 2020

## Deadline For Concept Note Submission

10 March 2020, 13:00 (Helsinki time, GMT+3)

## Communication to Shortlisted Applicants

May 2020

## Full Proposal Submission

May-June 2020

## Project Implementation

Maximum of 24 months

## Final Decision

September 2020

## Contracting Period

October - December 2020

## 2. About EEP Africa

The Energy and Environment Partnership Trust Fund (EEP Africa) is a clean energy financing facility hosted and managed by the Nordic Development Fund (NDF) with funding from Austria, Finland and NDF. It is guided by a vision for a climate resilient, zero-carbon future with the aim of contributing to achievement of the Paris Climate Agreement and Sustainable Development Goals (SDGs). The immediate objective is to enhance clean energy access, development and investment, with a particular focus on benefitting vulnerable and underserved groups.



EEP Africa provides early stage grant and catalytic debt financing for innovative clean energy projects, technologies and business models in Southern and East Africa. Since 2010, EEP Africa has committed more than EUR 80 million to 270 pioneering projects, creating over 8,500 jobs, improving energy access more than 5 million people, and avoiding 1.4 million tonnes of CO<sub>2</sub>e.

  
5 People with enhanced energy access  
**million**

  
**8,500** Direct jobs created  
33% for Youth &  
37% for Women

  
**€80M** invested in  
**270** pioneering projects

  
**1.4M** CO<sub>2</sub>e emissions reduced or avoided  
**tonnes**

## EEP Africa focuses on three core activities:

**Clean Energy Financing:** EEP Africa channels funding through two windows. EEP Innovation provides early stage grant financing to projects in active development through competitive, open calls for proposals. There have been 15 calls since 2010. EEP Catalyst is the Fund's impact investing window providing flexible, follow-on debt financing to successful EEP Africa grantees.

**Investment Facilitation and Business Development Support:** EEP Africa improves the investment readiness of projects through targeted business support services and by facilitating linkages with the investor community. EEP Africa regularly organizes Investor Forums, an invitation-only matchmaking event offering investors access to a pipeline of investable clean energy projects.

**Knowledge, Policy and Partnerships:** EEP Africa leverages the large amount of applied learning that occurs inside its diverse project portfolio to develop a wide range of knowledge products that advance clean energy understanding and awareness. EEP Africa regularly organises open Knowledge Exchange Forums (KEFs) that bring together clean energy stakeholders for discussions on trends, experiences and lessons learned.

## 3. Theme of the Call

The theme of this Call for Proposals is **Clean Energy Powering Green Growth**.

Projects with a focus on advancing productive use of clean energy or harnessing clean energy technologies for circular economy solutions are strongly encouraged.

EEP Africa's 2019 study *Powering Productivity: Lessons in Green Growth from the EEP Africa Portfolio* demonstrated that the **productive use of clean energy** is critical to the commercial viability of energy access projects, particularly in rural areas where baseline energy demand may be limited. EEP Africa is looking to continue to identify and support new and innovative business models and technologies leveraging productive use and opening up green growth pathways across the region.

Another increasingly important factor in sustainable growth is the development of a circular economy with its emphasis on redesigning production and consumption models around reducing, reusing and recycling. EEP Africa has been supporting **circular economy solutions**, such as waste-to-energy and energy efficiency since 2010. The rapid development of this sector continues to offer major untapped opportunities for leveraging clean energy across the region.

With its emphasis on powering inclusive green growth, this call targets **clean energy projects that create sustainable jobs and increased economic activity**, with particular focus on empowering and employing women and youth.

## 4. Eligibility

The EEP Innovation Window provides early stage grant and repayable grants to innovative clean energy projects, technologies and business models. Applicants for the EEP funding must meet the eligibility criteria defined in detail below.

### General Eligibility Criteria

All proposed projects should be aligned with national development planning, including the Nationally Determined Contributions (NDCs), of the country of operations. Applicants and their projects must be in compliance with all national laws and regulations.

All applications should be aligned with EEP Africa's cross-cutting objectives: **climate change, poverty reduction, development effectiveness, inclusive development, gender equality and human rights.**

All proposed projects must be in compliance with NDF's Environmental and Social Policy and Guidelines 2017 ([https://www.ndf.fi/sites/ndf.fi/files/attach/ndf\\_environmental\\_and\\_social\\_policy\\_and\\_guidelines\\_0.pdf](https://www.ndf.fi/sites/ndf.fi/files/attach/ndf_environmental_and_social_policy_and_guidelines_0.pdf)). This includes compliance with the principle of non-discrimination in all activities. Any projects featuring activities in the exclusion list WILL NOT be considered. A full list of exclusions can be found in the policy. All applicants are required to confirm compliance with the policy in the application.

All applicants, project partners and consultants must operate in line with the NDF Policy on Anticorruption and Integrity (<https://www.ndf.fi/integrity-and-anticorruption>). Any indication of non-compliance will cause automatic exclusion.

### Theme Criteria

The theme of this call is **Clean Energy Powering Green Growth.**

The call takes particular focus on advancing **productive use of clean energy** and harnessing **clean energy technologies for circular economy solutions.**

These may include, but are not limited to:

- Innovative mini-grid projects and technologies with a focus on productive use of energy
- Waste to energy projects
- Projects aiming to develop productive use appliance business models, including clean energy transportation projects and use of clean energy in agricultural projects
- Energy efficiency projects that use energy more efficiently and reduce the use of energy in processes

Applications from women entrepreneurs and women-led companies are strongly encouraged. Projects that focus on sustainable jobs for women and youth are also strongly encouraged.

# Eligible Applicants

EEP Africa aims to fund the following types of organizations:

- Private companies
- Start-ups
- Social enterprises

All applicants **must be registered legal entities** at the time of the Concept Note submission and need to demonstrate strong local engagement.

- EEP Africa is looking for applicants who are committed to sustainable long-term local development. Project implementation, business models and partnerships should be rooted in the local context. Local engagement can be demonstrated through local companies, ownership, employment, co-financing, community participation and years of operation in the country.
- This call aims to strengthen the diversity of EEP Africa's portfolio, including in terms of project developers. Previous EEP Africa project developers need to carefully explain the additionality and rationale for new support.
- Partnerships are eligible to apply but need to nominate one organisation as the lead applicant. The lead applicant has full responsibility for the implementation of the project, including compliance with the funding contract and reporting.
- Organisations may only serve as lead applicant on ONE application. Any organisation submitting more than one application as lead applicant risks all applications being discarded. However, in addition to being lead applicant in one application, organisations are eligible to be involved in other applications as a project partner.
- Individuals, research institutions and mainstream government institutions, e.g. Government Ministries, UN agencies and National/Provincial/District Departments, are NOT eligible to apply as lead applicant but may be included in an application as a project partner.
- Projects that solely aim to create an enabling environment for the promotion of renewable energy and energy efficiency/conservation projects without a business model are excluded. If the main focus of the proposed project is on e.g. market studies, technology research, capacity building/training, or policy development, the project is NOT eligible. However, individual activities within a project that are aimed at clean energy sector-related capacity building/training are eligible for funding.
- During the due diligence process, EEP Africa will review the status of all necessary registrations, licensing and permitting and will require compliance with all local requirements as well industry standards.

## Project Type

EEP Africa is market based and technology neutral. Its focus is to support early stage clean energy, energy saving and energy efficiency projects in active development. Project activities must be part of a cycle leading to further investment and sustainable commercialisation. Each proposed project needs to have a compelling business case that supports the objectives of EEP Africa in a sustainable manner.

Proposed projects should clearly align with one or more of the below categories:

- a) **Feasibility Study:** Analysis and evaluation to determine technological, commercial, social, environmental and economic viability. The feasibility study may be a refinement of a pre-feasibility study and should present information for investors to finance the next stage of the project. Investors may be part of the work to help ensure financing for a pilot phase after the study. The main outputs should be agreements needed to move on to a testing or demonstration phase e.g. permits and licenses, environmental impact assessment (EIA) approvals, access to land, supply and purchase agreements.
- b) **Pilot Project:** Testing of an RE/EE product, service, and business or delivery model for the first time or in a new market. Activities should test the conditions and develop operational details on a small scale regarding e.g. feasibility, time, cost, size and risks before a large scale roll out or commercialisation. Proposals should clearly indicate further steps envisaged within an overall market development strategy that will apply lessons learned from the pilot phase.
- c) **Demonstration Project:** Implementing a tested product/service or technology in an actual market context to establish evidence that it is a viable concept and could be applied elsewhere in similar circumstances. The project proposal should clearly indicate the specific context, such as the geographical or socio-economic area, and describe further steps towards roll out or commercialisation. The proposal should provide the basis for a high probability of success, such as experience gained from other markets or in test environments.
- d) **Replication Project:** A project that has proven the viability of its technology and the sustainability of its business model in one market and is now looking for support to take the model to another market. Applicants need to demonstrate an understanding of the target market e.g. market barriers, existing alternatives, current demand and future growth potential, and differences to the current market of operations. A replication can be conducted either nationally, to a different geographical area within the existing country, or regionally, to another EEP partner country.
- e) **Scale Up Project:** A project that has a high probability of reaching commercial viability with "bridging finance" from EEP. Applicants should provide information on the commercial maturity of the business or project and why EEP funding is needed. The application must clearly demonstrate what the bridging finance is for, why this funding has not been obtained from other sources, and how and when the business or project would graduate to a level where it could obtain commercial funding, etc.

## Technologies

EEP Africa is technology neutral and supports the following renewable energy and energy efficiency (RE/EE) technologies: Biofuels liquid, Biogas, Cookstoves, Energy efficiency, Geothermal, Hydropower, Solar PV, Solar thermal, Solid biomass, Waste to energy, Wind power, other RE/EE technology or a combination of the previous, including energy storage projects.

## Geographic Scope

The project must be implemented in at least one of the following countries: Botswana, Burundi, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

Projects may be implemented in more than one of the above countries as regional projects. Projects that allocate more than 80% of resources to one country cannot be considered regional.

## Project Duration

The project implementation period is limited to 24 months after signing the contract. Applicants should propose the project period based on their best estimate of the time necessary to finalise all project activities and report to EEP Africa.

## EEP Financing

Under this call, EEP Innovation financing takes the form of grants and repayable grants in the range of EUR 200,000 –500,000. Requests outside this range are ineligible.

Meaningful co-financing participation in the total project budget is a minimum eligibility criteria to demonstrate credible ownership and risk sharing. Co-financing can be in the form of equity, loans, credit facilities or grants and is required to be in place and verified prior to disbursement of EEP financing. Projects requesting financing must be able to mobilise at least 30% co-financing as a share of the total project budget.

Higher levels of co-financing are encouraged with particular emphasis on own financing (“skin in the game”) by the project developer and will be given additional consideration in the evaluation phase if deemed credible and feasible. Indication on sources and types of co-financing is required at application stage. All co-financing should be new financing to the project. Costs and expenditures incurred prior to EEP financing are not eligible for consideration. In-kind co-financing is not considered eligible.

Projects with a focus on the preparation of feasibility studies for an on-grid and/or utility scale development, which is approaching a clearly definable financial close, are considered for repayable grants. Repayable grant components are treated as no interest and can be subordinated to other financing. The repayment period shall not exceed five (5) years from project start, and applications featuring a repayable component will be assessed partly based on the credibility of the repayment plan.

All other projects under this call are eligible for grant financing.

**Example 1:**

Application for EEP Africa funding 300 000 €



■ EEP grant  
■ Co-finance required (minimum)

**Example 2:**

Application for EEP Africa funding 400 000 € for on-grid/utility scale feasibility study with well-defined financial close



■ EEP Repayable grant (considered)  
■ Co-finance required (minimum)

The financing plan of the proposed project shall identify how the total budget is covered in terms of: a) funding sources, b) types of finance, and c) the status of readiness for each finance component (verified/available, being negotiated, date of expected commitment, applied or other). The availability/commitment of the minimum share of co-financing needs to be clearly addressed in the application.

## Project Partners and Consultants

All applicants, project partners and consultants must operate in line with the NDF Policy on Anticorruption and Integrity (<https://www.ndf.fi/integrity-and-anticorruption>). Any indication of non compliance will cause automatic exclusion. All applicants and project partners will be identified and verified during the CFP process and must pass an integrity due diligence.

All applicant organisations must demonstrate the necessary skills and experience to successfully deliver results within the EEP Africa project duration, as well as a long-term commitment to develop the project/business to its full fruition. In particular, start-up companies need to demonstrate their capacity in delivering project activities.

Project budgets should not include any margin/profits for the lead applicant nor for any partner organisations. Applicants need to adhere to generally accepted good procurement practices and the applicable procurement guidelines of EEP Africa, which can be found in the Administrative Manual for Project Implementation.

# 5. Evaluation

All proposed projects need to demonstrate clear additionality and rationale for EEP funding. The evaluation will assess the additionality of the proposed project across the different evaluation categories of Concept Innovation, Development Impact, and Business Model and Financial Sustainability.

The applicant should demonstrate in the Concept Note why EEP funding is needed. What results will only materialise with the help of EEP funding? What is the rationale for EEP funding compared to other financing available in the market (including commercial financing)?

For this themed call, the evaluation will have a strong emphasis on assessing the proposed approaches to developing clean energy for productive use and in a circular economy. The applicant should illustrate the impact of these approaches to green growth, increased economic activity and job creation in the renewable energy and energy efficiency sector.

Please take note of the specific evaluation criteria and provide in your application clear and concrete justification for why your project needs EEP Africa support. By reading the instructions carefully and submitting a well-prepared and fully completed Concept Note, you increase your chances of being selected for EEP funding.

Applicants are encouraged to be as realistic as possible when stating their anticipated project outputs. Successful applicants will be contracted against the outputs indicated and regular monitoring and verification by the EEP Africa team will be undertaken to review performance against indicated outputs.

All eligible applications will be evaluated according to three equally weighted categories:

- 1) Concept Innovation
- 2) Development Impact
- 3) Business Model and Financial Sustainability

## 1) Concept Innovation

The evaluation will assess innovation in any of the following areas: business models, markets (or market segments) or technology as well as innovations in financing or distribution models.

- What degree of innovation does the proposed project entail? Transformational (impact on regional level), breakthrough (market level) or incremental (company level)?
- Has the innovation been adapted to the local market?
- Viability of the proposed technology in the project operating environment versus innovation in the technology?
- How is energy efficiency considered in the products, different areas of project implementation and the business model in more general?

## 2) Development Impact

The evaluation will assess the development impact of the proposed project. Applications should demonstrate a quantifiable contribution towards the key development targets of EEP Africa:

- People with enhanced energy access
- Savings on energy-related expenditure
- Women in leadership
- Direct job creation (with a specific focus on jobs created for women and youth)
- Mobilised finance
- GHG emissions reduced or avoided
- Clean energy capacity supported

Applicants should present a clear narrative detailing how the project supports the SDGs, with particular focus on: No Poverty (SDG 1); Gender Equality (SDG 5); Affordable and Clean Energy (SDG 7); Decent Work and Economic Growth (SDG 8); and Climate Action (SDG 13). Indication of contributions to other SDGs are also valued and should be demonstrated in the application. Given the green growth theme of this call, specific attention should be given by the applicants on describing how the project contributes to SDG8: Decent Work and Economic Growth.

Applicants should also describe how the project incorporates EEP Africa's cross-cutting objectives of climate change, poverty reduction, development effectiveness, inclusive development, gender equality and human rights.

More specifically, applicants should answer the following questions:

- How does your project contribute to inclusive and sustainable economic green growth?
- How does your project contribute to productive use of clean energy?
- How does your project promote the principles of circular economy? How do the activities link to renewable energy and energy efficiency?
- How does your project contribute to gender inclusion and women's empowerment?
- How does your project contribute to poverty alleviation?
- What kind of local engagement does the project entail?
- Who are the end beneficiaries? What is the target customer segment?

In compliance with NDF's Environmental and Social Policy and Guidelines 2017 ([https://www.ndf.fi/sites/ndf.fi/files/attach/ndf\\_environmental\\_and\\_social\\_policy\\_and\\_guidelines\\_0.pdf](https://www.ndf.fi/sites/ndf.fi/files/attach/ndf_environmental_and_social_policy_and_guidelines_0.pdf)), the evaluation will also assess environmental and social risks, potential negative impacts of the project, and how well the applicant has established mitigation measures to address such risks.

### 3) Business Model and Financial Sustainability

The evaluation will assess the overall sustainability and value-for-money of the project to deliver positive impact in the market and remain viable after EEP financing is completed. Attention will be paid to how well projects reach difficult markets through products/services or technology, business or delivery concept and overall risk analysis and mitigation strategy.

More specifically, applicants should address the following questions:

- What is the target market and how does the business model overcome the current market barriers and challenges?
- How will the business model impact the targeted market and its development as a whole? How does the project avoid or counteract market distortion?
- What are the key measures and indicators of business success, and what are the key factors impacting long-term viability of the business model?
- What is the capacity and track record of the Lead Applicant and partners (including project team members)?
- How is the business model embedded in the local context?
- What is the level, commitment and type of co-financing? Higher level of co-financing, commercial financing and confirmed co-financing is preferred.
- What is the scope and potential for leveraging and crowding-in follow on investment? Does the proposed project demonstrate capacity for scale-up and/or replication?

# 5. Application Process

EEP Africa follows a competitive, two-stage application process. In the first stage, all eligible applicants are invited to submit Concept Notes. In the second stage, selected applicants will be invited to submit a Full Proposal.

## STAGE 1 – CONCEPT NOTE

All submitted Concept Notes will be screened for eligibility. Eligible projects will then be evaluated based on the three key criteria (Concept Innovation, Development Impact and Business Model & Financial Sustainability). Based on this evaluation, selected applicants will be invited to Full Proposal stage.

## STAGE 2 – FULL PROPOSAL

The Full Proposal will be subject to a technical evaluation and comprehensive due diligence review. Based on the evaluation and due diligence process, the EEP Investment Committee will make the final selection of projects for financing. The Investment Committee may propose adjustments or improvements to the project design. Additional information on the Full Proposal process will be shared with selected candidates.

## Submission Details

All applications are to be submitted through an online Concept Note form in the EEP Portal. All applicants must register for the application process and use of the online application tool. No other forms of application will be accepted.

Your first step in the application process is to register as an EEP Portal user through this link: <https://eepafrica.kpmg.fi/register>. All applicants must register and submit their Concept Note in the EEP Portal. [Please note that if you already have an EEP Portal user account it cannot be used for the application process. You must create a new account using a different email address.] You are required to approve the Terms of Service in order to register. Once your user account is created you can start filling in the Concept Note form. During the application process, you can log in through <https://eepafrica.kpmg.fi>.

The EEP Portal allows you to save the Concept Note form and continue or edit it at a later stage without losing any information already entered. The system regularly saves the form automatically. Once you have fully completed your Concept Note, it must be submitted to EEP Africa by pressing 'Submit'. Only submitted applications will be considered for financing. After submission, changes to the Concept Note are no longer possible. Please only submit one Concept Note for your project.

EEP Africa and NDF cannot be held responsible for any accidental loss of entered information or inability of the applicant to access our online submission portal. EEP Africa will not accept

any form of proposal submission other than the online submission tool. Please note that partially completed applications or applications filled in any language other than English will not be considered.

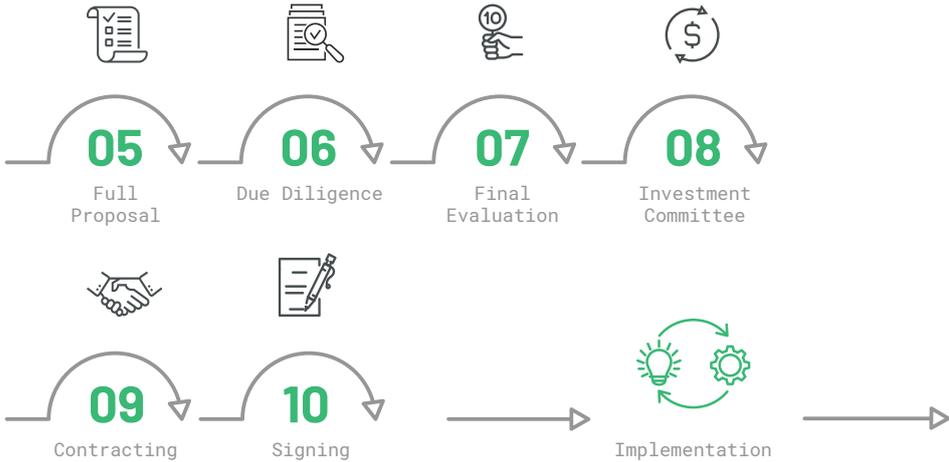
The deadline for submission of Concept Notes is **10 March 2020 at 13:00 (Helsinki time, GMT+3)**. Late submissions will not be accepted and the system will not allow late submission. Each applicant will receive a confirmation email after a successful submission.

The EEP Africa team will provide additional information and answer questions throughout the application process. You can contact us at [cfp@eepafrica.org](mailto:cfp@eepafrica.org).

## Concept Note



## Full Proposal



## Contracting

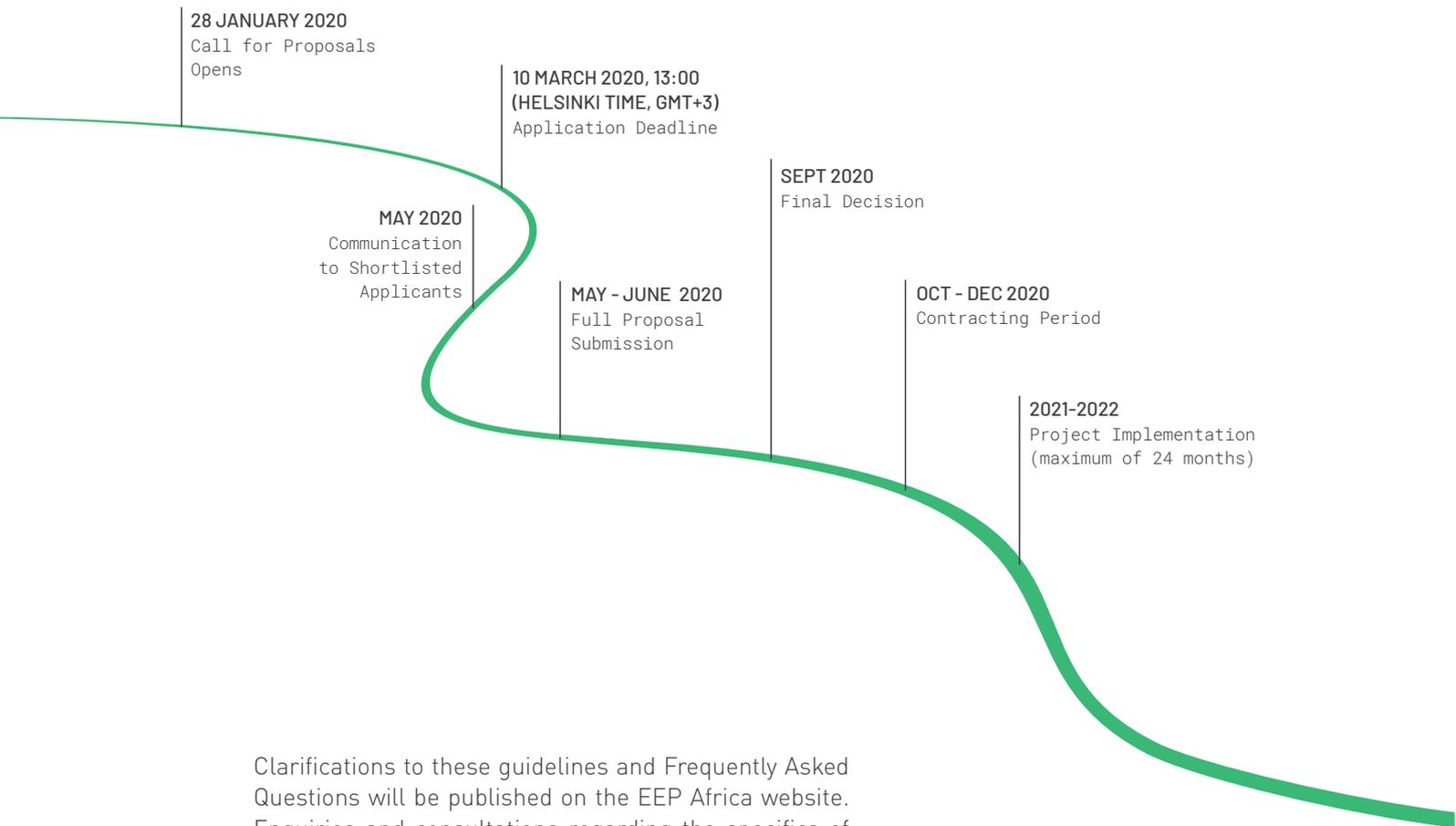
NDF holds a right of no-objection on all project decisions stemming from the Investment Committee. All decisions by NDF are final.

Pending approval and successful contracting discussions, applicants will enter into a financing contract with NDF. The contract template is standard and non-negotiable.

The contract will enter into force and mark the start of project implementation upon signature by both parties. The contract package will include detailed annexes governing all aspects of project implementation. The project administrative manual is available for review on the EEP Africa website.

Disbursements will be processed upon satisfactory verification of the achievement of project milestones. These milestones will be defined for each project according to budget and project design.

# Communication and Indicative Timeline



Clarifications to these guidelines and Frequently Asked Questions will be published on the EEP Africa website. Enquiries and consultations regarding the specifics of individual applications are not allowed.

EEP Africa has no obligation to make any decisions of funding and reserves the right to amend the guidelines and eligibility criteria at any point in time.

EEP Africa agrees to regard all information related to the application and subsequent progress of the project that is not in the public domain as confidential, if not otherwise communicated and agreed. Only EEP Africa staff and consultants, members of the Investment Committee, and NDF officials will have access to your application without your prior approval.

Any questions or clarification regarding the application form and process are to be sent no later than 14 February 2020 to [cfp@eepafrica.org](mailto:cfp@eepafrica.org)

### **Disclaimer**

This material has been funded by Austria, Finland, and NDF.  
The views expressed do not necessarily reflect the donor governments' official policies.

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[info@eepafrica.org](mailto:info@eepafrica.org)  
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