

## EEP Africa - Call for Proposals FAQ

*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). Enquiries and consultations regarding the specifics of individual applications are not allowed. Please see below the compiled FAQ which is subject to later updates.*

### **Are there any target commitments in the call based on fund size, geography or technology?**

No target commitments have been established. EEP Africa aims to support a diversified portfolio of projects across technologies, business models, geographies, project developers and stage of development. Selection will be based on the evaluation criteria defined in the [Call for Proposals Application Guidelines](#).

### **Do all partners in a consortium need to be eligible applicants?**

No, only the Lead Applicant that needs to meet the eligibility criteria for a registered legal entity and type of organisation. The Lead Applicant decides which entity/-ies, if any, are suitable partner(s) for the project. The Lead Applicant has full responsibility for the implementation of the project, including compliance with the funding contract and reporting. It is therefore recommended that the Lead Applicant and the project partner(s) sign a separate contractual agreement.

### **Is there a standardized project implementation period and start date?**

The project implementation period is defined by the Applicant up to a maximum of 24 months. The feasibility of the proposed project timeline will be evaluated; please be realistic in your planning and proposed timeline. The start date will be determined at the contracting stage. The [Application Guidelines](#) provide the estimated timeframe for contracting.

### **Can proposals include countries other than EEP Africa's 15 target countries in Southern and East Africa?**

Projects implemented in countries outside the geographical scope of EEP Africa are not eligible for funding.

### **Can my organisation be awarded more than one EEP grant?**

The call for proposals is a competitive process through which EEP Africa aims for a diversified portfolio, including in terms of project developers supported. In each Call for Proposals, an organisation can only submit one project proposal as the Lead Applicant. An organisation may be included as a partner in more than one application, but participation in multiple proposals must be feasible and justified.

### **What level of financing is available in this Call for Proposals?**

In this call, Applicants may request financing in the range of EUR 200,000 to EUR 500,000 (minimum co-financing 30%). Requests outside of this range are ineligible.

### **What can be considered as co-financing?**

Co-financing can be in the form of equity, loan(s) or grant(s) and is required to be in place and verified prior to the disbursement of EEP financing. EEP Africa accepts all sources of funding including own equity contribution, contributions from partner organisations, commercial and other debt, grants and other soft funding. Financial contributions from the Lead Applicant and active partner organisations demonstrate commitment ("own skin in the game") but are not an eligibility requirement.

In-kind contributions are not eligible as co-financing. The value of pre-existing assets that will be used in the project cannot be offered as co-financing nor can the value of non-remunerated work. Land donated or obtained free-of-charge for the project is not considered as an eligible cost or co-financing.

### **Do co-financing conditions apply per activity or can co-financing be defined at the project level?**

The co-financing is applicable at the project level but will be detailed to activity/costs level. The Applicant should suggest the division of co-financing between activity/cost items. The EEP Africa and co-financing contributions to specific budget lines/items will be defined in detail during the Full Proposal and contracting stages. The contract will be based on milestones for the project.

### **Are there any limits to earlier grant funding received?**

There is no limit to earlier grant financing or the source of the organisation's financing if it is in line with NDF guidelines. However, in the evaluation and selection process the financial sustainability of the Project Developer and long-term viability of the business will be evaluated.

### **Which costs are eligible and are there caps for any budget lines, such as administrative costs?**

Please refer to the [Administrative Manual for Project Implementation](#), which includes a list of all eligible as well as ineligible costs. The definitions are the same regardless of the development stage of the project. There are no specific caps on any budget lines but please note that general overhead is not an eligible cost. The application evaluation process includes an assessment of whether the budget is reasonable in relation to the project type and size.

### **If "overhead" is ineligible, can any general costs be included in the project budget?**

Overhead cannot be included in the budget as a lump sum or as a share of total costs. However, general costs (indirect costs) resulting from project activities (such as telephone, electricity or water, as well as accounting, rental and cleaning, and office costs) are eligible. The allocation of indirect costs must be clearly demonstrated to have occurred from the project and be supported by relevant documentation.

### **Since project budgets should not include profits, does this mean that EEP Africa does not fund projects that are financially profitable?**

EEP Africa is looking for projects that are financially sustainable or demonstrate a business model with a clear path to financial sustainability in the long-term. However, profits should not be derived directly from EEP project expenses, i.e. EEP Africa only covers incurred cost as per receipts, not with a margin added. Applicants need to demonstrate the rationale for EEP Africa funding, for example in terms of proving a business model or reaching a difficult market segment of disadvantaged people. Proven business models focused on mainstream markets are not attractive to EEP Africa.

### **Can a regional project be considered multi-country and project budgets be treated separately?**

A regional project must have one aggregated project budget and the Applicant must be able to report all costs attributable to the project budget. Co-financing is also required on a project level, not separately for individual project countries.

### **Are feasibility studies eligible for grants or only repayable grants? If the feasibility study determines that the project is not feasible, must the funds still be repaid?**

EEP funding requests for feasibility studies of on-grid and/or utility scale development with a clear financial close are considered for repayable grants. However, the repayable grant and specific terms will be defined at the Full Proposal and contracting stage. Feasibility studies that determine a project is not feasible or that cannot raise the necessary funds for a financial close are likely to have the repayment condition waived.

### **What is the timeline for repayment of the repayable grant?**

The repayment schedule will be defined during the Full Proposal and contracting stages. Repayments can be scheduled as installments or lump sum payments. Repayable grants should be fully repaid within 5 years of the start date of the EEP Africa contract. Applications with a repayable component will be assessed partly based on the credibility of the repayment plan.

**What is the difference between feasibility studies and market studies/technology research in terms of eligibility?**

A feasibility study is specific to an already defined project and is eligible. Market studies and technology research that are of a more general nature, such as efforts to learn about a specific market and technology in order to provide information for project design, are not eligible.

**Is innovation necessary in replication and scale-up projects?**

All Applicants must describe the expected innovation for their project. Innovation is not the main selection criteria for replication and scale-up projects. However, it is our experience that growth is difficult without certain innovations in execution. Innovation at this stage of project development could relate to what the project has learnt in the pilot and demonstration phases.

**Are there particular technologies that are prioritised by EEP Africa?**

EEP Africa is technology agnostic and provides funding for any renewable energy or energy efficiency technology, or combination of technologies, that makes sense within the context of the proposed project. The theme of this call is Clean Energy Powering Green Growth. Clean energy technologies that support productive use of energy or circular economy solutions will be evaluated positively.

**Is an energy efficiency project that includes the use of fossil fuels be eligible under EEP Africa?**

EEP Africa funds projects that are in line with [NDF Environmental and Social Policy Guidelines](#). Accordingly, EEP Africa does not finance activities that increase use of fossil fuels and/or prolong the technical or economic lifetime of heat and power production using fossil fuels. This includes projects based on LPG technology. Please consult the NDF guidelines for additional guidance and the full exclusion list.

**Are projects using biomass for purposes other than energy generation eligible?**

EEP Africa recognizes there are a number of productive uses of biomass that are beneficial for the environment and could potentially contribute towards the targets of EEP. Biomass projects related to renewable energy and/or energy efficiency are eligible for EEP Africa funding. In the Concept Note, Applicants should carefully consider and describe how the project will contribute towards the key SDGs targeted by EEP Africa.

**Are projects focused on providing innovative financing to clean energy enterprises eligible for financing?**

Innovative financing schemes are eligible under the current call, as long as the Applicant can demonstrate concept innovation and how the financing scheme contributes to the SDGs targeted by EEP Africa.

**Are projects related to water purification (through renewable energy technology) eligible for funding?**

EEP Africa aims to increase the adoption of renewable energy and energy efficiency for productive use. Consequently, projects using renewable energy in productive ways, such as for water purification, may be eligible depending on the details of the project.

**Can I apply for EEP Africa funding for an existing project that would otherwise go unfunded?**

An existing project is eligible if the proposal meets the evaluation criteria and the additionality of EEP funding is well justified and specified in the proposal. However, the project plan and budget can only include activities that will be implemented during the project contract period. Costs incurred prior to the contract start date cannot be considered as part of EEP project costs or co-financing.

**What level of project development (licenses, etc.) is required from mini-grid projects?**

There is no specific requirement for the stage of development of a mini-grid project. A permit/MoU proving local commitment is helpful but not required. The potential of the project will be evaluated from several different perspectives based on the information provided in the Concept Note.

**Is there a need to demonstrate government support for public sector-related projects?**

Demonstration of government support for public sector-related projects is not required but, depending on the project type, any indication of local commitment is helpful in proving the viability of the project.

**Is an international private company eligible to be the Lead Applicant?**

Yes, the Lead Applicant can be based and registered in any country. However, the project must be implemented in one (or more) of the 15 EEP Africa countries and the needs to demonstrate credible local engagement. See the [Application Guidelines](#) for further guidance on what constitutes local engagement.

**Are government owned utilities and research centers eligible to be partners (in a project consortium)?**

Yes, government agencies and other public institutions, including UN agencies, can be project partners. However, such entities can NOT be Lead Applicants.

**Can a start-up company that lacks its own balance sheet be structured with equity partners? How should the partnership with co-financing partners be proven?**

Applicants need to demonstrate the relationships, previous activities and engagement with the project partners. Co-financing in the project is one of the elements that can demonstrate the partnership. EEP will review whether the proposed co-financing is reasonable and credible. Meaningful co-financing participation in the total project budget is a minimum eligibility criteria to demonstrate credible ownership and risk sharing. The co-financing is required to be in place and will be verified prior to disbursement of EEP financing. Further detailing and review of co-financing will be conducted by EEP Africa in the Full Proposal and contracting stage.

**If one of the project shareholders is a developer and an EPCM company, is it acceptable to grant the EPC works to this company (if it's more cost and time effective due to project's small size)?**

If the Lead Applicant or one of the partner organisations is an EPCM company and the project includes such services, it is acceptable to grant the services to this organisation. However, if the EPCM company is not included in the application then a proper procurement process is required. Please see the [Administrative Manual](#) for details on procurement and eligible project costs.

**Is it an acceptable structure for the Lead Applicant to transfer the grant funds to a project company that is created solely for the purpose of the project and becomes the owner of the asset?**

The suggested project structure is allowed in EEP Africa. However, the Lead Applicant is contractually responsible for all project and financial activities and reporting. The contractual relationship is only between NDF and the Lead Applicant.

**Is the Lead Applicant expected to make a co-financing contribution when co-financing is being sourced through an external party (such as a technical partner or EPC contractor)?**

It is not an explicit requirement that the Lead Applicant provide co-financing. However, projects that have financial contributions from both the Lead Applicant and partner organisation(s) are looked upon favorably as this demonstrates commitment by all parties.

**Do the full financial plan and other financial details need to be in place already in the Concept Note stage or can the finer details be outlined in Full Proposal?**

You are expected to provide a project budget and financing plan. The credibility and reasonability of the budget and financing will be evaluated at the Concept Note stage. The details of the budget and financing will be elaborated at the Full Proposal and contracting stages. In terms of the organisation's financial information, you are requested to provide annual figures (turnover, operating results and total assets) from 2017-2019.

**Can changes or adjustments be made between the Concept Note and Full Proposal stages?**

Based on the evaluation of the Concept Notes, EEP Africa will request further elaboration and information at the Full Proposal stage from the shortlisted Applicants. Minor changes and adjustments to the project proposal are allowed at this stage but the overall goals and objectives of the project cannot be changed.

**Will there be opportunities for funding beyond this Call for Proposal and, if so, how many and when?**

EEP Africa conducts 1-2 calls per year. The timeline and theme for future calls have not been determined. Information on upcoming calls is shared on the [EEP Africa website](#), newsletter and other channels.