



## **FREQUENTLY ASKED QUESTIONS**

EEP Africa Call for Proposals 2023

18 April 2023

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### PLEASE NOTE!

Once you have started the application process, we strongly recommend that you use the in-platform support function to communicate any questions or problems you may have. If this is not possible, please send your enquiries to [cfp@eepafrica.org](mailto:cfp@eepafrica.org)

**Please do not call EEP Africa staff with questions about your application.**

Any enquiries and consultations regarding the specifics of individual applications are not allowed.

Any questions or clarification regarding the application form and process are to be sent **no later than 5 May 2023** to ensure adequate time for response.

This FAQ document is subject to later updates. Most questions can be answered by carefully reading the CfP 2023 Application Guidelines (the Guidelines) or the Project Implementation Guidelines (the PIM).

## 1. ELIGIBILITY OF THE APPLICANT

### **Does the Lead Applicant need to be registered in the EEP Africa region?**

NO, the Lead Applicant can be registered in any country. However, the project must be implemented in one (or more) of the 15 EEP Africa countries.

### **Are NGOs/INGOs/universities eligible to be the Lead Applicant?**

NO, NGOs/INGOs/universities are not eligible. However, they are eligible to be project partners. For further information, please see Section 5.6 "Partnerships" in the Guidelines.

### **Are government owned utilities and research centres 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 CANNOT be Lead Applicants. For further information, please see Section 5.6 "Partnerships" in the Guidelines.

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

NO. Only the Lead Applicant must be eligible.

### **Are project partners signatories to the grant?**

NO, the Lead Applicant has full responsibility for the implementation of the project, including compliance with the Grant Contract and reporting. It is therefore recommended that the Lead Applicant and the project partner(s) sign a separate contractual agreement between themselves.

### **Are there any restrictions in terms of company size?**

Companies of any size are eligible to apply. However, please note that EEP Africa aims to support innovative early-stage clean energy solutions with limited access to finance. Therefore, more mature/larger companies need to pay more attention to proving additionality.

### **Do you consider those companies that have been in existence for more than 6 months but have registered a little later?**

NO, all Lead Applicants must be registered for at least six months before the EoI opening date (on 14 October 2022 the latest). If this rule makes you ineligible, you can start preparing for the Call for Proposals 2024 expected to be launched in Q1/2024.

### **Are registered startups with no operational history considered?**

YES, they can be considered if they have been registered minimum 6 months before the CfP launch. However, as EEP Africa CfPs are generally highly competitive, it is unlikely that such applicants would be shortlisted without concrete proof of having been **actively working** on their project/business.

### **Can my organisation be awarded more than one EEP Africa grant? Can a company submit 2 Expressions of Interests for 2 different projects to this same call?**

NO. In each Call for Proposals, an organisation can only submit ONE project proposal **as the Lead Applicant**. However, in addition to being a Lead Applicant in one application, organisations are eligible

to be involved in other applications as a project partner. In such case, the evaluation team will pay special attention to the implementation capacity of the organisation. Doubts about spreading resources “too thin” may adversely affect the chances of shortlisting.

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

NO, there is no limit to earlier grant financing received. However, in such cases the evaluation team would expect to see 1) clear progress on company development, and 2) how EEP Africa grant will build on the past support. Doubts over business model being dependent on grants will make shortlisting unlikely.

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

YES.

**If we have a parent company and that parent company has subsidiaries in the listed countries like Zambia, Uganda, Malawi, Tanzania and Mozambique. Can those subsidiaries all apply for projects in those countries and get assured co-financing from the parent company?**

YES, it is possible if the subsidiaries are registered as separate legal entities.

**Can a local company in the EEP Africa region team up with a company from the Global North for the deployment of their technology/concept in an EEP Africa country?**

YES. In such case the evaluation team is likely to pay special attention to the nature/strength of your partnership, as well as the potential suitability of the solution in the local context.

**Our clean energy social enterprise is established and operational in Africa but not in the EEP Africa region. Could we apply to bring our model to one of the EEP Africa focus countries or must we already have a presence in the target country? And is it mandatory that we secure a local partner in the target country to apply?**

YES, you can bring the model to one or more of the EEP Africa target countries. It is not mandatory to have a local partner. However, being able to demonstrate local presence and local know-how will increase your chances of getting shortlisted. For further elaboration of locally driven solutions, please see Section 3.1 “General characteristics” in the Guidelines.

**If one of the project shareholders is a developer and an Engineering, Procurement and Construction Management (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)?**

It is possible but such instances are always evaluated on a case-by-case basis depending on the rationale/documentation provided. For further guidance on direct procurement, please see Section 7 “Procurement” in the PIM.

**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?**

This is possible in some instances, such as setting up a Special Purpose Vehicle (SPV) for project delivery or investment purposes. Such an arrangement needs to be well described in the EoI and will be evaluated on a case-by-case basis.

## 2. ELIGIBILITY OF THE PROJECT

### **Where can projects be implemented?**

Projects can be implemented in one or more EEP Africa target countries (Botswana, Burundi, Eswatini, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe). **Projects in any other country are ineligible for EEP Africa financing.**

### **Are viability studies on city waste biogas or feasibility studies of the same eligible?**

YES, if the feasibility study is aiming for clear financial close.

### **Do you consider waste management projects as well?**

YES, if there is a link to energy. EEP Africa has provided grants to several waste to energy projects in the past.

### **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?**

Feasibility studies are always treated as repayable pending financial close of the project.

### **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.

### **Do you fund e-mobility pilot projects?**

YES, we have funded e-mobility pilot projects.

### **Is ethanol cooking fuel production as a biofuel eligible?**

That would depend on the context. Please see the EEP Africa exclusion list presented in the Annex 1, point 9, of the Guidelines.

### **If the technology is not new, but the business model of delivering the technology to the final recipient is unique, can that application be considered?**

YES, innovation can be demonstrated in the technology and proposed product, in the business model (including the financing model, distribution approach, service, etc.), in partnerships or other innovations that do not fall under these three categories. Innovation can also include replication and scaling of comparatively mature and tested technologies or business models into new nascent markets.

### **Are innovations related to the development of data driven funding mechanisms aimed as scaling renewable energy projects eligible to apply?**

NO, developing funding mechanisms is not eligible.

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

NO, developing funding mechanisms are not eligible.

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

YES, innovation can also include replication and scaling of comparatively mature and tested technologies or business models into new nascent markets. For further clarification on innovation, please see Section 3.1 "General characteristics" in the Guidelines.

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

EEP Africa is technology agnostic, but all solutions must be based on renewable energy sources or energy efficiency.

**Is an energy efficiency project that includes the use of fossil fuels be eligible under EEP Africa? Can you clarify whether Liquefied Petroleum Gas can be considered as clean energy?**

Any activities that increase the use of fossil fuels and/or prolong the technical or economic lifetime of heat and power production using fossil fuels are not eligible. This includes projects based on LPG.

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

The project needs to have a component linked to clean energy. So, if the link exists, then the project is eligible within the provisions of the Guidelines.

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

YES.

**Can the project proposal include multiple technologies, such as mini grids, cookstoves and water access?**

YES, one project may include multiple technologies. For type of technology in your application, please select hybrid technology or the dominant technology applied in your project. Please describe in your application how the technologies are interlinked.

### **3. FINANCING AND ELIGIBLE COSTS**

**Can the financier be an independent entity, or does it have to be one of the project partners?**

YES, the financier can be an independent entity.

**Is government funding acceptable as co-financing?**

YES, government funding is acceptable as co-financing.

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

Co-financing is defined at the project level but is generally expected to be balanced across activities.

**Does the project have to be able to prove 30% co-funds at the time of application or can it be confirmed at a later stage?**

Co-financing needs to be secured by the time of the first project milestone in order to release any disbursements. At the time of application, applicants should provide details of their planned co-financing at EoI stage. They can submit proof or a Letter of Intent for co-financing at full proposal stage to strengthen their case with the Investment Committee. The expectation of when co-financing is secured may vary with the maturity of the company and the project. For further information, please see Section 4.3 “Co-financing” in the Guidelines.

**Is it possible for the project to start before EEP Africa approval or contracting using other funds, and then include these in the project budget once the EEP Africa funds become available?**

Expenses incurred before EEP Africa grant award are not eligible. However, for development phase projects some costs can be counted as in-kind even if they happen before the project start (see Section 9.2 of the PIM). For further information, please see Section 4.3 “Co-financing” in the Guidelines and Section 9 of the PIM.

**For startup companies in the region where angel investors or access to debt financing is non-existent and the formal finance and investment environment is highly risk averse, co-financing would be difficult. Would EEP Africa be willing to support startups that may not be able to afford the required co-financing in part or whole?**

The 30% co-financing is a must. This can be provided through cash and (in some cases) in-kind co-financing, with co-financing ratios based on project phase and company maturity. In some cases, EEP Africa might be able to help some companies to secure co-financing by making introductions to other supporters/investors after shortlisting. For further information, please see Section 4.3 “Co-financing” in the Guidelines.

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

NO, 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. Relevant licenses need to be provided but can be secured as part of milestones in some cases.

**Are estimates of budget costs adequate at the concept note stage or are you looking for exact costs based on firm quotations from suppliers?**

Budget estimates are enough at EoI stage. However, we encourage applicants to use realistic estimates to ensure the proposed budget is competitive based on proposed activities.

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

EEP Africa grant funding needs to demonstrate additionality. See Section 3.1 of the CfP guidelines. If the project is already financially profitable, then there is clearly no need for the EEP Africa grant. However, EEP Africa is happy to support projects/grantees that are on their path to profitability but still need grant financing to get there.

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

NO, there is only one project budget whether the project be in one country or multiple.

**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)?**

NO, the Lead Applicant does not necessarily need to contribute additional co-financing if the full co-financing requirement is met through other partners/investors. However, the Lead Applicant can demonstrate more “skin-in-the-game” by contributing to financing themselves.

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

NO, the full financial plan does not need to be in place already at the Eoi stage. Companies will, however, be evaluated on a “sensible budget breakdown”. For more information, please see Section 6.1 “Eoi Stage” in the Guidelines.

Under the Full Proposal, the applicant will be expected to submit a full project budget (as per the budget template) which details the project budget and co-financing plans.

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

It is anticipated that EEP Africa will continue to launch CfPs annually during Q1 at least for the next 3-4 years. Further CfPs are subject to successful fundraising.

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

For eligible and ineligible project costs, please see Section 9. “Eligible Project Expenditure” in the Project Implementation Manual. There are no explicit caps for specific budget lines. Regarding the budget, the most important thing is that the breakdown is sensible and it is clearly defined how it will help you undertake your proposed project.

**Are you able to fund construction activities?**

YES, if they are linked to a project with clear clean energy components.

## **4. APPLICATION PROCESS AND OTHER QUESTIONS**

**I understand that the grant contract will be made in December 2023. Can you please also advise us when the project should be started? Is there a standardized project implementation period and start date?**

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. There is no specific pre-defined start date. Project timeline will be reviewed and discussed in more detail during shortlisting.

**How many ventures do you support per cycle? As the last calls had only a 6% success rate, what is the aim this time please?**

This depends on the available financing, average ticket size, as well as the number of high-quality applications received. Typically, EEP Africa has contracted 20-30 grantees per CfP. It is good to note that the reason for low success rate has been the high number of applications received. As a response, EEP Africa has made the Eoi-stage lighter to save the applicants’ time. The success rate of the shortlisted candidates has typically been around 70-80%.



**How many companies do you fund per country? Do you only fund one project per country in those 15 countries?**

We do not have any specific quota, but we do aim to have a diverse portfolio across countries and technologies (subject to receiving high quality applications).

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

NO, the commitments will be dependent on the available financing as well as the number of high-quality applications received. EEP Africa aims to have a diverse portfolio across countries and technologies.

**Does EEP Africa provide project post-financial close support and mentorship?**

EEP Africa does not have a structured mentorship programme for ex-grantees. Providing such support can be on case-by-case basis. EEP Africa has some budget to support such activities or may help the Grantees in finding support elsewhere by making relevant introductions.