

SMALL PROJECTS FUND – CHALLENGE CALL: CONDITIONS AND CRITERIA

Any application to the Small Projects Fund – Challenge Call (SPF-CC) will be checked against the conditions and criteria described below. If your organisation or project does not meet the below criteria, project proposals cannot be processed.

Projects that do meet the conditions and criteria will be assessed and evaluated in a decision board composed of the German Federal Ministry for Economic Cooperation and Development (BMZ), the BMZ special representatives for energy in Africa and GIZ (hereafter referred to as decision committee)

Any funding support is contingent on the approval of the BMZ.

1. Description of the SPF-CC – One call two challenges

1.1 Context

The GIZ Green People's Energy (GBE) project, through its Small Projects Fund, offers financial support to initiatives in the field of **decentralised renewable energy**. The fund assists organisations in implementing their own non-profit project ideas in sub-Saharan Africa. With its Challenge Call, the Fund is looking for concrete solutions to either of two **identified local challenges to address**. The expected impact and likely success of the proposed solutions to overcome social, ecological and/or economic challenges in the energy sector will be analysed by an assessment committee before final submission to the decision committee. One key aspect in the analysis is sustainability, meaning that the positive effects of the project shall last beyond the project timeline.

1.2 Eligible geographies

The project's target region must be in **sub-Saharan Africa**. Projects will be supported primarily in the initiative's **focus countries** (Benin, Côte d'Ivoire, Ethiopia, Ghana, Mozambique, Namibia, Senegal, Uganda and Zambia).

Projects can also be funded in countries with a GIZ energy programme and country office, but with a lower priority and subject to a separate check. This includes Kenya, Madagascar, Malawi, Nigeria, Rwanda, and Togo.

1.3 Challenges

(1) Increasing Off-grid System Sustainability

Across Sub-Saharan Africa, a significant part of off-grid systems such as Mini-Grids, Solar-Home-Systems, Solar Lanterns or devices such as solar pumps, cooling units, etc. are already or at risk of becoming dysfunctional. This has negative socio-economic as well as environmental implications adding to the unfavorable relation of high costs related to setting up the initial hardware as compared to relatively modest financial means required for repair or maintenance. Typical reasons for this challenge include:

- No financial resources available for maintaining or repairing systems
- Lack of skilled personnel to perform maintenance and repair tasks
- Warranty and after-sales services not available or not followed through
- Lack of organisations or services targeting repair or maintenance

(2) Reducing CO2 Emissions via Energy Access

Access to sustainable and modern energy has a high potential to accelerate socio-economic development. This is particularly the case for *productive use* technologies, i.e. off-grid systems that enable income-generating activities. A relationship that is less familiar is the CO₂-emissions

reduction potential of renewable energy-based energy access. On the one hand new RE based energy access can mitigate large amounts of CO₂-emissions compared to a standard access trajectory or by replacing polluting alternatives such as Diesel generators. On the other hand, CO₂-emission certificates have the potential of unlocking additional sources of finance. Several barriers to promoting this sector coupling currently exist:

- The framework for calculating CO₂-emission reductions of different energy access project setups is not well developed.
- Lack of data on the CO₂-emission reduction potential of various energy access technologies
- Insufficient project approaches exist that aim at generating CO₂ emission reduction certificates.
- Low innovation potential of energy access projects intending to integrate coherent climate change mitigation metrics in their project approaches.

2. Applicant Eligibility Criteria – Who can apply?

2.1 Legal entity of the applicant and public benefit

- The applicant can be a non-profit organisation with a registered legal personality or SME based in the country of implementation with no structural links to industrial nations.
- For any **applicants**: There must be no limited tax liability in Germany that could be caused e.g. by generating a taxable income in Germany. In this case applicants are not eligible. For **applicants based in Germany** a non-profit status (“Freistellungsbescheid”) is mandatory. German for-profit organisations are not eligible.
- **Consortia** composed of **maximum two organisations** are eligible and can apply: Every consortium member must meet the criteria of section 2.

Further criteria to follow are:

- The applicant can **apply for both challenges separately**, but only once per challenge.
- The applicant must have a **fixed location** (registered office) **in the target country**.
- The applicant must have a **minimum annual turnover of 20.000€** and/or **minimum of three full-time equivalent staff**.
- The legal entity must **exist at least for 3 years** (since July 2018).
- The application must confirm that there are **no allegations of corruption** or investigations against the applicant’s executives or management.

Documents to be provided during the application process:

- Certificate of registration
- Tax registration certificate
- Organisational chart
- For non-profit organisations: Proof of non-profit status under local regulations and organisational statutes

2.2 Accounting System

An **appropriate accounting system** with qualified personnel must be in place. The accounting has to be done via an established software (Microsoft Excel is not eligible). The following documents needs to be provided during the application process:

- Proof of an accounting software (license).
- Annual financial statements of the past three years and if available external audit reports.
- Accounting manual

2.3 Contract award/tendering procedure

The applicant must have a minimum of written and standardized rules for procurement of goods and services in place. These rules should meet at least national contract award standards. Procurement guidelines need to be provided during the application process.

2.4 Internal and external controls

The applicant needs to have a minimum of internal and external control mechanism, ideally in writing. If available, please provide a proof of internal control guidelines and/or external audit reports.

2.5 Experience with similar contracts and GIZ

The applicant must have been active in projects with a similar context for at least three years. Previous experience with GIZ is considered as an asset. If available, please provide the precise GIZ contract numbers and/or final reports of previous projects.

2.6 Monitoring, Reporting and Evaluation

The applicant will report on a six-monthly basis in writing on main activities, outcomes and successes. Furthermore, a final report and self-evaluation are compulsory.

3 Project Eligibility Criteria – What type of project is eligible?

3.1 Technical criteria

- The intended use of funds by the project must qualify as achieving a **tax-privileged purpose** (i.e. for public benefit). Aims such as increasing sales of a private entity cannot be supported.
- The project must end before June 30th 2023. With an estimated project start no earlier than October 2021 this would result in a maximum project duration of 21 months.
- The project must address one of the two challenges (1 or 2). Please link the project approach to at least one of the sub-themes (a to e) described below. **Projects solely focused on improved biomass cooking are not allowed** and will be rejected.

Challenge 1: Increasing Off-grid System Sustainability

- a. Maintenance and Repair: Your project directly maintains/repairs defective systems in a sustainable manner or contributes to institutional solutions offering these services.
- b. Capacity Development and Training: Your project supports the training and qualification of individuals or organisations that can maintain or repair off-grid systems in rural areas.
- c. Warranty, Insurance and After-Sales Service: Your project supports rural clients and communities to access after-sales services or identifies solutions to improve the abilities of organisations to deliver these.
- d. System monitoring and communication: Your project contributes to the analysis of system performance contributing to (remote) identification of technical problems.
- e. Other: Your project covers a subject not listed above but relevant for the challenge. In this case, please specify the relevant sub-theme.

Challenge 2: Reducing CO2 Emissions via Energy Access

- a. Methodology and Monitoring Schemes: Your project intends to develop a monitoring methodology for CO2 (or other greenhouse gas) reduction effects in energy access projects.
- b. Data: Your project collects data from experimental project approaches or specific energy access technologies or setups.
- c. Pilot implementation: Your project pilots project approaches that can generate CO2-emission reduction certificates (e.g. via electric cooking or productive use).

- d. Adaptation Finance: Your project specifically targets accessing climate change adaptation finance through measurable climate change adaptation effects.
- e. Other: Your project covers a subject not listed above but relevant for the challenge. In this case, please specify the relevant sub-theme.

3.2 Selection and prioritisation criteria

- The evaluation will be conducted by an assessment committee. It will be done on the basis of administrative eligibility and technical suitability.
 - Administrative eligibility: Applications who do not fulfill the administrative criteria in sections 2 and 3 will be automatically rejected.
 - Technical suitability: Applications who are administratively eligible will be assessed based on OECD DAC criteria.
- The total amount of funding is limited. Early applications are viewed favorably.
- For administrative reasons related to the assessment of proposals and setting up of contracts the following criteria apply:
 - Single applications are favored over consortia approaches
 - Projects from the nine focal countries of GBE are favored over non-focal countries.
- There is a minimum own contribution required at a level of 20% of the total project volume. A higher share of own contribution is viewed favorably.
- Projects targeting energy supply for social infrastructure or income-generating use of energy are prioritised.

4 Application to the SPF-CC – How and when can I apply?

4.1 Application through the SPF-CC Platform

The whole application process is organized via the following website: <https://kpfcc.acceleratorapp.co/>. Applicants need to register to the platform to submit their application. This allows the applicant to save the application and to continue/submit it at a later stage. **Disclaimer: The app will be accessible starting on 4 August.**

4.2 Selection Process

A successful application process will proceed in a total of five steps:

- Step 1 “Pre-Qualification”: Administrative and technical evaluation of the application by an assessment committee (supported by experts from GFA Consulting Group GmbH).
- Step 2 “Shortlist”: The decision committee will select the strongest proposals from the selection presented by the assessment committee to proceed.
- Step 3 “Revision”: Integration of possible comments collected in the assessment of selected project proposals.
- Step 4 “Final Submission”: Submission of the final project proposal that would form the base for contracting.
- Step 5 “Contracting”: Projects can start implementation after completing the finalization of the contract documents.

Please note that in addition to a shortlist of selected candidates, a back-up list will be dressed after Step 2. In case candidates of the shortlist get disqualified, candidates from the back-up list will move up to the shortlist.

4.3 Timeline

Applications will be open from 19.07.2021 to 31.08.2021. Requests for clarifications can be submitted until 23.08.2021.

The decision on project proposals (Step 2) is planned for 01.10.2021. Applicants are informed within five working days after the decision committee has convened.

It is planned that the contracting process is concluded before the end of this year. This depends on the quality of the applications as well as the speed of integrating potential feedback / comments.

5 Budget Specifications – How much can be funded?

GIZ Contributions can cover up to 80% of the total project costs and must be lower than EUR 125.000. At least 20% of the total project costs will have to be covered by the applicant as an own contribution, in-kind contributions are accepted.

The **budget** must be plausible and appropriate in regard to the project's aims. The applicant will be required to provide evidence for relevant budget items listed (e.g. through blackened payslips, working contracts).