

The ECOWAS Renewable Energy Facility (EREF) for peri-urban and rural areas

Execution of Action Line-2 of the ECOWAS/UEMOA White Paper on Energy Access and
the ECOWAS Renewable Energy Policy (EREP)

2014 CALL FOR PROPOSALS



Guidelines and Background

Deadline for Proposal Submissions:
10 August 2014, 23:00 GMT

EREF is supported by:



Austrian
Development Cooperation



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1 Introduction

The following guidelines provide interested applicants with all information on the 2014 Call for Proposals of the ECOWAS Renewable Energy Facility (EREF).

2 Background

The Second Call of the ECOWAS Renewable Energy Facility (EREF) was launched in May 2014 and is managed by the Secretariat of the ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) based in Praia, Cape Verde. The second call of EREF provides grant co-funding for the installation and the establishment of the management, operation and maintenance system of renewable energy powered mini-grids in rural and peri-urban areas.

The Second EREF Call is supported by the Austrian Federal Ministry for Agriculture, Forestry, Environment and Water Management, the United Nations Industrial Development Organization (UNIDO), the Spanish Agency for International Development Cooperation (AECID), and the Austrian Development Agency (ADA). The available funds are one (1) million euros. **The Facility is open to other donor partners and is seeking further support for future call for proposals.** A detailed description of the background of the Facility can be found in the EREF project document. The EREF is part of the annual work plans of ECREEE and fully integrated in its governance structure.

The First EREF Call was launched in 2011 and was supported by ADA, AECID and UNIDO. Forty-one projects were selected and 29 are currently on the implementation stage.

2.1 What is the EREF

The EREF is a seed fund which is managed under the leadership of the ECREEE Secretariat (ECREEE-SEC) in coordination with its National Focal Institutions (NFIs). The Facility provides non-reimbursable grants through regular demand driven competitive call for proposals. During its first phase of operation (2011 to 2015), the EREF will test and sharpen its funding policy and find its comparative advantage in the West African market. In the second phase (2015 to 2020) the EREF will broaden its portfolio of financial instruments and support schemes (e.g. micro credits).

2.2 Relevance of EREF

With the Facility, ECREEE contributes to the achievement of the UN Millennium Development Goals (MDGs), the UN Goal on Universal Access to Clean, Affordable Energy by 2030 and the international agreements to reduce GHG emissions to keep the global average temperature rise below two degrees Celsius. The Facility can also be seen as ECOWAS contribution to the Sustainable Energy for All initiative.

The EREF refers directly to the objectives and action plan of the ECOWAS/UEMOA White Paper on Energy Access in Peri-urban and Rural Areas. The policy document foresees that at least 20% of new investments in electricity generation in rural and peri-urban areas should originate from renewable sources. Action line 2 on investment promotion foresees the establishment of an RE&EE investment and innovation fund which raises funding for at least 200 demonstration projects and support local manufacturing and service companies. The EREF also contributes to Result Area 7 of the ECREEE Business Plan which aims at business and investment promotion, and to the ECOWAS Renewable Energy Policy target of increasing energy access through renewable energies by 2020.

The EREF responds to the urgent need for additional RE&EE investments in peri-urban and rural areas of West Africa and the lack of national financing instruments and limited international donor support. Most of the financing available at international levels is not exclusively focused on small and medium sized renewable energy solutions in rural and peri-urban areas.

The proposal for the EREF is aligned with the Paris Declaration on Aid Effectiveness which calls for a strengthening of local ownership, capacities and increased use of local country systems to implement development aid. ECREEE has the official ECOWAS mandate and a comparative advantage in the area of RE&EE in West Africa. The experience accumulated through the management of the EREF will further strengthen the capacities of the ECREEE Secretariat and create synergies to the annual work plans of the Centre. Best practices and lessons learned from the executed EREF projects will be disseminated through the ECREEE network and the ECOWAS Observatory for Renewable Energy and Energy Efficiency (ECOWREX). In the second phase, the experiences and lessons learned from the EREF will be transferred to the ECOWAS



countries which should lead to the adoption of national financing mechanisms.

The Facility creates a win-win situation and opens up opportunities for North-South and South-South technology and knowledge transfer. Regular forums on different RE&EE aspects, services and technologies will create an enabling business environment and a cooperative platform between technology companies and institutions of other continents and West African counterparts. The proposed EREF is also aligned with the objectives of the Africa-EU Energy Partnership (AEEP) and the priority activities of the Africa-EU Renewable Energy Cooperation Programme.

2.3 Objectives, Results and Beneficiaries of the EREF

The **overall objective** of the Facility is to contribute to the sustainable development in rural and peri-urban areas of West Africa through increased deployment and usage of reliable and affordable RE&EE technologies and services. The **specific objective** of the EREF is to create a favourable investment and business environment which leads to accelerated deployment and use of RE&EE technologies and services in peri-urban and rural areas of West Africa.

EREF activities will **result in the mitigation of existing financial barriers** for the development and execution of small- and medium sized RE&EE investments and businesses. The capacities, knowledge base and market access ability of local RE&EE technology and service companies will be enhanced. Networking, knowledge exchange and awareness raising on RE&EE business opportunities in peri-urban and rural areas will be facilitated.

The **Direct Beneficiaries** of the EREF are project developers, companies and institutions directly involved in the execution of projects funded by EREF. The **Final Beneficiaries** are the energy end-users particularly in peri-urban and rural areas benefiting from modern, reliable and affordable energy services and finally also the global community through the reduction of GHG emissions.

2.4 EREF Governance Structure

The EREF is managed by the ECREEE Secretariat and governed by the ECREEE Executive Board (EB) and a special Evaluation Committee (EC). Detailed information on the governance structure can be found in the EREF project document.

The **Executive Board (EB)** of ECREEE provides strategic guidance, releases the global annual budget to the EREF and ensures synergies to the other activities of ECREEE. The funds released to the EREF are subject to the approval by the Executive Board and are part of the annual work plans of ECREEE. The Executive Board of ECREEE meets on an annual basis. Further information on the composition and structure of the Board can be found in the ECREEE brochure.

The **Evaluation Committee (EC)** of ECREEE meets usually after the second stage of the application process of an EREF call for proposals. The Committee approves the grant funding to the individual EREF projects on the basis of the recommendations of the EREF project management team and adjusts the funding policy for the next call.

The specialized **EREF project management team** is based at the ECREEE Secretariat in Praia, Cabo Verde. ECREEE in cooperation with the National Focal Institutions (NFIs) is responsible for the day to day management and administration of the EREF project cycle.

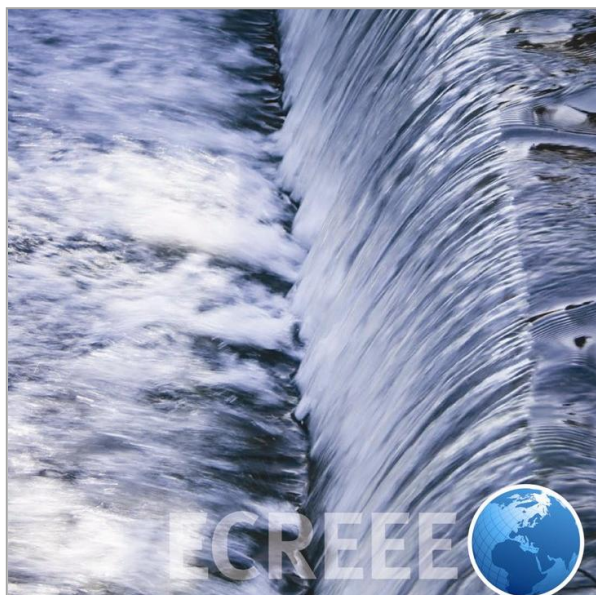
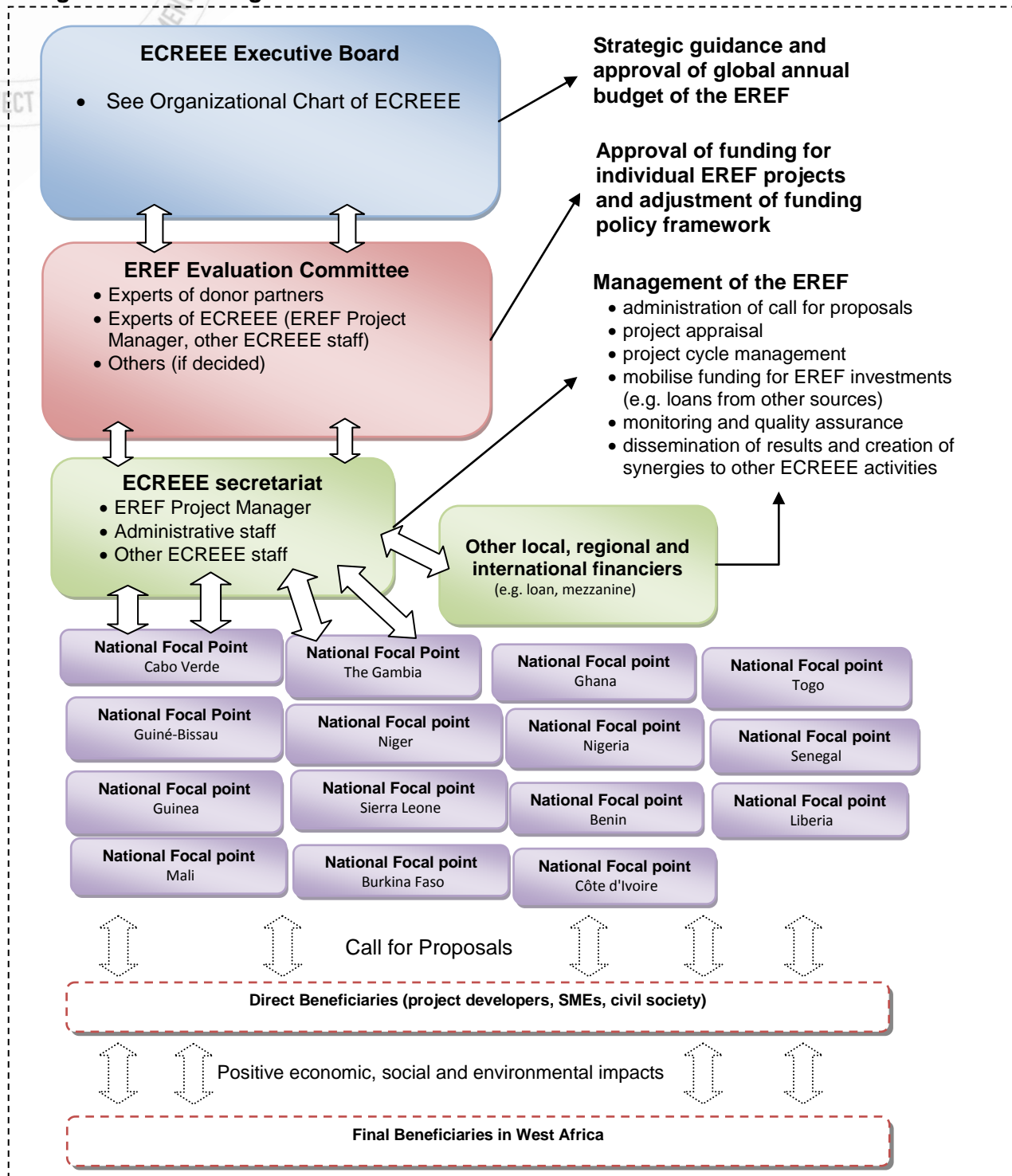




Figure 1.1 EREF Organizational Structure





3 General Eligibility Criteria for the 2014 Call for Proposals

The following sections describe the EREF funding policy. Project proposals submitted to the 2014 Call shall be in line with the eligibility criteria regarding geographic and technical focus as well as type of activity. Projects outside the scope will be rejected.

3.1 Eligible Geographic Focus:

Project proposals with the following geographical focus are eligible:

- **ECOWAS country projects:** Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo;

- **ECOWAS regional projects:** Projects executed in more than one country or with positive regional impacts have more priority. The EREF can support regional projects in neighbouring countries if at least one ECOWAS country is included.
- The focus of the EREF is primarily but not exclusively focused on projects in peri-urban and rural areas. Proposed projects in urban areas should demonstrate their relevance for rural and peri-urban areas.

Eligible Countries	Eligible Applicants	Eligible Technical Solution
<ul style="list-style-type: none"> • Benin • Burkina Faso • Cape Verde • Cote D'Ivoire • Gambia • Ghana • Guinea • Guinea-Bissau • Liberia • Mali • Niger • Nigeria • Senegal • Sierra Leone • Togo • Regional (covers more than one country listed above) 	<ul style="list-style-type: none"> • Government institutions (ministries, electrification agencies, municipalities) • Private, public or public-private companies (e.g. SMEs, ESCOs, utilities) • Project developers (registered as company) • Universities, schools, research centres, • NGOs and cooperatives 	<p><u>Renewable Energy:</u></p> <ul style="list-style-type: none"> • Biomass • Bio-fuels • Biogas • Gasification • Waste-to-Energy • Hydro • PV • Wind Energy • Hybrids

3.2 Eligible Applicants

Proposals can be submitted by one applicant or a group of partners led by a lead applicant. ECREEE will sign the Grant Contract for Co-funded Projects only with the lead applicant (contracting party). Lead applicants and their partners which directly benefit from EREF grants and are involved in project execution are referred as "Direct Beneficiaries". The consumers in rural and peri-urban areas who benefit from better access to

reliable and affordable energy services are the "Final Beneficiaries" of the EREF projects. The following applicants are eligible to submit project proposals:

- Private or public-private companies (e.g. SMEs, ESCOs), project developers, governmental institutions (e.g. ministries, utilities, rural electrification agencies), municipalities, universities, research centres, NGOs, grassroots organizations or cooperatives.



- Multilateral organizations and bilateral development agencies and trust funds are not eligible but can be partners or co-financers in proposed projects;

- **Applicants of non-ECOWAS nationality or legal status must have a West African partner** and need to demonstrate the added value created locally (e.g. through job creation, technology and know-how transfer, capacity building sustainability); international applicants with a local branch in West Africa have to prove that they employ local staff in the project implementation;

Applicants shall meet the minimum requirements described below. The mentioned documents must be submitted at latest with the full project proposal. These criteria can be considered as knock-out criteria:

- A minimum of 5 years of existence and experience of the (lead) applicant in the field. The relevant section in the project proposal template should be filled. Particularly the strength of the CVs of experts who will work on the project will be considered. The applicant should provide CVs of the offered project team and a profile of the company/organization.
- Applicants should have experience with the implementation of similar projects in Sub Sahara Africa or other developing countries.
- The applicant shall be registered as a legal Entity authorized to enter into contracts for provision of services and goods. Applications of individuals cannot be supported. As a proof, the applicant should provide a certified copy of Certificate of Incorporation or other documents setting forth the legal basis.
- Applicants should provide a copy of relevant licenses, authorizations and quality standards, where applicable, enabling the applicant to perform the required services/work required; include quality standards if applied;
- Applicants have to agree to the terms and conditions of the ECREEE's Grant Contract for Co-Funded Projects; the visibility guidelines for co-funded ECREEE projects shall be implemented.
- In the case of an initial advance payment the successful applicant has to submit a bank

guarantee which covers the first payment before the effective date of the contract.

- The latest audited copy of the Financial Statement shall be provided. Companies shall meet the following financial criteria:
 - Profit Margin ratio or Return on Assets Ratio should be in excess of 1%
 - A solvency ratio (ratio of current assets to current liabilities) of more than 1 is required.
 - The average annual turnover for the past 3 years (or for whatever period of the time the bidder has been in the business for, if it has not yet reached 3 years) should be at least four times more than anticipated value of the contract.
 - The impact of any pending claims, arbitration and other pending legal action should not exceed 50% of total of the bidder.

3.3 Eligible Projects and Technologies

This EREF call provides grant co-funding for the installation and the establishment of the management, operation and maintenance system of renewable energy powered mini-grids (including hybrids) in rural and peri-urban areas.

A renewable energy powered mini-grids is defined in the framework of this call as a generation system combining two (or more) energy sources, operated jointly, being at least one renewable, including (but not necessarily) a storage unit and connected to a local AC distribution network.

Each proposal will have to provide affordable electricity to at least 100 households. Proposals including more than one mini-grid are eligible.

A minimum of 60% of the electricity has to be produced from renewable energy sources on a yearly average and the system has to be designed to allow the installation of additional renewable energy generation capacity for future expansion of the system as well as the connection to the main grid in case this event is foreseeable in the mid-term.

Only in exceptional cases smaller numbers of households or lower renewable energy contribution might be considered but they have to be strongly justified for the applicant.

The hybridization, meaning the installation of a renewable energy generator on an existing fossil fuel based mini-grid, is eligible if the result is a minimum of 60% of the electricity is produced from



renewable energy sources on a yearly average: the applicant will have to explain why this is the best solution.

The expansion of the renewable energy generation capacity and/or the extension of the local AC distribution network of an existing mini-grid is eligible if the result is a significant increase in the number of users connected to the grid and a minimum of 60% of the electricity is produced from renewable energy sources on a yearly average: the applicant will have to explain why this is the best solution to facilitate the access to electricity services.

Any installation of renewable energy powered mini-grids must be accompanied by the establishment of a sustainable management, operation and maintenance system that guarantees the sustainable functioning of the mini-grid covering all the associated costs (management, operation, maintenance and equipment's replacement).

In case of already existing renewable energy powered mini-grids (including hybrids where a minimum of 60% of the electricity is produced from renewable energy sources on a yearly average) without a sustainable management, operation and maintenance system, a project to strengthen or establish it, in case of absence, is eligible.

The mini-grids have to ideally make available a 24 hours per day, 7 days per week electricity service to the final users: inferior electricity services have to be justified by the applicant.

The integration of battery storage systems to increase the renewable energy penetration and provide electricity service at night is allowed: the applicant will have to explain how the management of the used batteries will be carried out.

The proposals have to demonstrate that the projects are developed in full respect of the local, national and regional legislation and that there are no plans to connect the target beneficiaries to the main electricity grid in the years to come.

The mini-grids electricity generation, storage and distribution equipment must be certified according to international standards¹ and performance

¹ Solar Panels (IEC 61215, IEC 61646), Charge Controllers (IEC 62509, IEC 62109, IEC 62093, IEC CISPR 11:1990, IEC 61000-4:1995, PV GAP, PVR6A), Inverters (IEC 61683, IEC 62109, IEC 62093, IEC CISPR 11:1990, IEC 61000-4:1995, PV GAP, PVR6A), small wind turbines (IEC 61400-2,

guarantees have to be set up. The installations must be done following the relevant local, national and regional regulations.

The payment of running costs for management, operation and maintenance of the mini-grids is not eligible.

The projects integrating gender approach, promoting energy efficiency and capacity building of local users, and positively impacting on local development by actively encouraging productive uses of electricity (e.g. pumping systems for irrigation, post-harvesting, etc.), particularly working on the inter-linkages between energy, food and water security (energy-water-food nexus) and promoting access to basic services i.e. health, education, are better rated in the appraisal process.

The projects have to have a maximum duration of 24 months.

3.4 Eligible Activities: The EREF Financing Windows

Project proposals submitted to the 2014 EREF-Call shall be in the scope of Financing Window-1 on Investment Promotion. Proposals out of the scope will be rejected during appraisal.

3.4.1 Financing Window 1: Investment Promotion

This window supports investment promotion activities for small and medium-sized RE and related EE projects in peri-urban and rural areas. The EREF (...)

- is co-funding the installation and the establishment of a management, operation and maintenance system of renewable energy powered mini-grids in rural and periurban communities with potential for regional scaling-up in West Africa. Projects should particularly target poor communities, social institutions (e.g. clinics, health posts, schools) and promote productive uses.

IEC 61400-11, IEC 61400-12), Turbines and generator (IEC-34-1, IEC 60034 – 1: 1983, IEC 61362, IEC 61366-1: 1998, IEC 61116-1992, IS: 4722-2001, IS 12800 (part 3) 1991, IEC 6030)



4 EREF Application Conditions

4.1 Application Languages:

Proposals shall be submitted in one of the three official ECOWAS languages (English, French, Portuguese).

4.2 Maximum number of proposals:

It is admissible to submit a maximum of two proposals as applicant and to participate in two proposals as implementing partner per call of the EREF.

4.3 Maximum duration of projects:

EREF projects shall be implemented over a maximum duration of 24 months.

4.4 EREF Grant Amount:

- Applicants and their partners shall note that EREF grant donations are of non-commercial nature. The provided **grants can under no circumstances result in a profit for applicants and partners during implementation** and it must be limited to the amount required to balance income and expenditure for the project activities. Profit in the case of grant is defined as a surplus of receipts over the costs incurred by the Beneficiary when the request is made for the final payment. Participation under commercial conditions in the execution of grant projects is restricted to subcontractors.
- **Co-funding contributions from applicants and partners are a key requirement** for the eligibility of EREF funding since that is an indicator for the commitment, ownership and sustainability of the project. The EREF makes available non-reimbursable grants to supplement the available co-funding to help projects to reach break even. The co-funding shall be documented by the applicants with signed partner agreement(s), letters of commitment and/or co-funding letters.
- The second call of the EREF **provides a maximum Grant Amount of 200.000 EUR and a minimum of 50.000 EUR per project** (can be increased only in exceptional cases). The amount will be increased in future call if sufficient funds are available.

- The eligible **EREF Grant Amount** is **determined project by project individually but shall not exceed 50% of the total eligible direct project costs. The grant may not be less than 25% of the total project costs.** Applicants shall justify why the grant amount is needed and why it brings added value to the project (see relevant section in the project proposal template). Projects which mobilize more co-funding from other sources and/ or promote the innovation by mobilizing non-grant funds for the project implementation are rated better in the appraisal process.

4.4.1 Eligible costs

The applicant has to **provide a realistic and cost-effective budget on the overall project costs to which the EREF contributes** (total eligible costs of the project). The applicant suggests specific activities to be co-funded by the EREF which can be easily separated and identified. Only "eligible costs" can be taken into account for the EREF Grant. The categories of costs considered as eligible and non-eligible are indicated in the excel budget breakdown (can be downloaded from the website). The proposed eligible costs to be covered by the EREF grant amount shall be included in the budget breakdown:

- Note that the eligible costs must be based on real cost based on supporting documents (e.g. bills, time sheets, except for subsistence costs and indirect costs).
- The **indirect costs** (administrative overhead) incurred in carrying out the action may be eligible for flat-rate funding **fixed at a maximum of 10% of the total eligible direct costs** (total EREF grant amount). Such costs must be included in the budget.
- **In-kind contributions are not considered as actual expenditure nor as eligible costs and cannot be counted as co-funding.** The cost of staff assigned to the project is not a contribution in-kind and can be treated as co-funding in the budget.
- The proposed rates for personnel costs shall be in line with local and international market rates. Travel costs are eligible and shall be included in the budget. Only economy flights are eligible for EREF funding. The proposed daily travel allowances shall be in line with local and international practices and the conditions of the Daily Subsistence Allowance System of ECOWAS.



4.4.2 Ineligible costs:

The following costs are not eligible:

- Proposals concerning only or mainly with individual grants for participation in workshops, study tours, seminars and conferences;
- individual scholarships for studies or trainings; these activities may form part of a project proposal only if they are an integral part of a larger process and only consume a limited share of the project resources.
- EREF is not providing support for the preparation of EREF proposals;
- debts and provisions for losses or debts; interest owed; currency exchange losses;

- items already financed in another framework;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local partners, at the latest by the end of the action
- taxes, including VAT, unless the Beneficiary (or the Beneficiary's partners) cannot reclaim them and the applicable regulations do not forbid coverage of taxes;
- Expenditures associated to the procurement of fossil-fuel power generators.

5 Application and Selection Process

The 2014 Call for Proposals of the EREF has the following mile-stones:

Milestones of 2014 Call for Proposals (may be modified)	From	To
Adjustments of EREF funding policy and Announcement of Call	Done	Done
Preparation and Submission of EREF Proposal (10 weeks)	31/05/2014	10/08/2014
Promotion & information activities of ECREEE and its NFIs	31/05/2014	10/08/2014
Confirmation of receipt of proposals by ECREEE	31/05/2014	10/08/2014
Appraisal and administrative check of proposals by ECREEE & NFIs	10/08/2014	30/09/2014
Approval by the EREF Evaluation Committee	01/10/2014	31/10/2014
Notification of award (award letter, denial, waiting list) and signature of ECREEE grant contract	01/11/2014	30/11/2014
Implementation, monitoring and evaluation	01/12/2014	30/11/2016

5.1 The Application Process

Applications are prepared according to the provided EREF templates and forms which can be downloaded electronically from the EREF website <http://www.ecreee.org/page/eref2> (e.g. project proposal template, excel budget sheet, stakeholder form). Applicants should check regularly for updates during the application process.

The Proposals consist of the following documents and are sent in hard-copy as well as through on-line application to the ECREEE Secretariat:

1. Signed full project proposal including annexes (budget breakdown excel sheet, logical framework, time frame, include photos of project site if possible)
2. Signed partner agreement(s), letters of



- commitment and/or co-funding letters*
3. *Copy of Certificate of Incorporation or official registration document of the applicant*
 4. *Copy of relevant licenses, authorizations and quality standards of the applicant*
 5. *CVs of project team of the applicant and partners*
 6. *Copy of latest audited financial statement of applicant*

The sealed and stamped envelope contains the complete application (including documentation) in original and one copy. The envelope bears the title “EREF 2014 Call”. If it is not possible to do the on-line application the envelope contains a CD with all electronic files.

Full application must be submitted by registered mail, private courier service or by hand-delivery at latest by 10 August 2014 evidenced by date of dispatch. Hand-deliveries must be received at latest at 16.00 Cape Verdean time.

EREF Contacts for Submissions

On-line application will have to be done through the EREF website <http://www.ecreee.org/page/eref2>

ECREEE Secretariat	Achada Santo Antonio, C.P. 288, Praia, Santiago, Cape Verde
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5.2 Project Appraisal and Approval

ECREEE evaluates the full proposals in cooperation with its National Focal Institutions (NFIs) situated in all ECOWAS Countries and according to the established criteria explained in each section of the project proposal templates (see descriptions). The technical appraisal may suggest modifications for the project idea, work plan, management or budget. The EREF appraisal team will try to keep a balance between countries and technologies.

The first step of the appraisal process will check the eligibility of the proposed project and the **following proposals will be rejected outright:**

- Incomplete, not-signed applications or submitted after the application deadline
- Applications by individuals
- Applications which request higher resources than the maximum ceiling
- Applications which do not meet the eligibility criteria established in the chapter 3 of the present guidelines “General Eligibility Criteria for the 2014 Call for Proposals”

The proposals which are considered to be eligible will then enter the second step of the appraisal process and will be ranked according to their scores and **submitted to the EREF Evaluation**

Committee (EC) for approval. The Evaluation Committee approves the project proposals and the grant amounts.

The proposals will be evaluated according to the following criteria in the second step of the appraisal process:

- Relevance of Project (max. 20 points)
- Impact of Project (max. 20 points)
- Effectiveness of Project (max. 20 points)
- Feasibility and Efficiency of Project (max. 20 points)
- Sustainability (max. 20 points)

In order to be considered, a minimum of 10 points will have to score in each of the above mentioned criteria.

The following detailed criteria will be used:

- Relevance of Project (max. 20 points): the project
 - addresses key energy and development challenges in the target country(ies)/region(s) and for the beneficiaries of the project (5)
 - is relevant for the population in peri-urban and rural areas (5)
 - is relevant for the financing windows of the EREF and ECREEE (5)



- adds added value, considers synergies to other ongoing projects, avoids duplication of activities (5)
- Impact of Project (max. 20 points): the project
 - Address the needs of the target groups and final beneficiaries which will benefit from the project during implementation and in a long-term view (5)
 - Positively impact on local development by actively encouraging productive uses of electricity (e.g. pumping systems for irrigation, post-harvesting, etc.), particularly working on the inter-linkages between energy, food and water security (energy-water-food nexus) and promoting access to basic services i.e. health, education (5)
 - Shows a high multiplier effect and has a good potential for replication in the ECOWAS region, up-scaling, leads to investments or widespread technology deployment. (5)
 - Promotes the innovation, particularly by mobilizing non-grant funds for the project implementation (5)
- Effectiveness of Project (max. 20 points) : the project
 - Shows the most promising, cost-effective and feasible strategy alternative was selected to achieve the overall objective/impact (with and without project scenario). The proposed solution is the best alternative in relation to others (e.g. grid extension, pure diesel mini-grid, stand-alone systems...). The technical, economic and financial analyses has shown that the best technology alternative was chosen. (5)
 - Demonstrates that the EREF grant is justified, makes a difference and the project would not have been implemented without this support. The program/project cannot be fully financed through loans or micro-credits. The size of the EREF subsidy element (grant) has been well determined according to available resources of the project partners and/or other co-financiers and the project is not over subsidized.(5)
 - Is leveraging an important co-financing and the EREF contribution is as low as possible (5)
 - Is cost effective with regards to the number of beneficiaries to be addressed and the RE promotion (5)
- Feasibility and Efficiency of Project (max. 20 points) : the project
 - Demonstrates the feasibility and the efficiency of the suggested implementation method. Realistic and achievable objectives and implementation strategy are chosen. The activities proposed are appropriate, practical,

- and consistent with the specific objectives and expected results of the project (4)
- Clearly defines the role of the various actors and stakeholders (applicant, (local) partner(s), target groups, local authorities, etc.), their added value and the justification for which these roles have been assigned to them. (2)
- Is technically feasible and efficient: (5)
 - The demonstration project builds on a reliable technology, or replicates a proven energy service delivery model and/or technology. The solution is adapted to the local requirements
 - The energy resources/feedstock have been assessed, are available locally in a long-term view and at affordable costs.
 - Makes use of local capacities during the project implementation
 - For the technology the import component is as small as possible
 - The solution is taking into account the individual situation and characteristics of the energy system of the specific country and/or region rather than replicating prepared concepts.
 - The selected technology will be accepted by the population and can be adapted to the specific country context. The project foresees adequate set up for operation (technical, management, financial).
 - Technical risks are clearly defined and proper mitigation measures are proposed (see section on risk analysis)
 - The Levelized Cost of Electricity (LCOE) analysis has shown that in a life cycle perspective the proposed solution is the most sustainable.
 - The project promotes the energy saving and efficiency
- Is financially viable. The financial feasibility of the project is shown clearly in the budget breakdown in 3.1 and the budget excel sheet in the annex 3. The structure of the project ensures efficient and cost-effective implementation. Co-funding is secured. Signed partner agreement(s), letters of commitment and/or co-funding letters confirming the contributions of each partner to the project and according to the budget breakdown are attached to the proposal (Annex 5). The budget estimation are reasonable. The administrative costs should be reasonable in relation to the overall project budget (max. 10%). (3)
- Shows the applicant and its partners have sufficient management capacity and stable financial sources of finance to implement the project: adequacy of staff (number,



qualifications, and expertise), adequacy of the management information system and controlling. The applicant and partners have experience with projects of similar scope in West Africa or other developing countries (4)

- Includes a monitoring and evaluation scheme based, if possible, on internationally recognized M&E practices. The major implementation risks are defined and propose mitigation measures. Key lessons from other comparable earlier or ongoing activities are explicitly analyzed and incorporated. (2)
- Sustainability (max. 20 points) :
 - There is adequate ownership of the project by the target group(s) and project partners. The project is demand/need driven and not technology or donor driven (2)
 - All potential users have access to benefits and services during and after the project and are willing and able to pay the established tariff. Enough attention was given to affordability issues, in particular the willingness and ability to pay received sufficient attention (3)
 - Financial sustainability is ensured and sources of revenue for covering all the future costs (management, operation, maintenance and equipment's replacement) are identified (4)
 - An adequate arrangement for the ownership, management, operation and maintenance of the system that guarantees the sustainable functioning of the mini-grid is foreseen, in full respect of the local, national and regional regulations (5)
 - Trained experts and final users have enough knowledge and capacities to use, operate and maintain the system (3)
 - The project successfully integrates the gender component (3)

The project proposals with a good evaluation score which will not be funded in this second EREF call will have the chance to be included by ECREEE into the ECOWAS mini-grid pipeline to support them in future.

6 EREF Project Cycle Management

6.1 Contracting

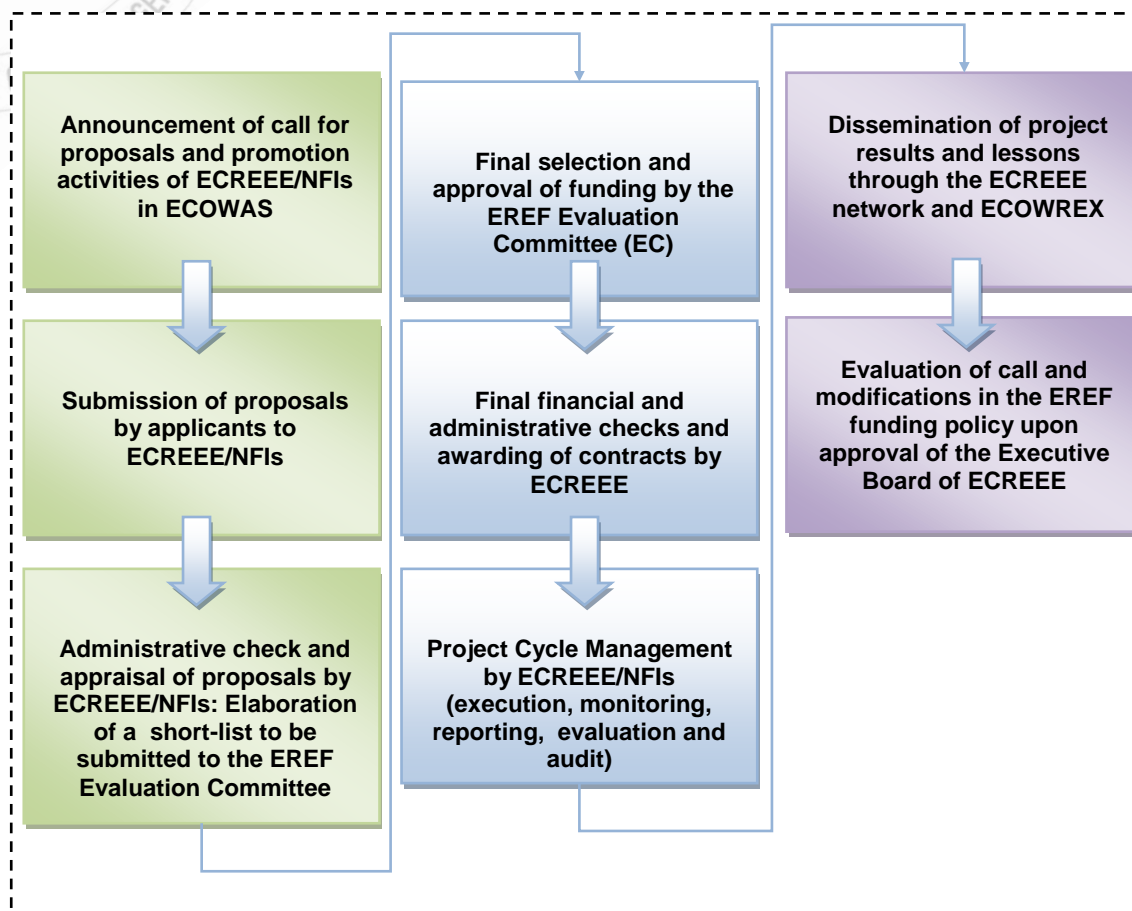
After the approval by the EREF Evaluation Committee the successful applicants will be notified and the **ECREEE Grant Contract for Co-Funded Projects** (can be downloaded from the website) will be signed by ECREEE and the (lead) applicant (the Grant Beneficiary). Further details on the general conditions can be found in the contract template.

Before the signing of the contract the following information shall be provided:

- The Grant Beneficiary may open a **separate bank account** and communicate the details to ECREEE before the conclusion of the contract.
- The Beneficiary has to provide a bank guarantee which covers the amount of the payment and is valid until the Beneficiary is able to justify the spending of the advance payment
- Before project execution can start the Beneficiary shall **provide all required documentation to ECREEE** (e.g. partner agreement(s), co-funding letters) that the total financing amount has been mobilized.



Figure 1.2 The EREF Project Management Cycle (max. 36 months)



6.2 Execution, Monitoring and Evaluation

- **Project implementation shall start immediately after the signing of the contract** according to the activity schedule in the project document. If an extension of the project duration or budget modifications are required, a written request for the same must be sent by the Beneficiary to ECREEE by using the “*template for extension of project duration and budget relocation*” and stating the reasons thereof. Approved EREF Grant Amounts to projects cannot be increased during implementation.
- ECREEE and its **EREF project team monitors the project progress and ensures effective project cycle management for the provided grants.** After the signature of the contract,

ECREEE will execute an advance payment corresponding to the 25% of the EREF grant.

- Further payments will be executed following this schedule:
 - Up to 35% of the EREF grant in May 2015
 - Up to 30% of the EREF grant in May 2016
 - 10% of the EREF grant after completion of the project and approval by ECREEE of the final report in December 2016
- Further payments are released by ECREEE in accordance with the payment schedule and after the approval of the written technical and financial progress reports provided by the Beneficiary, taking into consideration the level of expenditure, the advancement in the implementation, the expected expenses over the next period and the accomplishment of the co-financing commitment from other sources.



- The **progress reports and the final report are provided by the Beneficiary** according to the reporting schedule in the annex of the contract. The final report shall not be submitted later than 60 days after termination of the project activities. Further payments can be only done on the basis of positively evaluated progress reports.
- For the written progress reports (either in English, French or Portuguese) the Beneficiary will use the available ECREEE template (can be downloaded from the website). The reports shall have a section on the general project progress and a separate financial section on the implementation progress of the Grant Amount and the overall project. The financial section shall include (as attachments) copies of invoices/receipts or time records for personnel costs and a bank statement of the account. The copies must be legible, particularly regarding such information as delivery date, recipient, reference to the Project, due amount and currency used. In addition to the electronic version of the financial documentation, the original invoices shall be sent to the ECREEE Secretariat by post.
- ECREEE shall have the right to supervise the progress of the project throughout the entire contractual duration and reserves the right to carry out monitoring visits at any time agreed with the Beneficiary upon reasonable notice being given. The visits will be done either by the ECREEE Secretariat, the respective National Focal Institution (NFIs) or monitoring consultants. The Beneficiary shall keep records and documentation necessary for verifying whether the funds have been used according to

the requirements of the Contract and its annexes.

- ECREEE reserves the right to request an external evaluation or audit for some of the EREF projects. The costs will be covered by a separate evaluation and audit budget of ECREEE and do not have to be included into the project budget. The selection of evaluators and auditors is subject to approval by ECREEE. Usually the evaluation will occur immediately after completion of project outputs. Project Impact Assessments and Audits will be undertaken at a time communicated to the Beneficiary two weeks in advance.
- During implementation the Beneficiary shall procure the necessary goods and services guided by cost efficiency and economy and in accordance with the ECOWAS/ECREEE tender code (can be downloaded from the website). Further information can be found in the ECREEE grant contract template.
- To ensure synergy, consistency and acknowledgement of ECREEE support among all EREF-supported projects, any project documentation such as reports, publications or other related media created in a distributable format must be produced in conjunction with and following the templates as laid out in the ECREEE Visibility and Communication Guidelines (can be downloaded from the website). Drafts of such material shall be approved by ECREEE before dissemination. In case of demonstration projects a signboard with the ECREEE logo will be installed. Unless there are exceptional reasons ECREEE has the unlimited right to publish all project materials and results through ECOWREX.

Deadline for Proposal Submissions:

10 August 2014, 23:00 GMT

Further questions can be directed in written form in English, French and Portuguese to:

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PROJECT CYCLE MANAGEMENT



West Africa's hub for renewable energy and energy efficiency



ECREEE

increasing access to modern energy services
improving energy security—through a diversification of the energy mix
reducing the dependency on fossil fuels