



Regional Centre for Renewable Energy and Energy Efficiency
Centre Régional pour les Energies Renouvelables et l'Efficacité Énergétique
Centro Regional para Energias Renováveis e Eficiência Energética
www.ecreee.org

Project Document for the establishment
and first operational phase of the

ECOWAS Renewable Energy Facility (EREF) for peri-urban and rural areas (2011 to 2016)

<http://www.ecreee.org>

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Proposal for the Execution of Action Line 2
of the ECOWAS/UEMOA White Paper on Energy Access



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SUSTAINABLE ENERGY
FOR ALL



Imprint

Project Document of ECOWAS Renewable Energy Facility (EREF)

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1. ABBREVIATIONS

ECREEE	ECOWAS Centre for Renewable Energy and Energy Efficiency
ECREEE-SEC	Secretariat of ECREEE
EU	European Union
EC	European Commission
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
ECOWAS	Economic Community for West African States
EE	Energy Efficiency
EREF	ECOWAS Renewable Energy Facility
EIA	Environmental Impact Assessment
EUR	Euro
GHG	Greenhouse Gas Emissions
MDG	Millennium Development Goals
NFI	National Focal Institutions
NGO	Non Governmental Organization
PPP	Public-Private Partnership
RE	Renewable Energy
WAPP	West African Power Pool
EB	Executive Board (EB)
SC	Technical Committee (TC)



2. SUMMARY OF PROJECT DOCUMENT

Proposal for the Establishment and Execution of the ECOWAS Renewable Energy Facility (EREF) for West Africa in peri-urban and rural areas

Introduction

The following project document **aims at the establishment of the ECOWAS Renewable Energy Facility (EREF)** which is managed by the Secretariat of the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) based in Praia, Cape Verde. The Facility is established with initial support of the Austrian Development Cooperation (ADC), the Spanish Agency for International Development Cooperation (AECID) and key technical assistance of the United Nations Industrial Development Organization (UNIDO). The Facility is open to other donor partners and is seeking further support for future call for proposals. The EREF is part of the annual work plans of ECREEE and fully integrated in its governance structure.

What is the EREF

In the initial stage, the **EREF provides grant co-funding for small and medium sized renewable energy and energy efficiency (RE&EE) projects and businesses** in rural and peri-urban areas. The Facility provides non-reimbursable grants through regular demand driven competitive call for proposals. During its first phase of operation (2011 to 2016), the EREF will test and sharpen its funding policy and find its comparative advantage in the West African market. In the second phase (2016 to 2020) the EREF will broaden its portfolio of financial instruments and support schemes (e.g. micro credits).

Relevance of the 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 was selected to be implemented as priority action under the ECOWAS framework of the UN Initiative for Sustainable Energy for All (SE4ALL).
- The EREF refers directly to the objectives and action plan of the **ECOWAS/JEMOA 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.
- 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.

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 favorable 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.

Activities - The Financing Windows of the EREF:

The EREF fund will **make available grants for two financing windows** in the first operational phase. Under windows 1 and 2 the ECREEE-SEC will undertake regular demand-driven competitive call for proposals. The technical focus and eligibility requirements for the calls can be modified easily according to the actual needs and interest of the beneficiaries or donor partners (e.g. only solar projects or mini-grids). Eligible applicants will be in most cases private companies, municipalities, and private companies, NGOs and cooperatives. The following financing windows are established:

- **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 of West Africa. The EREF is providing risk capital for project development through the co-funding of (pre-) feasibility studies and other pre-investment related activities (e.g. potential assessment, measurements). Moreover, the EREF supports project developers to mobilize further funding for the execution of these projects (e.g. loans, mezzanine, carbon finance). Under this window the EREF will also co-fund the installation and execution of pro-poor demonstration projects and programs for rural communities with potential for regional scaling-up. Best practices and lessons learnt from the executed projects will be collected and disseminated through the EREF network.
- **Financing Window 2 - Business Development:** This financing window will undertake regular call for proposals to support business development activities and capacity building for local RE&EE technology and service companies (e.g. on- and off-grid solutions, decentralized systems). The establishment of innovative north-south and south-south business to business partnerships (e.g. Europe, Brazil) between RE&EE companies will be co-funded. Networking, knowledge exchange and awareness raising on RE business opportunities will be facilitated through the organization of RE&EE forums, workshops and the elaboration of market studies.

During its second operational phase **from 2020 on the EREF might include other innovative financing schemes (e.g. micro-credits, concessions)** in its portfolio. In this regard the EREF will undertake a feasibility study on innovative financing options for RE&EE solutions in peri-urban and rural areas in the ECOWAS region. In the meantime the ECREEE-SEC will try to create linkages to existing RE&EE loan instruments and banks (e.g. ECOBANK, KFW, AFD). Projects developed under the EREF grant component could benefit from credit lines.

Management and Governance Structure:

The Facility will be managed **under the leadership of the ECREEE-SEC, based in Praia, Cape Verde, with key technical support of UNIDO**. The EREF is governed by the ECREEE Executive Board (EB) and the EREF Technical Committee (TC). Detailed information on the governance structure can be found in the EREF project document. The ECREEE-SEC will be responsible for the administration of the program (e.g. project cycle



management, appraisal and quality assurance of supported projects, financial accountability). The EREF will benefit fully from the established ECREEE network of NFIs in all ECOWAS countries. The undertaken calls for proposal are promoted by the National Focal Institutions (NFIs). The bodies have the following composition and functions:

- 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 **EREF Technical Committee (EC)** of ECREEE meets usually after 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 Committee consists of the donor partners, ECREEE staff.
- The specialized **EREF project management team** is based at the ECREEE Secretariat in Praia, Cape 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.

Appraisal and Monitoring Framework of the EREF:

ECREEE executes the call for proposals in accordance with the **developed financing guidelines, project document templates and appraisal policy**. A set of project templates and evaluation sheets was developed for quality assurance. The ECREEE Secretariat in cooperation with the NFIs evaluates the received proposals according to the established appraisal criteria and draws up a short-list with the best proposals (this might need also the assistance from an external evaluator). The short-list will be sent to the EREF Technical Committee for consideration and approval. Donor partners might do their own assessment and give recommendations on individual projects. Finally, the EREF Technical Committee will approve co-funding for some of the projects.

For the appraisal of the proposals ECREEE usually applies the following **evaluation criteria**:

- Relevance of Project (20 points)
- Overall Project Objective(s) and Impact (20 points)
- Specific Objectives and Effectiveness (20 points)
- Feasibility and Efficiency of Project (20 points)
- Sustainability and potential for regional replication or scaling-up (20 points)

Upon approval by the EREF Technical 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 execution conditions can be found in the contract template in the annex. The EREF grant project cycle can be described as in the graph above.

ECREEE and its EREF project team monitors the project progress and ensures effective project cycle management for the provided grants. After the effective date ECREEE will execute payments to the Beneficiary according to the payment schedule set out in the annex of the signed contract. Further payments are released by ECREEE in accordance with the payment schedule and on the basis of written progress reports provided by the Beneficiary.



Figure 1: EREF Organizational Structure

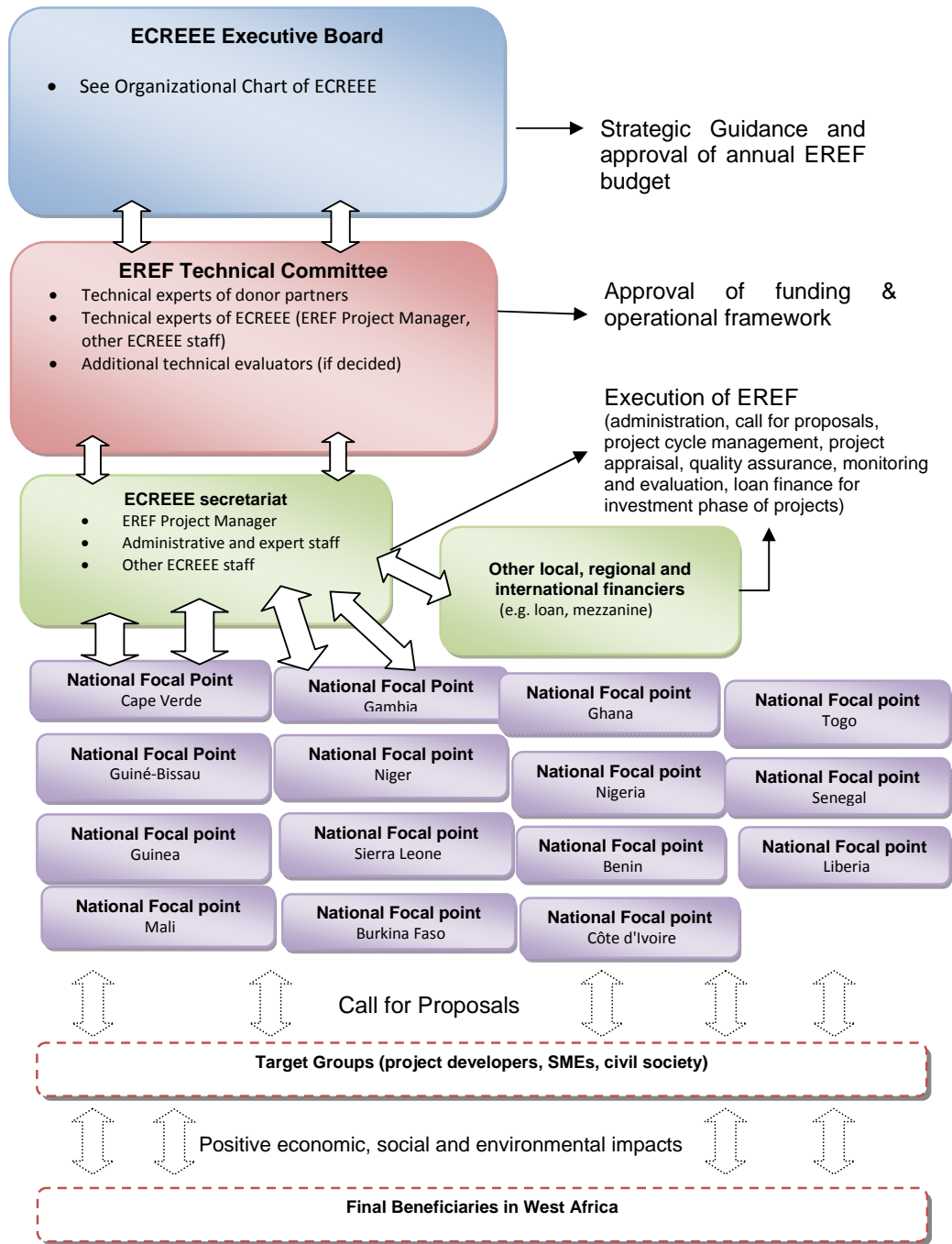
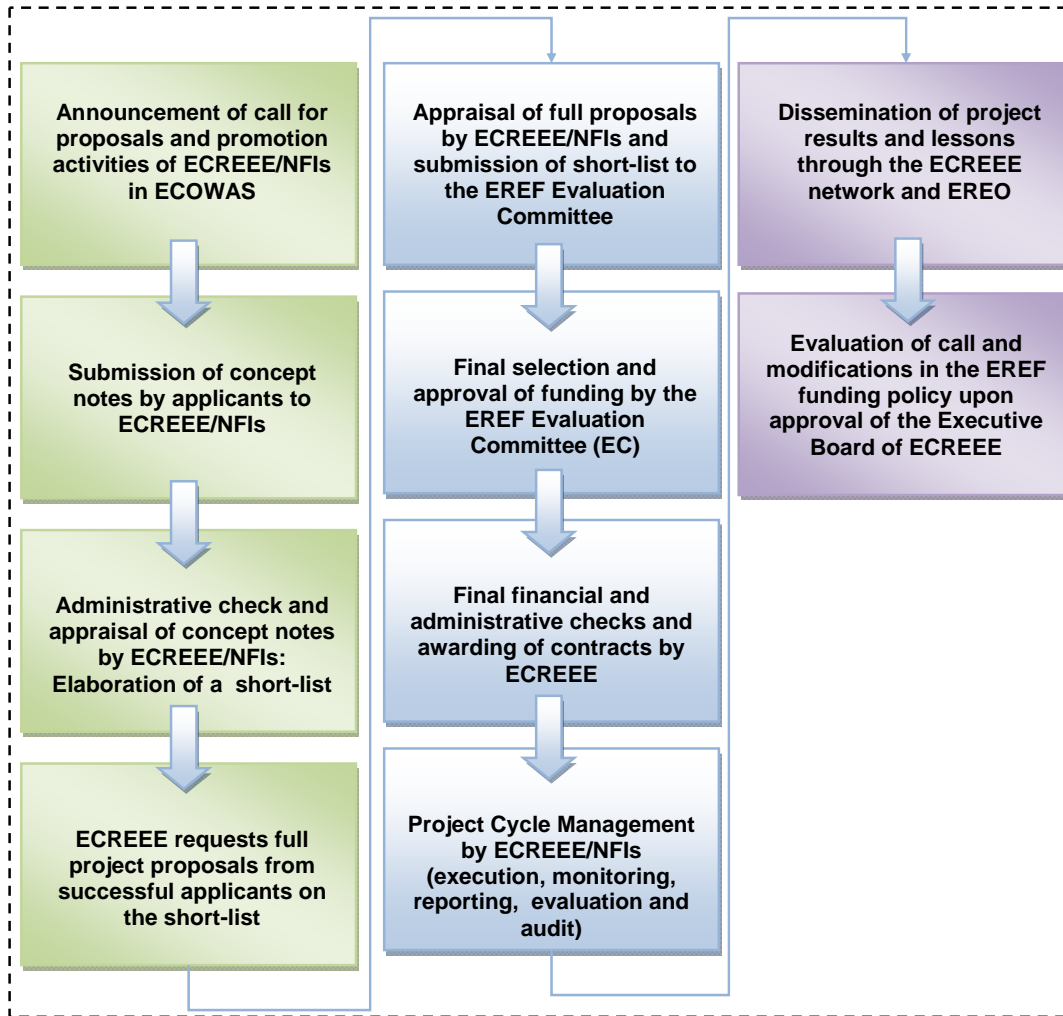




Figure 2: EREF project cycle for call for proposals under financing window 2 and 3





3. BACKGROUND AND SITUATION ANALYSES

3.1 Energy Situation and Challenges in West Africa

The ECOWAS Renewable Energy Facility (EREF) responds to the energy challenges of the region. The energy system of West Africa is facing the interrelated challenges of energy access, energy security and climate change mitigation and adaptation:

- Lack of access to modern, affordable and reliable energy services and the interrelated negative social and economic impacts for the majority of the population are the main drivers behind the EREF establishment. Overall access rate to modern energy services is very low across the West African region thereby inhibiting prospects of developing economic activities, providing basic social services and fighting poverty. The region has some of the lowest modern energy consumption rates in the world with average electricity consumption of 88kWh/capita compared to the continental and global averages of 563 and 2596kWh/capita respectively.
- There are significant electricity and overall energy pricing inequalities within countries i.e. between rural and urban areas and between countries. Access to modern fuels for motive power and electricity in rural areas is particularly low since there are no decentralized energy systems in place. Household access to electricity across the region is about 20% but wide chasms exist between the access rates in urban areas that average 40% while rates in rural areas range between 6% and 8%. At household level, access to LPG or kerosene averages a mere 5%. Wood fuel is currently the primary or only source of energy for the majority of the population in West Africa but the use is generally very inefficient.
- This unfolding scenario has obvious implications for efforts geared towards spurring socio-economic activities, attracting much needed foreign investment, poverty-eradication, the provision of basic social services, and the attainment of the Millennium Development Goals (MDGs). The absence of modern forms of energy, such as electricity, liquid fuels and gas, affects productivity, employment, communications, health-care and education, especially for women and children.
- The gap between energy demand and supply, the increasing dependence on thermal energy production, fluctuating fossil fuel prices and lack of regional energy trade are a threat for the energy security of West Africa. Over 60% of the community's electricity generation capacity running on oil. As a result, the recent unprecedented escalation of oil prices has had a devastating effect on the economies in the region. Against this background, the National Power Companies faces enormous challenges in providing quality energy services to populations that are currently being serviced and expand coverage to other areas, especially rural and peri-urban.
- The performance of the West African power sector over the years has been unsatisfactory. Despite implementing power sector reforms aimed at stimulating private sector participation and liberalization, National Power Companies (utilities) in the region has not been able to attract any significant private investment. In fact, the National Power Companies have continued to be under-capitalized and charging rates below cost, and hence have not been able to access financial markets for upkeep and expansion projects.
- The global concern of increasing GHG emissions and accelerating global warming and climate change is another challenge. Root causes behind the climate change are the modern world dependence on fossil fuels, increasing energy demand, and at the same time the degrading capacity of forests to absorb atmospheric carbon. The negative environmental impacts of traditional energy production at local level and the global concerns regarding increasing GHG emissions and accelerating global warming and climate change are another challenge. West African countries and their energy sectors are highly affected by the causes of climate change (temperature rise, extreme weather events and droughts). Adaptation measures and climate change impacts will have to be taken into account in energy planning (especially renewable energy).



3.2 RE&EE Situation and Opportunities in West Africa

- Without major investments in sustainable energy frameworks and infrastructure in West Africa the regional energy access, energy security and climate objectives cannot be achieved simultaneously in the forthcoming decades.
- Apart from being a low-carbon solution, renewable energy systems can increase access to modern, affordable and reliable energy services, improve energy security and support the region's economic and social development in an environmentally benign manner. These technologies provide more people access to energy services thus boosting economic development and supporting eradication of poverty, especially in rural areas. Renewable energy based economic development is in many cases more sustainable as it relies on local energy sources, creates local employment opportunities and prevents negative environmental externalities of the energy system (GHG emissions, local environmental impacts). RE systems are especially effective if they are combined with energy efficiency (EE) measures which are usually available at low cost.
- Apart from significant fossil fuel resources West Africa can rely on a wide range of untapped RE&EE potentials in various sectors. The RE potentials are significant but unevenly distributed in the region:
 - A total of 23,000 MW of hydroelectric potential is concentrated in five of the 15 Member States, of which only 16% has been exploited.
 - There is good potential for all forms of bioenergy. Traditional biomass is already the main source of energy for the poor majority and accounts for 80% of total energy consumed for domestic purposes.
 - There are also considerable wind, tidal, ocean thermal and wave energy resources available in some ECOWAS countries.
 - The region has vast solar energy potential with very high radiation averages of 5 to 6 kWh/m² throughout the year.
- However, the West African markets for these technologies and services remain largely underdeveloped so far. According to the latest REN 21 Report, global investments in new renewable energy capacity, manufacturing and research and development were in excess of US\$120 billion in 2008. Regrettably, African continent could attract only a small fraction of these investments. In fact, Africa has continued to attract less than US\$1 billion in investments in renewable energy sector, excluding large hydro.
- So far, West African countries do not take full advantage of their RE&EE potentials due to various technical, financial, economic, institutional, legal and capacity related barriers. Past efforts to develop renewable energy in Africa have generally focused on removing barriers and much more still needs to be done. However, the sufficient good lessons learned from projects implemented across the continent and other regions of the world abound which can be instructive in defining a more proactive, concerted and region-wide effort to scale up the deployment of renewable energy technologies in the region.
- Most ECOWAS Member States do not have a clear-cut policy on renewable energy. As a result, renewable development follows an ad hoc path, with little recourse to national energy plans, which are rarely available or out of date and inadequate. Limited support for renewable energy is further demonstrated by low budgetary allocations seen in most countries. Emphasis is placed on the petroleum and power sectors, which supply a small portion of the population, at the expense of renewable which can assist in reaching a wider proportion of the population.
- Coherent, consistent and conducive policy and regulatory frameworks are central to the successful dissemination of renewable energy in the region, yet such frameworks are generally absent. A clear direction and leadership from the government in the form of policies and regulations is generally missing. Without these, it is difficult for the private and industrial sectors to operate effectively and expand their investments in the development and use of renewable energy in the region. Renewable programs are therefore unlikely to register significant development and dissemination without supportive government policies and regulations and their effective implementation backed by the requisite budgetary allocations.

3.3 Alignment with ECOWAS policies

The proposal for the establishment of the EREF reflects the increased drive towards regional approaches in addressing the region's development challenges. The energy sector in West Africa is spearheading these efforts as demonstrated with the creation of the West African Power Pool (WAPP) and the West African Gas



Pipeline (WAGP). In 2006, ECOWAS/UEMOA adopted the White Paper on regional policy on access to energy services for populations on rural and peri-urban areas. These initiatives reflect an increasing drive for integrated energy markets in the region and hence justify a regional approach in developing the renewable energy and energy efficiency sectors.

In continuity with this regional policy the **ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)** was established by Regulation C/REG.23/11/08 of the 61st Session of ECOWAS Council of Ministers in Ouagadougou, Burkina Faso, on November 23, 2008. In November 2009 the ECOWAS Commission established ECREEE with support of the Austrian Development Cooperation (ADC), the United Nations Industrial Development Organization (UNIDO) and the Government of Cape Verde. The Spanish International Development Agency (AECID) joined the initiative and supports the project activities of ECREEE.

The Vision of ECREEE is to improve energy security, increase access to modern energy services and support the region's economic and social development in an environmentally benign manner through the promotion and use of renewable energy and energy efficient technologies in ECOWAS member states. The proposal to establish ECREEE was a necessary regional response to the specific needs of ECOWAS Member States as expressed in national and regional policies. It is also responding to international energy and climate policy decisions.

ECREEE aims at the establishment of regional renewable energy and energy efficiency markets by supporting various activities to mitigate existing barriers on different levels and sectors. The ECREEE activities include policy development and quality assurance, capacity building, the design and usage of tailored financing mechanisms and appraisal tools, awareness raising and the implementation of demonstration projects with potential for regional scaling-up. In this regard ECREEE cooperates with the private sector and other national, regional or international institutions (e.g. WAPP, ERERA, IRENA, UNIDO, REEEP). Most of the activities are implemented in cooperation with the nominated Focal Institutions (NFIs) of ECREEE in each ECOWAS member state. More information on the ECREEE strategy is available on the website www.ecreee.org and the ECREEE brochure.

The proposal for the establishment of the ECOWAS Renewable Energy Facility responds directly to the **objectives and action plan of the ECOWAS/UEMOA White Paper on Energy Access in Peri-urban and Rural Areas**. The ECOWAS/UEMOA White paper envisages that at least 20% of new investments in electricity generation will be driven by local and renewable resources, in order to achieve self-sufficiency, reduced vulnerability and sustainable environmental development in keeping the regional plan. The action line on investment promotion **foresees the establishment on an investment and innovation fund** for renewable energy (RE) and energy efficiency (EE) which raises funding for at least 200 demonstration projects and support for local manufacturing and service companies.

	millions \$
Line of action 2 : Support with raising soft loans and attracting private sector investment in projects aimed at supplying energy services in rural and peri-urban areas	121.2
Support with fund-raising and determining the implementation methods of, in particular cross border programmes – negotiation of PPAs, implementation of guarantee facilities	12
Feasibility study on the investment and innovation fund and determination of its size	1.2
Investment and Innovation Fund	
<ul style="list-style-type: none"> • For the implementation of 200 demonstration projects, including mature renewable energy technologies (small scale hydro power facilities, biomass electricity (agro residue based or forest based, solar PV or thermal power), and covering end-use equipment co-funding with the private sector. Investments of the Innovation and demonstration fund 	90
<ul style="list-style-type: none"> • Support fund (patient capital) for the local manufacture of end-use energy service equipment industry, energy efficient equipment and renewable energy equipment 	18



3.4 Alignment with international policies

The EREF responds to the **need for additional investments in renewable energy** services, infrastructure and capacities in peri-urban and rural areas of West Africa and the so far **limited support in these areas**. Only a small part of the international support is devoted to the energy sectors in Sub Sahara Africa. An even smaller part is explicitly directed to renewable energy and energy efficiency in peri-urban and rural areas of West Africa. The majority of the projects are focused on large hydropower rather than the so called “new renewables”.

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 Renewable Energy Observatory (EREO). 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 aspects, services and technologies will create an enabling business environment and a cooperative platform between technology companies of Europe, USA or others 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 EU-Africa Renewable Energy Cooperation Programme. Synergies to the yearly organized ECOWAS Business Forums and EU-Africa Business Forums can be created. The EREF builds on already existing initiatives (such as the EU Energy Facility, the activities of the EU Partnership Dialogue Facility, bilateral energy activities of EU countries, implementation of the white paper).



4. EREF OBJECTIVES, RESULTS, ACTIVITIES AND BENEFICIARIES

4.1 Objectives

The **overall objective** of the Facility is to contribute to 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. It addresses the challenges of energy poverty, energy security and energy related global and local environmental impacts in an integrated way and from a regional perspective.

The **specific objective** of the EREF is to create a favorable 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 **activities** implemented and co-funded by the EREF are **described in the chapter on the EREF financing windows**.

4.2 Beneficiaries

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.

4.3 Activities - The Financing Windows of the EREF

The EREF fund will **make available grants for two financing windows** in the first phase (2011 to 2016). Under windows 1 and 2 the ECREEE-SEC will undertake regular demand-driven competitive call for proposals. The technical focus and eligibility requirements for the calls can be modified easily according to the actual needs and interest of the beneficiaries or donor partners (e.g. only solar projects or mini-grids). The eligibility and evaluation criteria will be explained in the funding guidelines and may vary from call to call.

In the logical framework of the EREF project document the financing windows contribute to two result areas:

- Financing window 1: Investment Promotion falls under Result 2
- Financing window 2: Business Development falls under Result 3

During its second operational phase **from 2020 on the EREF might include other innovative financing schemes (e.g. micro-credits, concessions)** in its portfolio. In this regard the EREF will undertake a feasibility study on innovative financing options for RE&EE solutions in peri-urban and rural areas in the ECOWAS region. In the meantime the ECREEE-SEC will try to create linkages to existing RE&EE loan instruments and banks (e.g. ECOBANK, KFW, AFD). Projects developed under the EREF grant component could benefit from credit lines.

4.4 Result 1: Preparatory Phase of EREF (2010 to 2011)

The preparatory phase aims at the successful establishment of the EREF through detailed planning and preparation activities (see also budget requirements).

Activities under Result 1 include:

- Develop the EREF project document
- Develop the project document templates and appraisal policy and sheets
- Validation workshop with partners and National Focal Institutions (NFIs);
- Fund raising
- Recruitment of Project Manager
- Prepare the funding guidelines for the first call for proposals
- Constitute the EREF bodies



4.5 Result 2: Financing Window on Investment promotion

This window supports investment promotion activities for small and medium-sized RE and related EE projects in peri-urban and rural areas of West Africa. The EREF is providing risk capital for project development through the co-funding of (pre-) feasibility studies and other pre-investment related activities (e.g. potential assessment, measurements). Moreover, the EREF supports project developers to mobilize further funding for the execution of these projects (e.g. loans, mezzanine, carbon finance). Under this window the EREF will also co-fund the installation and execution of pro-poor demonstration projects and program for rural communities with potential for regional scaling-up. The ECREEE-SEC will undertake regular call for proposals; Eligible applicants will be private companies, municipalities, and private companies, NGOs and cooperatives. The participation of local project partners is obligatory. Best practices and lessons learnt from the executed projects will be collected and disseminated through the EREF network.

Activities under Result Area 2 include:

- Innovative financing mechanisms for investment promotion of small and medium-sized RE&EE projects in peri-urban and rural areas offered.
- Pre-feasibility and feasibility studies (on-grid and off-grid) and related pre-investment activities (potential studies, measurements) for projects in peri-urban and rural areas co-funded;
- Installation and execution of pro-poor RE&EE demonstration projects in peri-urban and rural areas with potential for regional up-scaling in West Africa co-funded; this includes also the more efficient use of rural biomass and charcoal for cooking and its substitution through more efficient and cleaner solutions (e.g. biogas, biofuels, LPG).
- Development, dissemination and implementation of sustainable pilot projects to showcase RE technologies as viable alternatives to develop business oriented initiatives.
- Close relations with local, regional and international financiers and investors to raise funding for the execution and up-scaling of developed EREF projects are established.
- CDM and carbon finance in the financial structuring of projects considered.
- Regional documentation of supported RE&EE projects established.

4.6 Result 3: Financing Window on Business Development

This financing window aims at the strengthening of the capacities, knowledge base and market access ability of local RE&EE technology and service companies. As concrete outputs, this financing window will undertake regular call for proposals to **support business development activities and capacity building for local RE&EE technology and service companies** (e.g. on- and off-grid solutions, decentralized systems). Through its activities the EREF will support companies to develop business plans and find their place in the market. The establishment of innovative **north-south and south-south business to business partnerships** (e.g. Europe, Brazil) between RE&EE companies will be co-funded. Networking, knowledge exchange and awareness raising on RE business opportunities will be facilitated through the **organization of RE&EE forums, workshops and the elaboration of market studies**.

Activities under Result 3 include:

- Business development activities for local RE&EE companies are co-funded (e.g. elaboration of business plan, market studies)
- Technical and business training for local companies (e.g. SMEs) to provide reliable RE&EE goods and services in peri-urban and rural areas in the ECOWAS region (e.g. on- and off-grid solutions, decentralized systems) co-funded.
- The establishment of north-south and south-south business-to business partnerships of RE&EE companies co-funded (e.g. Europe, Brazil);
- Business and technical forums and seminars on different RE&EE aspects and innovative approaches are organized and facilitate regional and north-south and south-south cooperation.
- Regular updated national and regional studies on RE&EE market opportunities in peri-urban and rural areas are elaborated and disseminated to decision makers and public sector officials;
- Experience exchange among RE project developers in the region established;
- Networking platform for project developers and financial institutions established;



5. EREF MANAGEMENT AND ORGANIZATIONAL STRUCTURE

The Facility will be managed **under the leadership of the ECREEE-SEC, based in Praia, Cape Verde, with key technical support of UNIDO**. The EREF is governed by the ECREEE Executive Board (EB) and the EREF Technical Committee (TC). Detailed information on the governance structure can be found in the EREF project document. The ECREEE-SEC will be responsible for the administration of the program (e.g. project cycle management, appraisal and quality assurance of supported projects, financial accountability). The EREF will benefit fully from the established ECREEE network of NFIs in all ECOWAS countries. The undertaken calls for proposal are promoted by the National Focal Institutions (NFIs). The bodies have the following composition and functions:

- 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 **EREF Technical Committee (EC)** of ECREEE meets usually after 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 Committee consists of the donor partners and ECREEE staff.
- The specialized **EREF project management team** is based at the ECREEE Secretariat in Praia, Cape 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.

5.1 ECREEE Executive Board

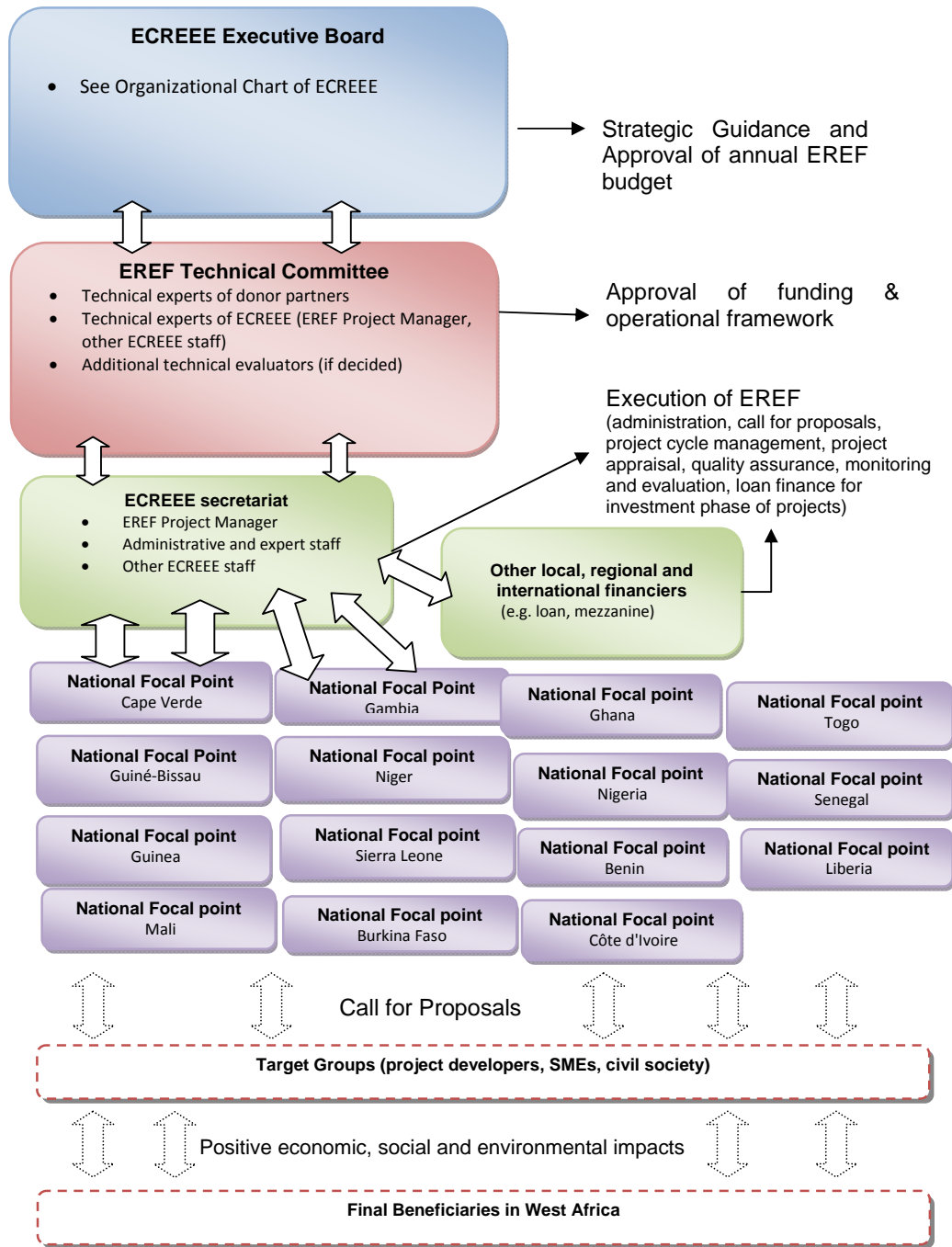
The ECREEE Executive Board (see governance structure of ECREEE) will, based on the recommendations of the Technical Committee:

- Approve the EREF annual work plan and global budget for calls (including the allocation of funds between the EREF financing windows and for EREF operations)
- Approve the EREF annual progress report and financial report
- Approve the audits (including selection of external auditors)
- Agree on amendments to the Project Document
- Approve the invitation of new donor partners to the EREF
- Provide policy guidance and propose new approaches.
- Facilitate partnerships between Europe and West Africa in RE & EE on political levels

The ECREEE Executive Board meets usually twice a year.



Figure 3: EREF Organizational Structure



5.2 EREF Technical Committee

The Technical Committee (TC) provides the technical guidance and ensures quality assurance of the EREF. It will usually meet upon request or after the finalization of the appraisal process. Members are:

- Technical experts of the ECREEE-SEC (e.g. project manager, experts)
- Technical experts of other donor organizations (if decided)
- External reviewers/evaluation consultants



The Technical Committee has the following functions:

- Discuss the EREF annual progress report and work plan and give recommendations to the Executive Board;
- Overseeing and monitoring of the performance of the EREF management and the achievement of the program results;
- Coordinate the activities of the EREF by giving guidance to the ECREEE secretariat to meet regional and national level priorities;
- Participating in the selection of the Project Manager and other EREF related staff;
- Guide and supervise the work of the ECREEE secretariat and EREF project team;
- Review the annual EREF work plan and related budget and give recommendations to the EB;
- Look for a balance between financing windows in the selection of co-funded projects; look for geographical and technology balance;
- Evaluate project proposals of the call for proposals according to the ECREEE quality and appraisal framework and select the best projects for co-funding; recommend adjustments to the criteria for project evaluation;
- Approval of projects in accordance with the non-objection principle
- Approval of funding guidelines for a call of proposals
- Approve significant changes on activities, time schedule, budget allocation, expenses in projects under execution following a request by project implementers;
- Discuss and decide on the themes for forums, capacity development workshops and other events supported by the EREF;
- Promote innovative approaches for building up partnerships between European and West African companies in the RE & EE sectors;

5.3 ECREEE Secretariat and EREF Project Team

The ECREEE-SEC, based in Praia, Cape Verde, has been identified as the host and executive partner of the EREF. UNIDO will technically assist the Secretariat. The ECREEE-SEC is responsible for the operational management of the EREF grant fund. It will act as administrator of the financial grant resources provided for the EREF, and it will provide office facilities.

A specialized EREF project team will be set up in the ECREEE secretariat for the preparatory phase and later on for the execution of the EREF. A project manager and additional expert and administrative staff (see job descriptions in the annex) will be recruited for an initial three-year period. The project manager will work closely with the NFIs of ECREEE. The project manager has the responsibility to ensure efficient Management and Supervision, including the EREF project staff. The project manager will also coordinate with governmental institutions, partners, and external counterparts.

The key functions of the ECREEE secretariat and the EREF project team are as follows:

Administrative Tasks and Responsibilities

- Organize and facilitate the meetings of the Executive Board and the Technical Committee.
- Organize thematic forums and workshops
- Act as secretary in the EB and TC meetings.

Management Tasks and Responsibilities

- Plan and suggest to the TC studies and surveys that are considered necessary in order to achieve the EREF's objectives as well as training activities. This includes hiring of the necessary consultancies, as well as monitoring, control and supervision of the results.
- Verify achievement of EREF goals
- Mediate problems among project partners in sharing work and/or budget items while preparing the project proposal
- Arrangement of long-term follow-up

Financial Tasks and Responsibilities

- Monitor the administrative and financing execution of the EREF.
- Manage additional financial resources, in order to increase the available resources to execute the Partnership



Project management Tasks and Responsibilities

- Ensure effective project cycle management of co-funded projects (see the Figure).
- Facilitate the drafting and signing of contracts for project execution.
- Monitor the implementation of projects and other activities financed by EREF.

Reporting Tasks and Responsibilities

- Draft and implement EREF information dissemination plan.
- Compile the information provided by the ECREEE national focal institutions about the progress of EREF.
- Elaborate periodical reports about the progress of the Partnership's program including an analysis of results achieved and proposals for modifications if necessary to achieve the objectives of the EREF.

General Tasks and Responsibilities

- Suggest improvements to enhance the quality of project appraisal, implementation and monitoring capacities of the EREF and ECREEE national focal institutions;
- Support the national focal institutions;
- Provide information to the national focal institutions;
- Compile information about similar programs and projects that are being executed or proposed in the region;
- Develop and maintain a contact network with EREF members, collaborators and relevant stakeholders, in order to make public and to promote the achievements in the renewable energy field;
- Assure the optimal use of information technologies (website management, communication with others members of the Partnership, etc.);
- Oversee that cross cutting issues are taken into account in all programme activities;
- Perform additional functions defined by the Executive Board.

5.4 ECREEE National Focal Institutions (NFIs)

The role of the ECREEE NFIs is to guide the development and the activities of the Partnership's projects in their respective countries, according to the needs and requirements of the environmental and energy policies. The NFIs are the link between project implementers in the different countries and the ECREEE-SEC. The focal institutions are designated to represent their country in the Technical Committee. The EREF administrative and management budget includes some funds to be used to support the activities of the NFIs (meetings, travel costs) to ensure efficient operations and strengthening of their capacity.

The NFIs have the following functions:

- Facilitate national discussion on RE and energy efficiency and the EREF
- Oversee coordination of EREF activities in their respective countries.
- Represent EREF at the national level.
- Act as the national counterpart to the EREF project team in the ECREEE secretariat
- Inform the Executive Board about the necessities and the activities requirements in their country.
- First quality appraisal of received project proposals of EREF call for proposals; check whether they are in line with national development plans and policies and strategies, and legislation.
- Disseminate information on EREF in the country and encourage identification and development of projects with the support of the ECREEE secretariat.
- Supervise, with the support of the ECREEE secretariat, the progress of the EREF projects in their countries;



6. EXECUTION, APPRAISAL AND MONITORING FRAMEWORK

Under financing windows 1 and 2 the EREF will undertake regular call for proposals in the West African region. The calls are promoted by the NFIs of the ECREEE-SEC and are opened for proposals from the private sector and civil society.

6.1 Call for Proposals Guidelines

For every call the ECREEE-SEC will develop financing guidelines which are subject for approval by the EREF Technical Committee. The technical focus and eligibility criteria might vary from call to call. Detailed application and approval procedures, project cycles, appraisal criteria and forms for implementing partners can be found in the annexes of the final project document. The following guidelines will apply for all calls:

- The participation of West African partners in the proposed projects is a precondition for co-funding from EREF.
- Project proposals can be presented by one applicant alone or by a group of applicants (assignment of one lead applicant).
- EREF is only co-funding and expects that applicants bring in their own financial means and/or in-kind contributions. The quantity of co-funding contributions and shown ownership of West African partners increase the chances of project proposals to be selected.
- The table below indicates the geographic and technical framework for EREF calls.

Table 1: Geographic and technical eligibility criteria of the EREF

Eligible Countries	Eligible Applicants	Eligible Technical Solutions <i>(projects usually cover more than one option)</i>
<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 <i>(covers more than one country listed above)</i> 	<ul style="list-style-type: none"> • Government institutions (ministries, electrification agencies, municipalities) • Private, public or public-private companies (e.g. SMEs, ESCOs, utilities) • Individual consultants and project developers (registered as company) • Universities, schools, research centres, • NGOs and cooperatives 	<p>Renewable Energy:</p> <ul style="list-style-type: none"> • Renewable Energy (multi-focus) • Biomass (e.g. improved stoves for cooking, power generation) • Bio-fuels (e.g. Biodiesel, Bioethanol) • Biogas • Waste-to-Energy • Geothermal Energy • Hydroelectric Power (medium, small, micro, pico) • PV (e.g. grid/off-grid, SHS, lighting, pumping, desalination) • Solar thermal (water heating, CSP, cooling, process heat, solar cooking and drying) • Wind Energy (e.g. off/on-grid, on- and off-shore, small and large, water pumping, desalination etc.) • Wave, tidal and ocean thermal • Hybrids (indicate sources) • Mini-Grids • Storage systems (batteries, hydrogen) <p>Energy Efficiency:</p> <ul style="list-style-type: none"> • Sustainable transport • Efficient appliances • Building efficiency • Cleaner production • Transmission • Energy conservation and management <p>Other focus:</p> <ul style="list-style-type: none"> • LPG for cooking



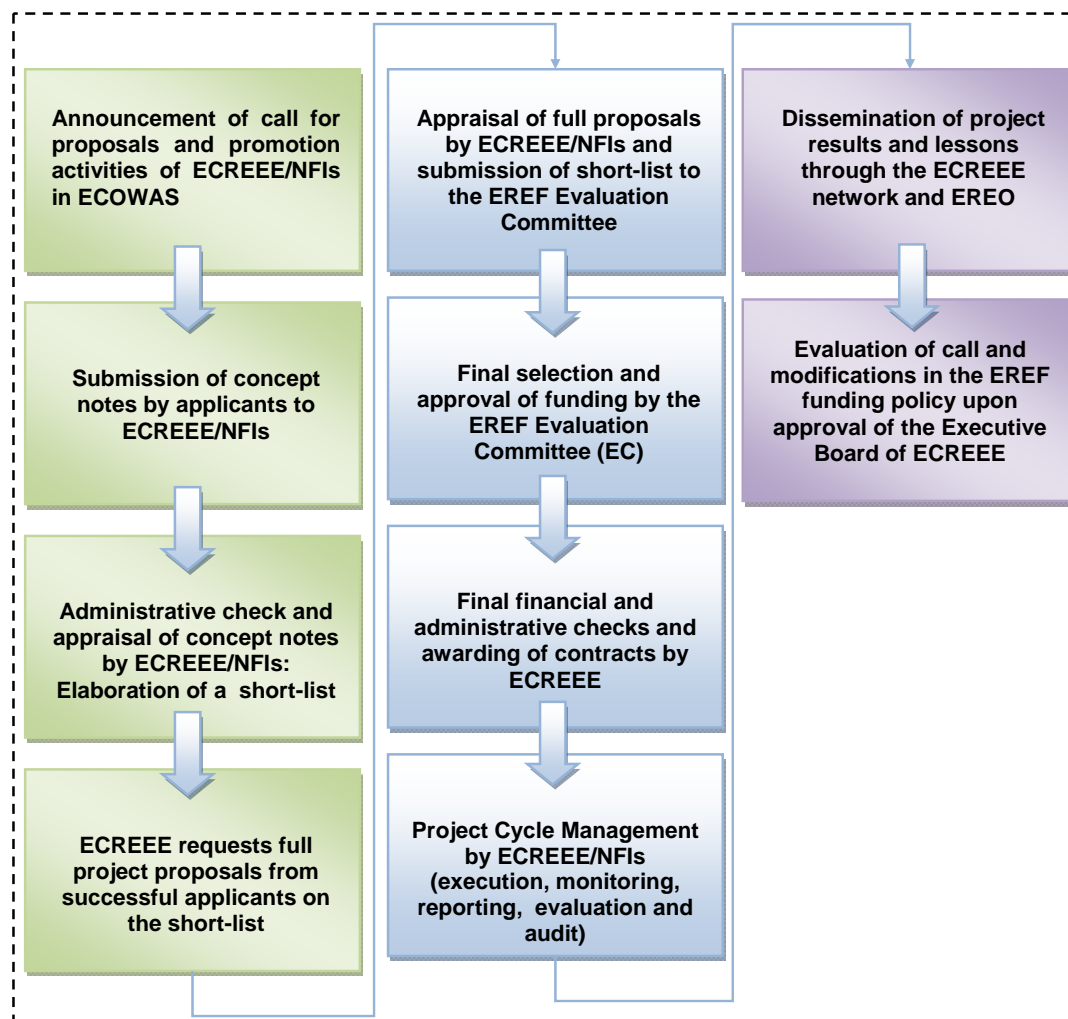
6.2 Appraisal Framework

The ECREEE Secretariat in cooperation with the NFIs evaluates the received proposals according to the established appraisal criteria and draws up a short-list with the best proposals (this might need also the assistance from an external evaluator). The short-list will be sent to the EREF Technical Committee for consideration and approval. Donor partners might do their own assessment and give recommendations on individual projects. Finally, the EREF Technical Committee will approve co-funding for some of the projects. The approval process can be done either in a physical meeting or by e-mail. For some calls a two-stage application process might be applied (concept notes and full proposals). 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.

For the appraisal of the proposals ECREEE usually applies the following **evaluation criteria**:

- Relevance of Project (20 points)
- Overall Project Objective(s) and Impact (20 points)
- Specific Objectives and Effectiveness (20 points)
- Feasibility and Efficiency of Project (20 points)
- Sustainability and potential for regional replication or scaling-up (20 points)

Figure4: EREF project cycle management for call for proposals





6.3 Monitoring and Evaluation Framework

Upon approval by the EREF Technical 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 execution conditions can be found in the contract template in the annex. The EREF grant project cycle can be described as in the graph above.

ECREEE and its EREF project team monitors the project progress and ensures effective project cycle management for the provided grants. After the effective date ECREEE will execute payments to the Beneficiary according to the payment schedule set out in the annex of the signed contract. Further payments are released by ECREEE in accordance with the payment schedule and on the basis of written progress reports provided by the Beneficiary.

The progress reports and the final report are provided by the Beneficiary according to the reporting schedule in the annex of the contract. Progress reports shall be sent not later than 30 days after completion of the project period and 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 short-term projects (e.g. feasibility studies, trainings) a final report will be sufficient, in longer term projects mid-term reports shall be provided.

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.

Since the Grant Amount provided by the EREF is relatively small (max. 50.000 EUR) usually no external project evaluation and audit will be undertaken. The submission and evaluation of the final report is considered as sufficient. However, 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.

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.



7. TIME SCHEDULE AND INDICATIVE EREF BUDGET (2011-2016)

7.1 Time Schedule

The first phase of the EREF is planned to be implemented between 2011-2016

Activity	Month	01	02	03	04	05	06	07	08	09	10	11	12
Preparatory Phase of ECOWAS Renewable Energy Facility													
1.1.1	1 st draft of project document elaborated												
1.1.2	Comments of partners												
1.1.3	Final design of project document												
1.2.2	Cooperation agreement with donors signed												
1.2.3	EREF project team recruited and relocated												
1.2.4	First call for proposals												

7.2 Indicative EREF budget between 2011 and 2016

The budget need to implement the first phase of the EREF amounts to EUR 9,2 million between 2011 and 2016. This would allow the EREF to undertake an annual call for proposal. For administration purposes, the EREF's budget is divided into three main areas: (a) Costs of Project Operations (e.g. call for proposals, trainings, forums), (b) Costs for Monitoring and Evaluation (e.g. TC meetings, evaluation consultants, monitoring travels), as well as (c) Costs of Management and Administration. A detailed budget breakdown can be found on the next page.



Table 2: Indicative Overall Budget of EREF in million EUR (2011 to 2016)

Activities	2011	2012	2013	2014	2015	2016	Total EREF
1.1 Preparatory phase (e.g. final project document, validation workshop, travel costs)	200,000						200,000
1.2 EREF Operational budget for call for proposals		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
1.3 EREF Monitoring and Evaluation Budget (e.g. appraisal consultants, travel)		150,000	150,000	150,000	150,000	150,000	750,000
1.4 Management and administration costs		150,000	150,000	150,000	150,000	150,000	750,000
Total	200,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	9,200,000

Table 3: Indicative budget for management and administration (10%)

Activity	2012	2013	2014	2015	2016
Senior Project Manager	80,000	80,000	80,000	80,000	80,000
Project Assistant	40,000	40,000	40,000	40,000	40,000
Admin Assistant	20,000	20,000	20,000	20,000	20,000
Office Equipment and Running Costs (e.g. telephone)	10,000	10,000	10,000	10,000	10,000
TOTAL EUR	150,000	150,000	150,000	150,000	150,000



8. ANNEXES

8.1 Logical Framework Matrix of the EREF

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions/Risks
Overall Objective / Development goal	<ul style="list-style-type: none"> To contribute to sustainable economic, social and environmental development in peri-urban and rural areas of West Africa through increased deployment and use of reliable and affordable renewable energy technologies and services. To contribute to the achievement of the MDGs and the objectives of the ECOWAS/UEMOA white paper, the Millennium Development Goals (MDG's) and the international and regional GHG mitigation goals. 	<ul style="list-style-type: none"> No. of households, companies and public service institutions with access to modern, reliable and energy services based on renewable energy solutions Proportion of the total energy production & consumption in the region from RE Renewable Energy' share in overall electricity mix Decreased diesel consumption through substitution of generators or replacement through hybrid systems Decreased reliance of households on traditional biomass, charcoal and related indoor pollution effects. Reduced monthly spending for energy services and enhanced ability to pay Decreased soil degradation and GHG emissions saved 	<ul style="list-style-type: none"> National statistics and energy balances Regional statistics and energy balances National and regional policy and strategy papers Stakeholder questionnaires Regional statistics from ECOWAS, WAPP and countries 	N.A.



	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions/Risks
Specific Objectives / Outcomes	SPECIFIC OBJECTIVES / OUTCOMES			
	<ul style="list-style-type: none"> The improved investment and business environment leads to accelerated deployment and use of renewable energy technologies and services in peri-urban and rural areas of West Africa. 	<ul style="list-style-type: none"> 20% of new investments in electricity generation in peri-urban and rural areas covered by RE (ECOWAS/UEMOA white paper objective) More than 200 demonstration projects co-funded by EREF (ECOWAS/UEMOA white paper indicator) No. of competitive RE&EE manufacturers and service companies established with EREF support (ECOWAS/UEMOA white paper indicator) No. of RE&EE projects developed, executed and maintained with EREF support Energy produced and population served through projects of the EREF EERED share of newly installed energy services provided by RE by country (areas, households etc.) Avoided GHG emissions as a consequence of EREF projects Energy saved in EREF EE projects No. of north-south and south-south technology partnerships established with EREF support Increased prioritisation of energy services derived from RE in national and regional policies and strategies 	<ul style="list-style-type: none"> National statistics and energy balances Regional statistics and energy balances National and regional policy and strategy papers Monitoring reports and evaluations EREF projects Workshop reports Specific surveys and studies Reporting to stakeholders and feedback from stakeholders 	<ul style="list-style-type: none"> Key stakeholders show and maintain interest in their countries, or at least don't object EREF; National development of policies and legal frameworks for energy continues and creates a favourable environment for renewable energy – based on international trends and climate change imperatives. International Financiers and Investors keep interested in supporting RE&EE projects. Participating countries keep on the track of peaceful development.



	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions/Risks
Outputs / Results	RESULT 1: FINANCING WINDOW - PREPARATORY PHASE			
	<ul style="list-style-type: none"> • Agreement on final project document reached, validation workshop held, funding for the EREF secured and initial project staff recruited and relocated. 	<ul style="list-style-type: none"> • First call for proposal initiated 	<ul style="list-style-type: none"> • project document • donor agreements • contracts 	<ul style="list-style-type: none"> • Interest from EU donors and partners maintained
RESULT 2: FINANCING WINDOW – INVESTMENT PROMOTION FOR SMALL AND MEDIUM-SIZED RE&EE PROJECTS				
	<ul style="list-style-type: none"> • Financial barriers for small- and medium sized RE&EE solutions in peri-urban and rural areas are mitigated. 	<ul style="list-style-type: none"> • Total investments in RE&EE projects by ECOWAS country leveraged through pre-investment activities of the EREF (feasibilities, potential studies etc.). • Number of (pre)feasibility studies which reach financial close and lead to implementation. • Leverage effect of invested grants in relation to total leveraged investments (in %). • Volume of funding raised from local and international financiers. • No. of follow-up activities on the basis of funded investment related studies (e.g. potential studies, measurements). 	<ul style="list-style-type: none"> • Monitoring reports and evaluations EREF projects • Reports of IFIs • Workshop reports • Specific surveys and studies • Reporting to stakeholders and feedback from stakeholders 	<ul style="list-style-type: none"> • Key stakeholders show interest in their countries;



	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	RESLUT 3: FINANCING WINDOW - BUSINESS DEVELOPMENT AND KNOWLEDGE MANAGEMENT			
	<ul style="list-style-type: none"> Capacities, knowledge base and market access ability of local RE&EE technology and service companies are strengthened. 	<ul style="list-style-type: none"> No. of RE&EE manufacturers and service companies established with EREF support No. of north-south and south-south technology partnerships established with EREF support No. of participants in EREF forums and training workshops No. of participants which make direct use of obtained knowledge in trainings No. and quality of disseminated market studies and RE&EE information by the EREF (web sites, libraries, resource centres) No. of subscribers and downloads of provided EREF information Data actively used by companies and public officers for strategy development 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Workshop reports Annual reports of companies Specific surveys and studies Reporting to stakeholders and feedback from stakeholders National and regional policy and strategy papers 	<ul style="list-style-type: none"> Key stakeholders show interest in their countries;
	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	ACTIVITIES: FINANCING WINDOW PREPARATORY WORK			
Activities	<ul style="list-style-type: none"> Project document finalized 	N.A.	N.A.	N.A.
	<ul style="list-style-type: none"> Funding agreements with donor partners signed 	N.A.	N.A.	N.A.
	<ul style="list-style-type: none"> Validation workshop with NFIs organized 	N.A.	N.A.	N.A.
	<ul style="list-style-type: none"> Recruitment of EREF staff 	N.A.	N.A.	N.A.



	<ul style="list-style-type: none"> Preparation and translation of EREF templates (e.g. project document, contract) and evaluation policy 	N.A.	N.A.	N.A.
	<ul style="list-style-type: none"> Preparation of guidelines and launch of first call for proposals 	N.A.	N.A.	N.A.
	<ul style="list-style-type: none"> Organization of first Executive Board (EB) and EREF Technical Committee (TC) meetings; 	N.A.	N.A.	N.A.
	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
ACTIVITIES: FINANCING WINDOW: INVESTMENT PROMOTION FOR SMALL AND MEDIUM-SIZED RE&EE PROJECTS				
	<ul style="list-style-type: none"> Pre-feasibility and feasibility studies (on-grid and off-grid) and related pre-investment activities (potential studies, measurements) for projects in peri-urban and rural areas co-funded; 	<ul style="list-style-type: none"> No. of projects co-funded No. of received proposals Number of (pre)feasibility studies which reach financial close and lead to implementation. Co-funding received (total & percentage) Leverage effect of invested grants in relation to total leveraged investments (in %). Number of follow-up activities on the basis of funded investment related studies (e.g. potential studies, measurements). 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Report of financiers and investors Specific surveys and studies Reporting to stakeholders and feedback from stakeholders 	<ul style="list-style-type: none"> N.A.
	<ul style="list-style-type: none"> Installation and execution of pro-poor RE&EE demonstration projects in peri-urban and rural areas with potential for regional up-scaling in West Africa co-funded; activity includes also the more efficient use of rural biomass and charcoal for cooking and its substitution through more efficient and cleaner solutions (e.g. biogas, biofuels, LPG). 	<ul style="list-style-type: none"> No. of projects co-funded by ECOWAS country No. of projects successfully executed and maintained Energy produced and population served through projects of the EREF Social, economic and environmental benefits for population Energy saved in EREF EE projects Energy saved with EREF projects GHG emission avoided 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Report of financiers and investors Reporting to stakeholders and feedback from stakeholders 	<ul style="list-style-type: none"> N.A.



	<ul style="list-style-type: none"> New viable approaches, technologies and mechanisms for RE&EE solutions suitable for rural areas and regional scaling-up are identified, tested and demonstrated in practice. 	<ul style="list-style-type: none"> No. of studies and pilot projects supported No. of pilot projects successfully executed Number of approaches applied in practice No. of viable pilot projects and approaches which have led to investment. No. of pilot projects replicated 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Report of financiers and investors Specific surveys and studies 	<ul style="list-style-type: none"> N.A.
	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
Activities	ACTIVITIES: FINANCING WINDOW BUSINESS DEVELOPMENT AND KNOWLEDGE MANAGEMENT			
	<ul style="list-style-type: none"> Business development support and training for local companies (e.g. SMEs) to provide reliable and affordable RE&EE goods and services in peri-urban and rural areas (e.g. on- and off-grid solutions, decentralized systems) are co-funded. 	<ul style="list-style-type: none"> No. of local businesses for RE&EE manufacturing, installation and services supported No. of new viable business and jobs created Volume of investment in start-up businesses leveraged through grant support Sales of supported companies No. of businesses replicated in the region No. of participants trained in workshops No. of participants which make direct use of obtained knowledge 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Reports from trade organizations & balance sheets of companies Specific surveys and studies List of Participants Workshop evaluations 	<ul style="list-style-type: none"> Identification of key stakeholders for workshops Active participation of participants



	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	<ul style="list-style-type: none"> The establishment of north-south and south-south business-to-business partnerships of RE&EE companies co-funded (e.g. Europe, Brazil); 	<ul style="list-style-type: none"> No. of north-south partnerships supported and maintained No. of south-south partnerships supported and maintained Volume of investment in leveraged through grant support of EREF Sales of supported companies Local value-added created Technology and know-how transfer intensity 	<ul style="list-style-type: none"> Monitoring reports and evaluations EREF projects Reports from trade organizations & companies Specific surveys and studies 	<ul style="list-style-type: none"> N.A.
	<ul style="list-style-type: none"> Business and technical forums and seminars on different RE&EE aspects and innovative approaches are organized and facilitate regional and north-south and south-south cooperation. Networking platforms to exchange RE&EE information and lessons learned of projects supported by the EREF are established. 	<ul style="list-style-type: none"> No. of forums, events and workshops organized No. of local and international experts participated Presentations given in forums/seminars Networking website established and functioning; number of visitors at the site; 	<ul style="list-style-type: none"> Monitoring reports of EREF Reports Lists of Participants Specific surveys and studies Reporting to stakeholders and feedback from stakeholders 	<ul style="list-style-type: none"> N.A.
	<ul style="list-style-type: none"> Regular updated national and regional studies on RE&EE market opportunities in peri-urban and rural areas are elaborated and disseminated to decision makers and public sector officials; 	<ul style="list-style-type: none"> No. of studies conducted in participating countries (with EREF support) No. of subscribers and downloads Data used by companies and public officers for strategy development No. of regional forums/thematic workshops organized No. of participants in regional forums/workshops (public-private-NGO) Website established and functioning, number of visitors at the site 	<ul style="list-style-type: none"> Monitoring reports of EREF Reports To be completed 	<ul style="list-style-type: none"> N.A.

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

2011 CALL FOR PROPOSALS



Guidelines and Background

**Deadline for Concept Note Submissions:
31 May to 31 July 2011, 23.00, GMT**



Introduction

The following guidelines provide interested applicants with all information on the 2011 Call for Proposals of the ECOWAS Renewable Energy Facility (EREF).

Background

The ECOWAS Renewable Energy Facility (EREF) was launched in May 2011 and is managed by the Secretariat of the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) based in Praia, Cape Verde. In the initial stage, the EREF provides grant co-funding for small and medium sized renewable energy and energy efficiency (RE&EE) projects and businesses in rural and peri-urban areas. The Facility is established with initial support of the Austrian Development Cooperation (ADC), the Spanish Agency for International Development Cooperation (AECID) and technical assistance of the United Nations Industrial Development Organization (UNIDO). **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.

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 2016), the EREF will test and sharpen its funding policy and find its comparative advantage in the West African market. In the second phase (2016 to 2020) the EREF will broaden its portfolio of financial instruments and support schemes (e.g. micro credits).

Relevance of the 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 2012 International Year of Sustainable Energy for All. 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.

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 Renewable Energy Observatory (EREO). 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.



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 favorable 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.

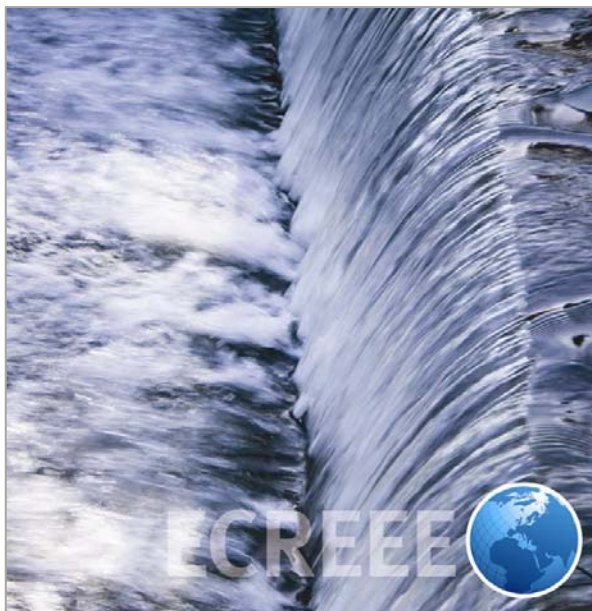
EREF Governance Structure

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 Evaluation Committee consists of the donor partners, ECREEE staff and three rotating experts from the National Focal Institutions (the contact list of the NFIs is available at: www.ecreee.org).

The specialized **EREF project management team** is based at the ECREEE Secretariat in Praia, Cape 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.





General Eligibility Criteria for the 2011 Call for Proposals

The following sections describe the EREF funding policy. Project proposals submitted to the 2011 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.

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 neighboring 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 Solutions <i>(projects usually cover more than one option)</i>
<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 <i>(covers more than one country listed above)</i> 	<ul style="list-style-type: none"> • Government institutions (ministries, electrification agencies, municipalities) • Private, public or public-private companies (e.g. SMEs, ESCOs, utilities) • Individual consultants and project developers (registered as company) • Universities, schools, research centres, • NGOs and cooperatives 	<p>Renewable Energy:</p> <ul style="list-style-type: none"> • Renewable Energy (multi-focus) • Biomass (e.g. improved stoves for cooking, power generation) • Bio-fuels (e.g. Biodiesel, Bioethanol) • Biogas • Waste-to-Energy • Geothermal Energy • Hydroelectric Power (medium, small, micro, pico) • PV (e.g. grid/off-grid, SHS, lighting, pumping, desalination) • Solar thermal (water heating, CSP, cooling, process heat, solar cooking and drying) • Wind Energy (e.g. off/on-grid, on- and off-shore, small and large, water pumping, desalination etc.) • Wave, tidal and ocean thermal • Hybrids (indicate sources) • Mini-Grids • Storage systems (batteries, hydrogen) <p>Energy Efficiency:</p> <ul style="list-style-type: none"> • Sustainable transport • Efficient appliances • Building efficiency • Cleaner production • Transmission • Energy conservation and management <p>Other focus:</p> <ul style="list-style-type: none"> • LPG for cooking



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), individual consultants and project developers, governmental institutions (e.g. ministries, utilities, rural electrification agencies), municipalities, universities, research centers, 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, 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 3 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 at least some 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 may 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.

Eligible Technologies

The following technology solutions are eligible:

- All appropriate and sustainable renewable energy and energy efficiency technologies.
- This includes also partly renewable energy based hybrid systems and mini-grids.



- Small hydro power projects should not exceed a capacity of 10 MW.
- Biofuel projects are only supported for sustainable local use.
- Liquid Petroleum Gas (LPG) cooking projects are eligible due to their high relevance for low-income population groups.

Eligible Activities: The EREF Financing Windows

Project proposals submitted to the 2011 EREF-Call shall be in the scope of Financing Window-1 on Investment Promotion or Financing Window-2 on Business Development. Proposals out of the scope will be rejected during appraisal.

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 pre-investment phase activities such as strategic studies (e.g. potential studies), (pre-) feasibility studies, resource measurements, financial project structuring (incl. CDM preparation), social and environmental impact studies.
- is co-funding the installation and execution of small-scale pro-poor RE&EE pilot programs and projects in rural communities with potential for regional scaling-up in West Africa (e.g. solar home systems, improved stoves). Projects should particularly target poor communities, social institutions (e.g. clinics, health posts, schools) and promote productive uses.
- is not able to co-fund bigger investments but will assist to mobilize tailored funding from other sources (e.g. loans, mezzanine, carbon finance). In this regard ECREEE maintains a network of financing partners (e.g. AfDB, EBID, World Bank).

Financing Window 2: Business Development:

This financing window targets West African small- and medium sized enterprises (e.g. SMEs, ESCOs) which are either located in rural and peri-urban areas or offer important solutions for these final beneficiaries (e.g. SHP, improved stoves, lighting). The EREF (...)

- co-funds business development (e.g. co-funding of business plans, market studies, business models, supply chains) and capacity building projects (e.g. targeted business trainings, manuals and guides for RE&EE start-ups, tools).
- co-funds the establishment of north-south and south-south RE&EE business to business partnerships which lead to technology and know-how transfer.

Financing Window 3: Innovative Loan Financing Instruments:

A feasibility study on innovative loan financing instruments tailored for small and medium scale RE&EE solutions will be conducted (e.g. micro-credits). Interested consultants should send their "expressions of interest" to ECREEE. Call for proposals under this window will be started in the second operational phase of the EREF from 2016.

EREF Application Conditions

Application Languages:

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

Maximum number of proposals:

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

Maximum duration of projects:

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

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 first call of the EREF **provides a maximum Grant Amount of 50.000 EUR and a minimum of 5.000 EUR per project** (can be increased only in exceptional cases). The amount will be increase in future call if sufficient funds are available.
- The eligible **EREF Grant Amount** is **determined project by project individually but shall not exceed 75% of the total eligible direct project costs for companies and non-profit private applicants, and 90% for public institutions. 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 are rated better in the appraisal process.

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 are 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.

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;



Application and Selection Process

The 2011 Call for Proposals of the EREF has the following mile-stones:

Milestones of 2011 Call for Proposals (may be modified)	From	To
Adjustments of EREF funding policy and Announcement of Call	Done	Done
Preparation and Submission of EREF Concept Notes (8 weeks)	31 May 2011	31 July 2011
Promotion & information activities of ECREEE and its NFIs	31 May 2011	31 July 2011
Confirmation of receipt of concept note by ECREEE	15 August 2011	15 August 2011
Appraisal and administrative check of concept notes by ECREEE & NFIs – Written response to applicants on the appraisal results	August 2011	September 2011
Submission of Full Proposals and requested documentation to ECREEE by post and e-mail	November 2011	February 2012
Appraisal of proposals by ECREEE and approval by the EREF Evaluation Committee	depending on submission date	depending on submission date
Notification of award (award letter, denial, waiting list) and signature of ECREEE grant contract	January 2012	March 2012
Implementation, monitoring and evaluation		Max. 24 months

The Two-Stage Application Process

Applications are prepared according to the provided EREF templates and forms which can be downloaded electronically from the EREF website <http://eref.ecreee.org> (e.g. project proposal template, excel budget sheet, stakeholder form). Applicants should check regularly for updates during the application process. In a later stage an electronic online application and project cycle management system will be established by ECREEE.

The call has a **two-stage application and selection process**. Interested applicants and partners submit Concept Notes in the first stage. If the Concept Note is evaluated positively the successful applicants are invited to prepare a full project proposal.

For Concept Notes the applicants fill out only the requested sections from part 1 to 5 (see project proposal template). It is not necessary to fill in the annexes of the template and to provide most of the supportive documents. Complete Concept Notes consist of the documents described below and shall be sent electronically (in .doc format) to

ECREEE and the concerned National Focal Institution (see list of contact e-mails):

1. *Signed Concept Note with completed sections from part 1 to part 5*
2. *Filled out stakeholder identification form for applicant and identified partners*
3. *Copy of Certificate of Incorporation or official registration document of the applicant*

The Concept Note shall be sent at latest by 31 July 2011, 23:00, GMT. It is recommended that applicants activate the “confirmation of receipt” option in their e-mail programs to be sure that the application was received. E-mails should be kept below five Megabyte. For identification purposes ECREEE registers all received Concept Notes with an EREF Project ID.

Successful applicants of the first application stage continue to work on the already submitted concept note and prepare the full project proposal. All requested information from part 1 to part 5 including the annexes (1 to 5) shall be completed in detail and





supportive documents shall be attached. 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 shall be attached to the full proposal (Annex 5). The full proposal shall be consistent with the approved concept note and the requested Grant Amount shall be not higher. Full Proposals consist of the following documents and are sent in hard-copy and electronically to the ECREEE Secretariat (see post and e-mail addresses):

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. Filled out stakeholder identification forms for applicant and all partners
4. Copy of Certificate of Incorporation or official registration document of the applicant

5. Copy of relevant licenses, authorizations and quality standards of the applicant
6. CVs of project team of the applicant and partners
7. 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 2011 Call" and the EREF Project ID. If it is not possible to send the application by e-mail 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 29 February 2012 evidenced by date of dispatch. Hand-deliveries must be received at latest at 16.00 Cape Verdean time.

EREF Contacts for Submissions

(Questions may be sent in writing by e-mail to the ECREEE Secretariat in English, French or Portuguese)

(detailed contact information of the NFIs can be found at: www.ecreee.org)

ECREEE Secretariat	E-Mail: renfacility@ecreee.org , Tel: +238 2604630, +238 2624608 Achada Santo Antonio, C.P. 288, Praia, Santiago, Cape Verde		
Benin	benin@ecreee.org		
Burkina Faso	burkina-faso@ecreee.org	Liberia	liberia@ecreee.org
Cape Verde	cape-verde@ecreee.org	Mali	mali@ecreee.org
Cote D'Ivoire	cote-divoire@ecreee.org	Niger	niger@ecreee.org
Gambia	gambia@ecreee.org	Nigeria	nigeria@ecreee.org
Ghana	ghana@ecreee.org	Senegal	senegal@ecreee.org
Guinea	guinea@ecreee.org	Sierra Leone	sierra-leone@ecreee.org
Guinea-Bissau	guinea-bissau@ecreee.org	Togo	togo@ecreee.org

Project Appraisal and Approval

ECREEE evaluates the concept notes and 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 successfully evaluated full proposals will be ranked according to their scores and **submitted to**

the EREF Evaluation Committee (EC) for approval. The Evaluation Committee meets physically and approves the project proposals and the grant amounts. **The EREF appraisal team evaluates proposals according to the following criteria:**

- Relevance of Project
- Overall Project Objective(s) and Impact
- Specific Objectives and Effectiveness
- Feasibility and Efficiency of Project
- Capacity and experience of applicant & partners and the proposed project team
- Sustainability and potential for regional replication or scaling-up





- Innovation, learning and dissemination

The following proposals will be rejected outright:

- Incomplete, not-signed applications or submitted after the application deadline
- Applications by individuals
- Applications which request significantly higher resources than the maximum ceiling
- Applications which do not meet the eligibility criteria
- Full proposals which do not reflect the content and budget of the approved Concept Note

EREF Project Cycle Management

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.
- In case that ECREEE provides an **advance payment the Beneficiary may 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 (see provisions on progress reports).
- 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.

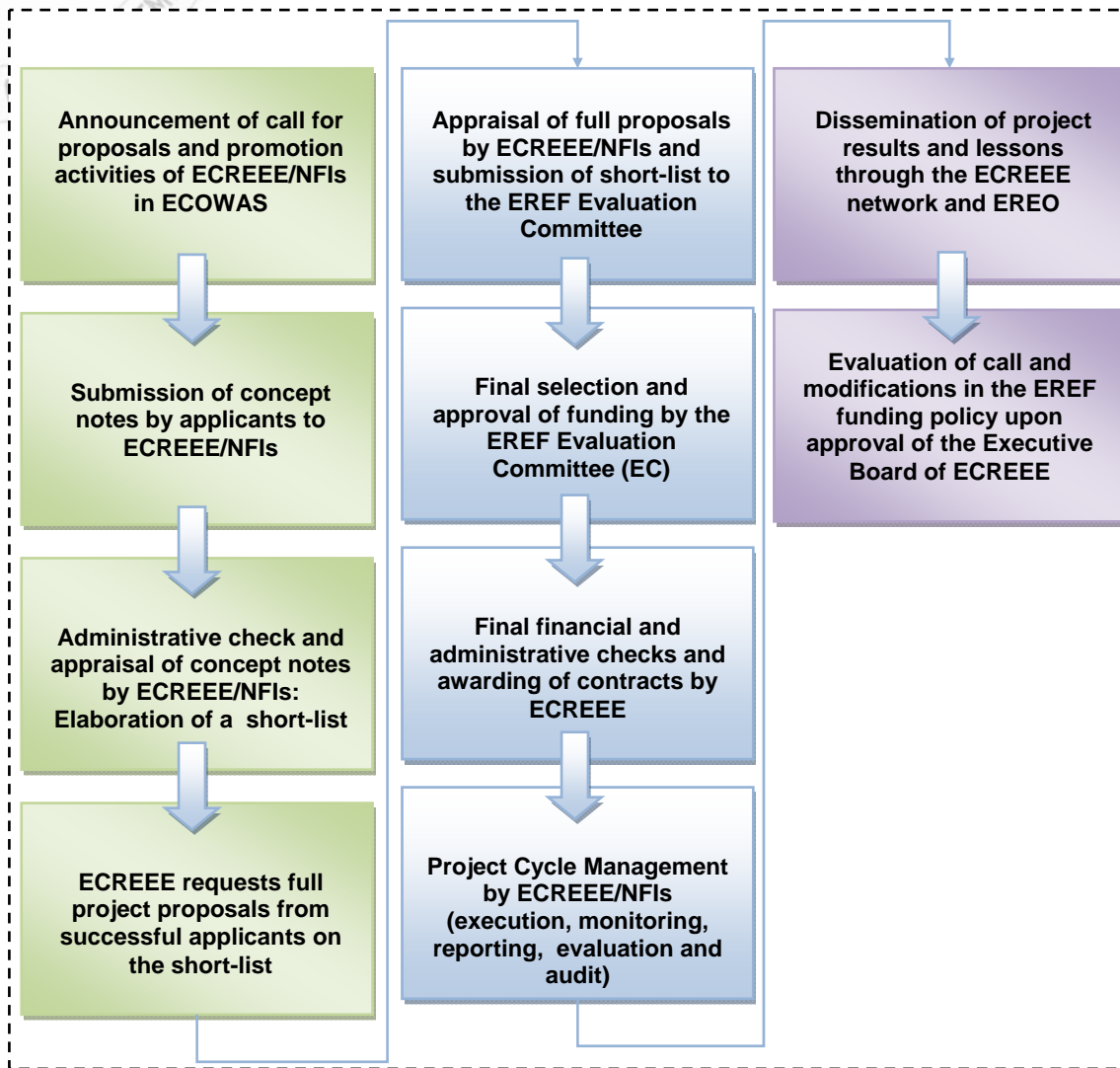
Regional Centre for Renewable Energy and Energy Efficiency
Centre Régional pour les Énergies Renouvelables et l'Efficacité Énergétique
Centro Regional para Energías Renovables e Eficiencia Energética
www.ecreee.org

Green business is good business
many opportunities in West Africa
can be explored with ECREEE

ECREEE
seizing new opportunities



Figure 1.2 The EREF Project Management Cycle (max. 24 months)



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 effective date ECREEE will execute payments to the Beneficiary according to the payment schedule set out in the annex of the signed contract. Further payments are released by ECREEE in accordance with the payment schedule and on the basis of written progress reports provided by the Beneficiary.

- The **progress reports and the final report are provided by the Beneficiary** according to the reporting schedule in the annex of the contract. Progress reports shall be sent not later than 30 days after completion of the project period and 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 short-term projects (e.g. feasibility studies, trainings) a final report will be sufficient, in longer term projects mid-term reports shall be provided.

- 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.
- Since the Grant Amount provided by the EREF is relatively small (max. 50.000 EUR) usually no external project evaluation and audit will be undertaken. The submission and evaluation of the final report is considered as sufficient. However, 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 the ECOWAS Renewable Energy Observatory (EREO).

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

2011 CALL FOR PROPOSALS



EREF Concept Note and Full Project Proposal Template
Please read the application guidelines carefully

Deadline for Concept Note Submissions by e-mail:
31 May to 15 July 2011, 23.00, GMT



Note: Applicants shall prepare their proposals in accordance with the EREF application guidelines which are available at the website (<http://eref.ecreee.org>). Concept Notes require a first description of the project from part 1 to 5 of the template. It is not necessary to complete the annexes and to provide most of the supportive documents. Successful applicants of the first application stage continue to work on the already submitted concept note template and prepare the full project proposal. All requested information from part 1 to part 5 including the annexes shall be completed in detail and supporting documents shall be attached. Further details on the application process can be found in the EREF guidelines.

PART 1: OVERVIEW

Project Title:	<i>(full title and subtitle of project)</i>		
EREF Project ID	<i>To be filled by ECREEE</i>		
1.1.1 Name of Applicant:	<i>Name of Applicant</i>		
1.3.2 Type of Applicant	<p><i>(please select or specify)</i></p> <ul style="list-style-type: none"> - Private, public or public-private company - Individual consultant and project developer (registered as company) - Governmental institution (e.g. ministry, utility, electrification agency, municipality) - University, research centre - NGO or cooperative 		
1.4.1 Total Project Cost	1.4.2 EREF Grant requested	1.4.3 Applicant's own funding	1.4.4 Co-funding of partners
Euro	Euro	Euro	Euro
100%	in % of total	in % of total	in % of total
1.5.1 Financing Window <i>(select to which EREF financing window the project is proposed)</i>	Financing Window 1: Investment Promotion / Financing Window 2: Business Development	1.5.2 Project Duration <i>(max. 24 months)</i>	months
1.6.1 Country(ies) covered <i>(select country(ies) and population group(s) targeted – delete the rest)</i>	<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 <i>(covers more than one countries listed above)</i> 	1.6.2 Name of specific location including GIS coordinates if possible:	<p>(region/city/village)</p> <p><i>(GIS coordinates – Google earth or others)</i></p>
		1.6.3 Targeted population group(s):	<ul style="list-style-type: none"> - in rural areas - in peri-urban areas - in urban area - in regional impact



<p>1.7 Technical Project Focus</p> <p><i>Select one or more options and delete the rest. Projects usually cover more than one solution. Try to describe the technical solutions and explain also the energy services delivered by the solution to the final beneficiaries.</i></p>	<p><u>Renewable Energy:</u></p> <ul style="list-style-type: none"> • • Renewable Energy in general (multi-focus) • Biomass (e.g. improved stoves and charcoaling, co-generation, power generation) • Bio-fuels (e.g. Biodiesel, Bioethanol) • Biogas • Waste-to-Energy • Geothermal Energy • Hydroelectric Power (medium, small, micro, pico) • PV (e.g. grid/off-grid, SHS, lighting, pumping, desalination) • Solar thermal (water heating, CSP, cooling, process heat, solar cooking and drying) • Wind Energy (off-grid, grid connected, on- and off-shore, water pumping, for desalination) • Wave, tidal and ocean thermal • Hybrids (indicate sources) • Mini-Grids • Storage systems (batteries, hydrogen) <p><u>Energy Efficiency:</u></p> <ul style="list-style-type: none"> • • Sustainable transport • Efficient appliances • Building efficiency • Cleaner production • Transmission • Energy conservation and management <p><u>Other focus:</u></p> <ul style="list-style-type: none"> • LPG for cooking 	<p><u>Energy Services:</u></p> <ul style="list-style-type: none"> • • Electricity for (...) • Illumination for (...) • Motive power and transport • Mechanical power for pumping or grinding • Heating (space heating, water heating, process heat) • Cooking • Cooling (e.g. for refrigeration) • Drying • Desalination and sanitation • Transportation • telecommunication
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(Fill for Concept Notes and Full Proposals)

1.8 Summary of key features and main project concept:

Briefly describe and explain the key features and main concept (project idea or business idea) and rationale for the project. Depending on the nature of the project, this may summaries the core problems, the objectives, the innovative technology/solutions to address these problems. What key activities will be undertaken to achieve the solutions, how the project will generate its main benefits, what are the benefits, who are the beneficiaries and how the benefits and results will be sustained or replicated. A reader should be able to understand how the project works, why it is important and what are the key features.

*(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)*



PART 2: PROJECT INFORMATION

2.1 Relevance of Project and Problem Analysis

- ✓ Describe the existing energy and development problems, needs and constraints in the target country(ies) or region(s) in general and of the target groups/final beneficiary groups of the project in particular. Describe the linkages between the current energy situation and social, economic and environmental problems (e.g. health, education, productivity, income) in rural and peri-urban areas.
- ✓ Demonstrate the relevance of the proposal to the objectives of the EREF call for proposals and ECREEE.
- ✓ Indicate the broad national or regional priorities and goals to which the project contributes (e.g. renewable energy targets, policies, development plans, poverty reduction strategy plans), or the future situation or investments to which the project should eventually lead or contribute.
- ✓ Show that the project is in line with the national and/or regional energy legislation.
- ✓ Describe the added value of the project by considering synergies to other ongoing projects and avoidance of duplication of activities. Where the action is part of a larger programme, explain how it fits or is coordinated and specify the synergy effects.
- ✓ For pilot and demonstration projects, the degree of readiness for replication and scaling-up is expected to be important (see section on sustainability).
- ✓ Show the relevance of the project or its results for population groups in peri-urban and rural areas

*(For Concept Notes a Maximum 350 words)
(For Full Project Proposal no restriction)*

2.2 Overall Project Objective(s) and Impact

- ✓ Present the scope and how the project leads to an improvement of the current energy situation and how it addresses the interlinked challenges of energy poverty, energy security and climate change mitigation and adaptation. Present how the projects aims at contributing to resolve the problems described in the problem analysis.
- ✓ The project demonstrates a clear positive social, economic, environmental and direct/indirect poverty reduction impact. For demonstration or investment projects a positive Economic Net Present Value (ENPV) was calculated (cost-benefit analysis).
- ✓ Demonstrate the positive impact of the project regarding social, economic and environmental sustainable development and describe the expected positive short-term and long-term benefits in general and for the target groups/final beneficiary groups of the project in particular. Be specific and quantify results as much as possible as indicated in the table below. Propose quantifiable indicators to measure the achievements (e.g. reduction of indoor pollution, income savings through reduced fossil fuel dependence, health improvements, enhanced educational services, employment generated). Indicate how the action will improve the situation of target groups/beneficiaries.

*(For Concept Notes a Maximum 350 words)
(For Full project Proposal no restriction)*



Try to give quantifiable numbers on the expected short-term and long-term impacts of the project as indicated in the table below. Modify or complete the table as needed. Show how the project contributes to sustainable economic, social and environmental development.

Table: Impact Indicators of Project (only examples - modify as needed)

Classification of Impact	Impact Indicator	Measurement Method (Quantitative)	Unit	Expected Project Impact
Energy related	Additional electric capacity to be installed and/or annual generation expected	installed capacity and average annual generation	in MW/h	
	Expected energy savings through implemented EE measures	measurements	in KWh	
	Expected increase of energy security through diversification of energy sources	renewable energy proportion in the overall electricity mix	in %	
Economic Sustainability	Expected Investment raised by feasibility study	Estimation of Investment Costs	in EUR	
	Expected income savings through implemented energy efficiency measures	e.g. Changes in electricity bill	in EUR	
	Expected monthly economic savings through substitution of diesel	e.g. diesel savings in litres/tons multiplied with market price	in EUR	
	Expected sales of supported local RE&EE equipment supplier	e.g. market study	in EUR	
Social Sustainability	Expected No. of people / households / public institutions / companies are expected to gain access to electricity	Surveys, physical connections	No.	
	Expected No. of businesses and/or experts trained	Attendance lists, delivered certificates	No.	
	No. of jobs are expected to be created directly or indirectly during construction and operation of the RE project	e.g. No. of construction and maintenance workers, No. of jobs created indirectly throughout the value chain (e.g. Collecting and processing of biomass feedstock)	No.	
	No. of people expected to get access to vaccines in PV powered health posts	e.g. people served through health posts	No.	
Environmental Sustainability	GHG emission reduction	CO2 reduction in relation conventional alternative	CO2 per ton	
	Reduced pressure on local ecosystem through reduction of fuel wood use for cooking and lighting	Household survey	in kg.	

2.3 Specific Objectives and Effectiveness

- ✓ Prepare a list of specific objectives to be reached to overcome the identified problems and contribute to the overall objectives (e.g. installation of solar home systems for a poor community, small hydropower potential study, business plan support and training for energy service companies). This represents the central focus of the whole project which should be achieved after finalization. Measureable indicators should be provided to verify the achievement of the objectives (according to the indicator table in 2.2).



- ✓ *The specific objectives of the project clearly reflect the identified needs of the target groups and final beneficiaries. They are realistic, results-orientated and measurable.*
- ✓ *The most promising, cost-effective and feasible strategy alternative was selected to achieve the overall objective. The rationale of the strategy is logic and realistic. A “with and without project” scenario has been analysed. The proposed technology is the better alternative in relation to others. In the case of feasibility studies different technology and location options are analysed.*
- ✓ *With regard to the implementation of demonstration and investment projects the economic and financial analyses has shown that the best technology alternative was chosen. The alternative was sustainable in economic, social and environmental view. The Economic and Financial Net Present Value (ENPV/FNPV) was higher than that for other alternatives. The calculation was done on a life-time basis. The external environmental costs of fossil fuel based projects shall be integrated into the analyses (e.g. externalities, carbon price). Future price increases were considered in the calculations (e.g. oil price increase, increase of steel price).*
- ✓ *The need for an EREF grant shall be justified. The program/project cannot be financed through loans or micro-credits. The EREF grant makes a difference and the project would not have been implemented without EREF support (EREF grant shall amount at least to 25% of the total eligible project costs). In the case of demonstration and investment projects the cost-effectiveness analyses (CEA) and/or cost benefit analyses (CBA) have shown that the EREF subsidy element (grant) is justified (e.g. negative FNPV).*
- ✓ *The size of the subsidy element (grant) was determined according to available resources of the project partners and/or other donors and co-financiers.*

*(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)*

2.4 Project Results (Outputs)

Provide a list of expected results and final products the project will deliver after successful completion of the foreseen activities described in 2.5. In other words, describe the main things produced by the project for each of the main sets of activities. These outputs should be within the control of the project and should generally be the main deliverables of the project. Specific and measurable quantitative indicators of achievement of the outputs should be provided as much as possible.

- 1.
- 2.
- 3.
- 4.
- 5.

*(For Concept Notes only a brief overview is necessary)
(For Full project proposal define detailed outputs)*



2.5 Main Project Activities

List the main activities needed for achieving the main project results described in 2.4 and indicate when they would be completed (see time and expert deployment schedule in annex 2) and who would be responsible. Check whether the activities are practical, realistic, feasible and coherent. Ensure that the action plan is clear and feasible.

Results	Main activities (extend as needed)	Responsible partner
1.1		
1.2		
2.1		
3.1		
4.1		
5.1		
6.1		

*(For Concept Notes only a brief overview is necessary)
(For Full project proposal define detailed activities)*

2.6 Feasibility and Efficiency of the Project

- ✓ Demonstrate the general feasibility of the project and the efficiency of the suggested implementation method. A realistic and achievable implementation strategy and effective division of labour between the partners is chosen. The activities proposed are appropriate, practical, and consistent with the specific objectives and expected results of the project. Describe the role of the various actors and stakeholders (applicant, (local) partner(s), target groups, local authorities, etc.), their added value and the reasons for which these roles have been assigned to them. The lead applicant and partners have established links to local/national authorities responsible for management and administration of services implicated in the project.
- ✓ The technical feasibility of the project is shown (particularly in case of demonstration and investment projects). The project builds on a reliable technology, or replicates a proven energy service delivery model and/or technology. The energy resources/feedstock is available in a long-term view. Enough attention was given to affordability issues, in particular the willingness and ability to pay received sufficient attention. 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 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 shall be attached to the full proposal (Annex 5). The administrative costs should be reasonable in relation to the overall project budget (max. 10%).
- ✓ The applicant and its partners have sufficient management capacity and stable financial sources of finance to implement the project. In this regard applicants and its partners shall meet administrative and financial minimum requirements which are described in detail in the EREF guidelines. The applicant and the partners have sufficient management capacity: adequacy of staff (number, qualifications, and expertise), adequacy of the management information system and controlling (to be described also in 4.4).
- ✓ The project includes a monitoring and evaluation scheme based, if possible, on internationally recognized M&E practices.
- ✓ Define the major implementation risks and propose mitigation measures (see separate section).
- ✓ Key lessons from other comparable earlier or ongoing activities are explicitly analysed and incorporated.



(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)

2.7 Final Beneficiaries

Describe the main target groups directly involved or concerned during project implementation and the final beneficiaries which are benefiting from the project results. How will the project identify and address their needs? How far will the project address the needs of the peri-urban and rural poor, ethnic minorities and women?

(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)

2.8 Sustainability and potential for regional replication or scaling-up

- ✓ *The project is promoting social, economic and environmental sustainable development. It is demand driven and not technology or donor driven. The project considers cross-cutting issues such as human and social rights, poverty reduction and gender during implementation.*
- ✓ *The cost-effectiveness (CEA) and/or cost benefit analysis (CBA) has shown that in a life cycle perspective the proposed program/project is the most sustainable alternative. Negative and positive social, economic and environmental externalities and their interrelated costs were considered in the selection process of the best technology alternative (such as local pollution and GHG emissions, carbon price, CDM)*
- ✓ *Show the multiplier effect of the project. Supported demonstration and investment projects have a good potential for replication and should lead to commercialization and widespread technology deployment. The project should suggest replication activities.*
- ✓ *Explain how sustainability will be secured after completion of the project. All potential users should have adequate access to benefits and delivered services during and after the project. All technical studies produced by the project relevant for knowledge sharing and capacity building will be published through the ECOWAS Renewable Energy Observatory (EREO).*
- ✓ *There is adequate ownership of the project by the target group(s) and project partners. The partners bring in substantial co-funding and in-kind support. Once the project achieves the objectives the target group(s) will use the services and will continue to provide and maintain infrastructure. In the case of demonstration and investment projects the operation costs were considered in the financial calculation and are payable by the promoter.*
- ✓ *As much as possible local capacities are applied during the project implementation. International applicants need either a branch in the respective country or must have a local implementing partner. Projects without local implementing partners will be rejected. Companies with international branches have to prove the engagement of local staff during project implementation. In the case of north-south and south-sought partnerships knowledge and technology transfer is ensured.*
- ✓ *Constructed infrastructure will be maintained and financed locally as far as possible. The energy resources/feedstock is available locally and the technology will be obtained locally and will be imported only if necessary (necessary procurement will be done locally). The import component is as small as*



possible. Financial sustainability is ensured (sources of revenue for covering all future operating and maintenance costs, etc.). The finance of the project company is sustainable in a long-term view.

*(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)*

2.9 Innovation, learning and dissemination

Describe the main innovation in the project idea. Highlight the innovative approaches and technologies which the project will work with, what new ideas, simplicity, increased affordability, creative partnerships, collaboration and understanding the project is expected to develop, and how the lessons learnt will be captured and disseminated (including technology transfer).

*(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)*

2.10 Risk analysis

Describe the risk factors that will affect the implementation, completion and sustainability of the project. This should include at least a list of risks associated with each activity proposed accompanied by relevant corrective measures to mitigate such risks. A good risk analysis would include a range of risk types including physical, environmental, political, economic and social risks.

Main risk factors	Mitigating measures

*(For Concept Notes only a brief overview is necessary)
(For Full project proposal no restriction)*

2.11 Monitoring and evaluation (M&E)

List the M&E that will be needed to track and report on the progress of the project by identifying problems and providing timely remedy for such problems. Please briefly describe the approach to M&E with measurable indicators.

*(For Concept Notes a Maximum 350 words)
(For Full project proposal no restriction)*



PART 3: FINANCIAL INFORMATION

3.1 Total eligible direct project costs and requested EREF grant amount: (in Euro)

Provide a detailed budget breakdown of the total eligible direct project costs and funding structure as indicated in the example below. Give a realistic overview on the co-funding from different partners. Projects with a higher co-funding rate will be rated better during appraisal. Use the provided excel budget breakdown sheet for in-detail calculations. Attach the excel sheet as annex 3 to the full project proposal. For concept notes it is sufficient to provide the budget estimation as shown below. EREF co-funds projects with a maximum of 75% of total eligible direct costs in the case of applications of private companies and NGOs and 90% in the case of public institutions. The maximum grant amount provided by ECREEE is 50.000 EUR (fifty thousand Euro) per project. EREF shall co-fund projects with a minimum of 25% of total direct eligible project costs.

Total Eligible Direct Costs (all activities)			Indicative Budget Schedule	
Budget Items	Costs	% of total costs	Year 1	Year 2
A. Personnel Costs	60.200,00 €	36%	18.200,00 €	42.000,00 €
B. Travel and Subsistence	49.000,00 €	29%	14.000,00 €	35.000,00 €
C. Equipment and Supplies	21.000,00 €	13%	14.000,00 €	7.000,00 €
D. Services	3.780,00 €	2%	1.400,00 €	2.380,00 €
E. Workshops and Training	14.000,00 €	8%	770,00 €	13.230,00 €
F. Other Costs	8.400,00 €	5%	630,00 €	7.770,00 €
G. Evaluation & Audit	2.000,00 €	1%	- €	2.000,00 €
H. Contingency Reserve (5%)	7.919,00 €	5%	- €	7.919,00 €
Subtotal Direct Eligible Costs	166.299,00 €	100%	49.000,00 €	117.299,00 €
<i>Administrative Costs (max. 10%)</i>	16.629,90 €		8.314,95 €	8.314,95 €
Total Costs	182.928,90 €		57.314,95 €	125.613,95 €

Funding Structure of Project (EREF Grant and Co-Funding)						
Budget Items	EREF	Applicant	Partner 1	Partner 2	Funding Gap	EREF co-funding in %
A. Personnel Costs	18.200,00 €	42.000,00 €	- €	- €	- €	30%
B. Travel and Subsistence	€ -	49.000,00 €	- €	- €	- €	0%
C. Equipment and Supplies	14.000,00 €	7.000,00 €	- €	- €	- €	67%
D. Services	2.100,00 €	1.680,00 €	- €	- €	- €	56%
E. Workshops and Training	7.000,00 €	7.000,00 €	- €	- €	- €	50%
F. Other Costs	€ -	8.400,00 €	- €	- €	- €	0%
G. Evaluation & Audit	€ -	2.000,00 €	- €	- €	- €	0%
H. Contingency Reserve (5%)	2.065,00 €	5.854,00 €	- €	- €	- €	26%
Subtotal Direct Eligible Costs	43.365,00 €	122.934,00 €	- €	- €	- €	
<i>Administrative Costs (max. 10%)</i>	4.336,50 €	12.293,40 €	- €	- €		
Total Costs	47.701,50 €	135.227,40 €	- €	- €	- €	26%

(For Concept Notes give a budget estimation)
 (For Full project proposal please submit the filled excel budget breakdown as annex 3)



PART 4: APPLICANT INFORMATION

A minimum of 3 years of existence of the (lead) applicant is expected. The greater the number of years of existence the better it is. 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 shall be attached to the full proposal (Annex 5). Indicate the type of organization of all project partners: Private Business, Government Agency, Private Research, Public Research, Government enterprise, Private university/Public university, NGO, charitable organization, Community Based Organization, Cooperative Organization, etc.

4.1 Applicant and partners

Name of Partner	Type of Organization	Legal Registration No.	Contact Person	Full Post Address	E-mail Address	Office and Mobile Phone (add country code)	Year of Establishment
Applicant							
Partner 1							
Partner 2							
Partner 3							

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory)

4.2 Type of partnership

Select one (mark with “x”):

“Private – Private”	
“Private – Public”	
“Public – Public”	

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory)

4.3 Capacity and Experience of Applicant and Partners

Provide a brief description of the capacity and experience of the Lead Applicant and Partner(s) to execute the project. Types of projects undertaken, management experience, nature of operations, number of employees, branches (if applicable, experience of companies and particularly of the engaged project team).

Lead Applicant (specify name):

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory – a maximum of 250 words)

Partner 1 - (please specify name):

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory – a maximum of 250 words)

Partner 2 - (please specify name):

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory – a maximum of 250 words)

Partner 3 - (please specify name):

(Try to fill for Concept Notes as much as possible – for Full Proposals obligatory – a maximum of 250 words)



4.4 Experience / expertise of project team:

Highlight experience / expertise of relevance to the proposed project /

Project team	Name of Expert(s)	Relevant Experience and Education
Lead applicant		
Partner 1		
Partner 2		
Partner 3		
Partner 4		

(Try to fill for Concept Notes as much as possible – for Full Proposals please send also CVs)

PART 5: CERTIFICATION BY LEAD APPLICANT

Signature:

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Name:

--

Position in organization:

--

Date and Location:

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Organizational Stamp of Lead Applicant:

Annex No. 1) Logical Framework Matrix

	Intervention logic	Indicators	Sources of Verification	Assumptions/ Risks
		<i>Describe the objectives of the action in an (objectively) verifiable and measurable manner. Define how and based on what evidence the actual occurrence of a planned change can be observed or measured.</i>	<i>Are documents, statistics, reports and other sources of information, that allow checking the indicators</i>	<i>Are external factors that lie outside the control of the project management? Nevertheless they might have an (even decisive) influence on project success.</i>
Overall Objective <i>Overarching development objective, i.e. sectoral or guiding objectives of the focus country and ECREEE</i>	1.			
Specific Objectives <i>Changes projected by the intervention; the sustainable benefit for the target group/s</i>	1.	<i>Which indicators clearly show that the objectives have been achieved?</i>		
Project Results <i>Products and services provided by the intervention in order to achieve the planned changes at the level of the specific objectives.</i>	1. 2. 3. 4. 5.	<i>What are the indicators to measure whether and to which extent the results have been achieved?</i>		
Activities <i>Tasks that need to be carried out in order to achieve the expected results envisaged. Please only list the most important and major activities</i>	Ad expected result 1 (define responsible partner to implement) 1.1 1.2 1.3 Ad expected result 2 (define responsible partner to implement) 2.1 2.2 2.3	Means <i>What are the means required to implement these activities (e.g. personnel, equipment, studies, supplies)?</i>	Costs <i>What are the costs of the activities and how they are classified (budget breakdown)</i>	



Annex No. 2) Time and Expert Deployment Schedule

Complete and modify the excel sheet according to your needs and copy and paste the graph into the Full Project Proposal as below

Activities	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Expected Result 1:																								
1.1	█	█	█																					
1.2																								
1.3																								
Expected Result 2:																								
2.1			█	█	█		█																	
2.2																								
2.3																								
Expected Result 3:																								
3.1				█																				
3.2																								
3.3																								
Expected Result 4:																								
4.1																								
4.2																								
Expected Result 5:																								
5.1																								
5.2																								
Name of Experts/Consultant	Working Days per Month (w/month)																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Name of Expert	4			5																				
Name of Expert		5																						
Name of Expert		5																						
External Consultant	4																							
Duration of Services in w/days	Total																							
Name of Expert	9																							
Name of Expert	5																							
Name of Expert	5																							
External Consultant	4																							

Annex No. 3) Attach Budget Breakdown Excel File

Annex No. 4) Attach Photos from the Project Site (if available)

Annex No. 5) Attach signed partner agreement(s), letters of commitment and/or co-funding



8.4 EREF Contract template



ECREEE GRANT CONTRACT FOR CO-FUNDED PROJECTS

ECREEE Work Plan Activity ID:
ECREEE Contract No.: COF-
Project Title:
Full contract ID:
Country(ies) of Implementation:

[NB: All red text should be replaced with the wording appropriate for the concrete project and the notes in red shall be deleted]

The Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), Achada Santo Antonio, Santiago, C.P. 288, Praia, Cape Verde, hereinafter also referred to as “ECREEE”, on the one part,

And

Name of institution/company, address, and if applicable legal registration number and tax identification number, contacts, hereinafter also referred to as the “Beneficiary”, on the other part, together hereinafter also referred to as the “Party” or the “Parties”, have agreed as follows:

1. Subject

1.1 The subject of the present Contract, hereinafter referred to as the “Contract”, is the award of a grant from ECREEE to the Beneficiary for the implementation of the Project entitled:

[Name of Project], hereinafter referred to as the “Project.” The detailed objectives, activities, partner and financial information of the Project are set out in the project document/terms of reference in Annex./A

1.2 The Beneficiary shall be awarded with the Grant on the terms and conditions set out in this Contract and its Annexes which the Beneficiary hereby declares to have taken note of and to accept. The Annexes A, B, C, D are integral part of this Contract.

1.3 The Beneficiary accepts the Grant and carries out the Project under its own responsibility and to its best diligence and ability as well as in compliance with the project document/terms of reference in Annex./A. The Beneficiary implements

the Project with the key personnel described in Annex./A. Changes in the project team are subject to approval from ECREEE. The Beneficiary may involve subcontractors according to the provisions in Article 5.1.

2. Duration of Project

2.1 Implementation of the Project shall begin on month/date/year *[Please insert the date for the beginning of the Project in question]*, also referred to as the “Effective Date.” In the event that ECREEE shall not come into possession of a copy of the present Contract duly signed by the Beneficiary by that date, the Effective Date may be postponed by ECREEE until the date ECREEE receives such copy.

2.2 The Project duration is a maximum of *[Number]* calendar months from the Effective Date according to the time schedule of the Project, including all reporting phases as stated in more detail in Annex./A and Annex./B.

3. Financial Provisions

3.1 The total financing amount for the Project (overall costs) is €XX *(in words: Euro XXX)* *[Please insert the total financing amount]* hereinafter referred to as the “Project Cost.”

3.2 ECREEE agreed to co-fund the Project with a maximum Grant of €XX *(in words: Euro XXX)* *[Please insert the grant amount from ECREEE]*, hereinafter referred to as the “Grant Amount,” towards the total Project Cost of the Project described in Annex./A.

3.3 The Beneficiary is obliged to use the Grant Amount in a non-commercial manner exclusively for the identified activities specified in the activity schedule and budget breakdown in Annex./A. The Grant will be utilized in an economically and financially sound manner to derive the best value. Budgetary changes are subject to the procedures in Article

3.4 The ECREEE Grant is a payment of non-commercial nature. The Beneficiary accepts that the grant can under no circumstances result in a profit for itself and that it must be limited to the amount required to balance income and expenditure for the project activities. Profit in the case of an ECREEE grant is defined as a surplus of receipts over the costs incurred by the Beneficiary when the request is made for the final payment. The only exception is for business development projects explicitly directed at the reinforcement of the financial and business capacity of local Beneficiaries. Participation under commercial conditions in the execution of grant projects is



restricted to subcontractors if they are procured according to the procedures in Article 5.1.

3.5 The Beneficiary shall/may open a separate bank account and communicate the details to ECREEE before the conclusion of the present Contract. In case that ECREEE provides an advance payment the Beneficiary shall/may 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 in accordance with Article 4.2. Items funded through the Grant Amount must be clearly identifiable within the Beneficiary's accounts. ECREEE shall transfer funds only to the bank account specified in **Annex./C** to which the Beneficiary must be holder. ECREEE reserves the right to deduct any bank charges and/or fees, especially those incurred due to difficulties in the transfer of funds during previous disbursements.

3.6 The Beneficiary shall arrange the co-financing of the remaining portion of the Project Cost from own resources and/or other co-financers as described in the budget breakdown of the project document/terms of reference in **Annex./A**. The budget breakdown clearly specifies which activities are funded from which sources. The following Co-financers: [provide Name(s) of Co-financier(s) as stated in the Annex./A.] will contribute to the total Project Cost.

Before project implementation (effective date according to 2.1) can start the Beneficiary shall prove and provide documentation to ECREEE (e.g. co-funding letters, consortium agreement) that the total financing amount has been mobilized. If no sufficient documentation is provided ECREEE may immediately terminate this contract by giving written notice.

The Beneficiary shall provide ECREEE with a list of any and all individuals and/or institutions co-financing the Project, and shall guarantee that no additional funding for the Project has been applied for, or provided by any individual and/or institution other than the ones stated therein.

4. Reports and Payments

4.1 The Beneficiary shall immediately notify ECREEE of any event which might delay or impede the implementation of the Project. If an extension of the project duration or budget modifications are required, a written request for the same must be made by using the "template for extension of project duration and budget relocation" stating the reasons thereof. ECREEE reserves the right to

decline such requests on the basis of the reasons thereof.

4.2 The payment and reporting schedules are confirmed in detail in **Annex./B**. Notwithstanding the Parties agree to the following:

4.2.1 After the Effective Date ECREEE will provide payments to the Beneficiary according to the payment schedule set out in **Annex./B**. Further payments are released by ECREEE in accordance with the payment schedule and on the basis of written progress reports provided by the Beneficiary.

4.2.2 The Beneficiary provides progress reports and the final report according to the reporting schedule in Annex./B. Progress reports shall be sent not later than 30 days after completion of the project period and 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. ECREEE keeps a contingency reserve of 5% of the Grant Amount which will be only released after written approval of the final report.

If ECREEE's evaluation reveals that the progress is in line with the requirements, goals and expectations envisaged by this Contract and its Annexes, ECREEE shall effect the further payment of the Grant Amount to the Beneficiary. ECREEE may decide to discontinue the financing of the Project if it comes to the conclusion that the outcome of a certain Project Period is insufficient. The Beneficiary shall not be entitled to any claim whatsoever against ECREEE in the event that ECREEE decides to discontinue the financing of the Project. The completion of the Project activities will be acknowledged by ECREEE through the approval of the Final Report.

4.2.3 For the written progress reports (either in English, French or Portuguese) the Beneficiary will use the available ECREEE template. The reports shall have a section on the general project progress and a separate financial section on the implementation state of the Grant Amount and the overall project. The financial section must 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.



5. Procurement and Ethical Standards

5.1 In case the Beneficiary has to procure certain services and goods in order to ensure the successful implementation of the Project, it shall comply with the following principles:

5.1.1 The Beneficiary shall procure the necessary services, items and subcontractor guided by cost efficiency and economy and according to the ECOWAS/ECREEE tender code. For projects of bigger size ECREEE can request the preparation of a procurement plan in advance to the Effective Date. The Beneficiary shall not charge prices or payments that are higher than the normal prices in the sector or locality for the goods to be procured and/or the services to be performed pursuant to the Project Document. Rebates, discounts and the like shall be claimed by the Recipient and included in the accounts.

5.1.2 For purchases not exceeding the amount of €20.000 (in words: Euro twenty thousand) the Beneficiary must obtain a minimum of three offers from different suppliers and shall award the contract to the one offering the best price-performance ratio. The three offers and evaluation results have to be attached to the next progress report submitted to ECREEE.

5.1.3 For purchases exceeding the amount of €20.000 (in words: Euro twenty thousand) the Beneficiary should undertake a tender according to the rules of the ECOWAS/ECREEE tender code (can be downloaded from the website). The selection of the best offer is subject of written approval from ECREEE. The Beneficiary provides the written evaluation results to ECREEE.

5.1.4 In its decision making, the Beneficiary shall comply with the principles of ethical behavior and fair trade.

5.2 The Beneficiary must not engage in any kind of money-laundering and/or fraudulent activity. Forth purpose of this clause, “fraudulent activity” or “fraud” shall mean dishonestly obtaining a benefit by deception or every device is a malicious person who uses with intent to violate the law or harm.

5.3 The Beneficiary warrants that the Beneficiary and its employees shall not make or cause to be made, nor shall the Beneficiary and its employees receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the fulfillment of this Contract. In addition, the Beneficiary and its employees shall not bribe public officials and shall ensure that all sub-Beneficiary's

comply with this provision. Any breach of this clause shall be grounds for immediate termination of this Contract by notice from ECREEE.

5.4 The Beneficiary shall immediately inform ECREEE if it becomes aware or notices any instance or attempt of fraudulent activity or money laundering or funding of terrorist activities in connection with the fulfillment of its obligations under the present Contract.

5.5 The Beneficiary shall commit to ensure that the grant received under this Contract is expended in a manner consistent with international counterterrorism treaties and UN Security Council Resolutions on terrorism.

5.6 The Beneficiary will not enter into a commercial contract for any follow-on work resulting from the Project, with any of the institutions and individuals directly or indirectly involved in the selection or monitoring of the project within the ECREEE Project Cycle (e.g. ECREEE Secretariat, NFIs, Evaluation Committee Members or ECREEE appointed Independent Experts) for a period of 2 years from the Effective date if not otherwise expressly approved by ECREEE in writing. This article remains valid also after termination of the Contract.

6. Monitoring, Evaluation and Audit

6.1 ECREEE shall have the right to supervise the progress of the Project throughout the entire contractual duration and reserves the right to carryout monitoring visits at any time agreed with the Beneficiary upon reasonable notice being given. 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.

6.2 The transfer to third parties rights and obligations deriving from this contract gives ECREEE the right to retain the Grant Amount which according to the budget is allocated for External Project Evaluation/Impact Assessment and External Audit. External project Evaluations/Impact Assessments and Audits are usually undertaken in the case of Grant Amounts exceeding € 100.000 (one hundred thousand). However, ECREEE reserves the right to request these activities also for smaller Grant Amounts. The selection of evaluators and auditors is subject to approval by ECREEE. Payment for these activities will be made directly by ECREEE from the amount retained in the project budget. 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.



6.3 In case the result of the External Audit states discrepancies between the figures stated in the final report and those verified in the audit of more than 3% of the Grant Amount, the cost of such audit has to be reimbursed by the Beneficiary. ECREEE reserves the right to reclaim at any time within a period of 5 years after the date of termination of this Contract any Grant money which remains unspent at the termination this Project or money spent on purposes which do not fall within the Project Document/Terms of References in **Annex./A** or Project Budget in **Annex./B** or which is unaccounted-for. This article remains valid also after termination of the Contract.

6.4 Throughout the entire Project implementation and for a period of up to 3 (three) years after the completion or termination of the Project, ECREEE reserves the right to enter the premises of the Beneficiary and shall be entitled to access all records of the latter as well as to make copies of such operation accounts in order to ensure that all provisions and stipulations of the present Contract have been properly fulfilled by the Beneficiary. Furthermore, ECREEE shall be entitled to entrust a third party with the audit of the above-mentioned records. This Article shall survive the validity and term of the present Contract.

7. Termination of the Contract

7.1 The present Contract shall remain in full force until the complete fulfillment of any and all contractual obligations stated therein. As termination date shall be deemed the date on which ECREEE approves in writing the final report provided according to the reporting schedule and effects the final due payment (e.g. contingency reserve of 5%).

7.2 ECREEE reserves, under the circumstances mentioned in 7.2.1 to 7.2.5, the right to terminate this Contract at any time by giving written notice to the Beneficiary one month prior to the intended end date. The one month termination period starts on the 7th day after the sending of the notice to the address of the Beneficiary stated above in this Contract.

7.2.1 The Beneficiary fails to implement the Project according to **Annex./A** of the Contract or fails to provide information as specified in **Annex./B, ./C or ./D**.

7.2.2 The Beneficiary commits any continuing or material breach of any of the provisions of this Contract.

7.2.3 Impossibility to continue the implementation of the Project for what so ever reason including cases of force majeure, means by "force majeure"

the action of natural forces, strikes, lock-outs or other industrial disputes, terrorist situation, wars, blockades, insurrections, riots, epidemics, natural disasters, explosions and any other unforeseen events which the parties cannot avoid or overcome. The "Force majeure" exonerates the parties to perform their obligations partially or totally stipulated in this contract during the period in when during the period in which they occur and when properly notified. The Beneficiary transfer to third parties rights and obligations deriving from this.

7.2.4 ECREEE can decide to discontinue financing the Project if progress reports and related financial documents are not delivered in time or are incomplete.

7.2.5 On the occurrence of insolvency of the Beneficiary, which occurs if an application is filed for the commencement of bankruptcy for the Beneficiary, or other insolvency proceedings against its assets, and the Beneficiary either has filed the application itself or such a filing is irrevocably awarded by the competent court.

7.3 Upon termination of the Contract, the Beneficiary shall provide all original financial documents (including invoices and receipts if not done so in earlier reports), project progress and project evaluation reports covering the period of operation of the Contract.

7.4 Unless advised otherwise by ECREEE, the Beneficiary shall continue to diligently implement the Project to the best of its ability until the date the termination comes into force.

8. Cessation of Disbursements and Recovery or Reimbursement of Monies

8.1 ECREEE may stop the financing of the Projective the obligations in the Articles 4.1 and 4.2 are not fulfilled by the Beneficiary.

8.2 Upon termination of the Contract, ECREEE retains the right to recover any funds given to the Beneficiary for the purpose of the Project which cannot be accounted for.

8.3 The Beneficiary shall be obligated to immediately restore to ECREEE received funds in case of a termination pursuant to Articles 7.2.1,7.2.2, 7.2.3, 7.2.4 and 7.2.5. In particular:

8.3.1 The Beneficiary shall be obligated to restore already received and spent Grant monies pursuant to Article 7.2.3 of this Contract only if the impossibility to continue with the Project implementation is caused by negligence of the Beneficiary;



8.3.2 The Beneficiary shall be obligated to restore already received and spent Grant monies pursuant to Article 7.2.4 of this Contract only if the discontinuation of the Project funding is due to insufficient fulfillment of the set Project requirements, according to ECREEE's overall evaluation of the Project progress.

8.4 Furthermore, the Beneficiary shall especially be obliged to reimburse all received financial funds to ECREEE in case:

8.4.1 that the Beneficiary has provided incorrect or incomplete information that was important for the decision to finance the Project or

8.4.2 that ECREEE or the countries involved in financing ECREEE are obliged by law to claim back the Grant from the Beneficiary or

8.4.3 that the Beneficiary violates the obligations stated in the Articles 5.2 to 5.6 of this Contract.

9. Visibility Guidelines, Promotion and Usage Rights

9.1 Unless there are exceptional reasons for funding not to be acknowledged, the Beneficiary undertakes to acknowledge the contribution of ECREEE on materials produced in the course of the Project (including information available in electronic format) and at all public events. Therefore, the Beneficiary is not only obliged to ensure that ECREEE is mentioned in all written information in any format produced directly by the Beneficiary, but also to pass on this obligation to every other subject using the document with the permission of the Beneficiary. An exceptional reason is only such an event that has been confirmed in writing by ECREEE to the Beneficiary as an exceptional reason.

9.2 To ensure synergy, consistency and acknowledgement of ECREEE support among all ECREEE-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 in **Annex./D** (can be downloaded from the website). Drafts of such material would-be approved by ECREEE before dissemination. In case of co-funded demonstration projects a signboard with the ECREEE logo will be installed.

9.3 ECREEE has the unlimited right to use the result of the Project implementation in furthering ECREEE's objectives. The information requirements by ECREEE and the obligations of the Beneficiary in this regard are additionally set out in **Annex./D**. Unless there are exceptional reasons ECREEE has

the unlimited right to publish all project materials and produced results through the ECOWAS Renewable Energy Observatory (EREO). An exceptional reason is only such an event that has been confirmed in writing by ECREEE to the Beneficiary as an exceptional reason.

9.4 The Beneficiary grants free of charge the unlimited (in time, territory and field of use) usage rights on any and all Project outcome and deliverables to ECREEE. The Beneficiary must provide ECREEE all produced raw data sets (e.g. GIS data, measurement data) funded over the Grant Amount. In particular, this shall comprise usage rights necessary for ECREEE to implement any and all provisions set out in "Impacts of the Project" outlined in **Annex./A**. and shall include the right to transfer the said usage right to third parties.

9.5 The rights and obligations in this Section 9 shall survive the validity and term of the Contract.

10. Liability

10.1 The Beneficiary undertakes to provide adequate supervision of and care for its staff, agents and visitors and accepts that ECREEE will not be responsible, under any circumstance, for acts or omission of the Beneficiary's staff, agents or visitors, or for any loss or liability arising as a result of the project, which remains the entire responsibility of the Beneficiary.

10.2 The Beneficiary indemnifies and agrees to keep ECREEE harmless together with its officers and employees from and against any loss, damages or costs arising from any claim, demand, action, suit or proceeding that may arise out of any act and/or omission by the Beneficiary or its agents in connection with the performance of the purposes for which the Grant is made or otherwise.

11. Miscellaneous

11.1 This Contract constitutes the entire agreement between the Parties with respect to the subject matter regulated in it. Any agreements, statements of will or knowledge or any other circumstances of legal relevance made or occurred before or when concluding this Contract, lose any and all effect upon the signing of this Contract.

11.2 The headings and titles in this Contract shall make it easier to find the single clauses but shall not have any impact on their legal understanding or interpretation.

11.3 All modifications or amendments to this Contract including this clause, shall only be effective if made in writing and at least signed by both parties.



11.4 No act or omission by ECREEE may be deemed as waiver of any rights if such a waiver is not declared explicitly and in writing.

11.5 The Beneficiary may not assign any right or obligation out of this Contract to a third party; this includes the obligation not to assign the right to receive the funds or to pledge such rights or the funds. ECREEE shall be entitled to transferal rights and obligations arising from the present Contract or the whole contractual relationship to any third party or its legal successor by giving written notice to the Beneficiary and without the necessity of further consent on behalf of the Beneficiary.

11.6 Shall any provision of this Contract be or become illegal or unenforceable the remainder of this Contract shall not be affected. Such provisions are automatically replaced by valid and enforceable provisions achieving the intended economic effect as closely as possible.

11.7 This Contract, disputes or legal issues out or in connection with this Contract, including this clause, and the issue of its valid conclusion and its pre- and post-contractual effects are governed by the law of the country where the contract is signed (e.g. **Cape Verdean/Nigerian/International**).

In the event of any dispute, difference or claim arising out of or relating to this Agreement or the performance, enforcement, breach, attempts to terminate or validity thereof, the parties shall use their best endeavors to settle such disputes or differences. To this effect, they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all

11.8 Each Party and each signatory warrants and represents to the other Party that it has full authority, power and capacity, and has taken all necessary and proper steps and actions to:

11.8.1 enter into, execute and deliver this Contract especially with regard to the Dispute Resolution Article, and

11.8.2 carry out its obligations under this Contract.

11.9 (Annexes) This contract also includes the following Annexes which form an integral part of this Contract:

- Annex./A** The Project Document/Terms of Reference
- Annex./B** Grant Amount, Reporting and Payment Schedule
- Annex./C** Bank Account Information
- Annex./D** Visibility and Dissemination Guidelines

Made in two copies, one for each party

(place/date)

parties. In case no amicable solution is achieved - within 30 (thirty) calendar days upon receipt of a written notice (mail, fax, courier or email) by one Party communicating such disputes differences, controversies or claims which arise out of this contract shall be finally settled by arbitration with exclusive jurisdiction and under the arbitration law of the country where the contract is signed.

There shall be a singular arbitrator. The place of arbitration shall be proposed by parties. The language to be used during arbitration proceeding shall be English, French or Portuguese. The decision of the stated arbitration court shall be final and binding upon all parties to this contract.

Prompt disposal of any dispute is important to parties of this Agreement. The parties agree that the resolution of any disputes shall be conducted expeditiously, to the end that final disposal of it shall be accomplished in three (3) months or less after final judgment is rendered by the London Court of International Arbitration at London. All notices or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

In the absence of specific law on arbitration shall be competent the London Court of International Arbitration at London under its rules of procedure in force at the time of this contract. **Place of performance of all obligations in this Contract shall be (e.g. ECREEE, ECOWAS, Nigeria).**

11.8. ECREEE and the Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least seven years after the final payment.



The Director/Executive Secretary, Mr./Ms. _____ on behalf of
(Name of Institution, address and if applicable registration number of the Beneficiary)

(place/date)

The Executive Director, Mr./Ms. XXXX on behalf of the
ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)

Annex./A Project Document/ Terms of Reference



Annex./B Grant Amount, Payment and Reporting Schedule

ECREEE and the Beneficiary agreed on the following reporting and payment schedule:

Complete the excel sheet for the payment and reporting schedule and copy and paste the graph as done below)

Total ECREEE Grant	10.000,00 €
Contract Starting Date	15-Sep-10

Agreed Reporting Schedule												
<i>First Year - progress reports shall be submitted max. 30 days after project phase completion</i>												
Months	1	2	3	4	5	6	7	8	9	10	11	12
Progress report (from: 15.09.10 to: 15.01.11)					15.02							
Progress report (from: 15.01.11 to: 15.05)									15.06			
Agreed Reporting Schedule												
<i>Second Year - the final report shall be submitted max. 60 days after project completion</i>												
Months	13	14	15	16	17	18	19	20	21	22	23	24
Progress report (from: to:)												
Final Report												

Indicative Payment Schedule														
<i>First Year - payments are effected after approval of the submitted progress reports</i>														
Months	1	2	3	4	5	6	7	8	9	10	11	12	Payment in %	Payment in EUR
First disbursement	18.09												10,00%	1.000,00 €
Interim payment						15.03							30,00%	3.000,00 €
Interim payment										15.07			30,00%	3.000,00 €
Indicative Payment Schedule														
<i>Second Year - the final payment is done upon approval of the submitted final report</i>														
Months	13	2	3	4	5	6	7	8	9	10	11	12	Payment in %	Payment in EUR
Interim payment													20%	2.000,00 €
Final payment													10%	1.000,00 €
TOTAL													100%	10.000,00 €





Annex./C Bank Account Information

Full contract ID:	
Name of organization/company:	
Legal Registration Number:	
Address:	
Telephone Number, E-Mail:	
Bank Name and Contact Details:	
Bank Code:	
Bank Account No:	
Name of the Bank Account:	
IBAN:	
BIC /SWIFT:	
Name of Persons authorized to Sign (including position):	

Annex./D ECREEE Visibility and Dissemination Guidelines



8.5 EREF Project Appraisal Framework



ECREEE Appraisal Framework



Formal Quality Check (knock-out criteria)

- Basic eligibility criteria in the EREF guidelines (country focus, type of applicant & technology, grant size, capacity of applicant, alignment with local policy)
- Project proposal template, logical framework and budget

Technical Quality Appraisal (test of new rating system!)

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

ECREEE attempts to keep balance between the needs and size of the countries and different technology solutions

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Relevance of Project (20 points)

The project (...)

- ***addresses key energy and development problems in the target country(ies)/region(s) and the beneficiaries of the project (e.g. no access to energy services, low productivity of agricultural sector, health problems due to indoor pollution and lack of vaccines, security risk due to the absence of lighting for women, losses due to power cuts); (5)***
- ***is relevant for the population in in peri-urban and rural areas (purely urban project should show a high relevance and have a high replication potential) (5)***
- ***is relevant for the financing windows of the EREF and ECREEE (see guidelines) (5)***
- ***adds added value, considers synergies to other ongoing projects, avoids duplication of activities (check other activities of other donors) (5)***

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Impact/Overall Objectives (20)

The project (...)

- *defines clearly the target groups and final beneficiaries which will benefit from the project during implementation and in a long-term view; it should be clear who will how benefit from the project finally (there are projects which do not serve the interest of the beneficiaries). (5)*
- *addresses the key problems energy poverty, energy security and climate change mitigation simultaneously. (5)*
- *describes the positive impacts of the project on the energy situation/problem (overall objective) and the interrelated social, economic and environmental benefits for the final beneficiaries (e.g. improved health through PV cooled vaccines). For demonstration or investment projects a positive Economic Net Present Value (ENPV) was calculated (cost-benefit analysis). (5)*
- *quantifies the benefits and positive impacts through measureable indicators and according to the impact table in the proposal template (e.g. reduction of indoor pollution, income savings through reduced fossil fuel dependence, health improvements, enhanced educational services, employment generated). (5)*

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[Table: Impact Indicators of Project (only examples - modify as needed)]

Classification of Impact	Impact Indicator	Measurement Method (Quantitative)	Unit	Ex
Energy related	Additional electric capacity to be installed and/or annual generation expected	installed capacity and average annual generation	in MW/h	
	Expected energy savings through implemented EE measures	measurements	in KWh	
	Expected increase of energy security through diversification of energy sources	renewable energy proportion in the overall electricity mix	in %	
Economic Sustainability	Expected Investment raised by feasibility study	Estimation of Investment Costs	in EUR	
	Expected income savings through implemented energy efficiency measures	e.g. Changes in electricity bill	in EUR	
	Expected monthly economic savings through substitution of diesel	e.g. diesel savings in litres/tons multiplied with market price	in EUR	
	Expected sales of supported local RE&EE equipment supplier	e.g. market study	in EUR	
Social Sustainability	Expected No. of people / households / public institutions / companies are	Surveys, physical connections	No.	

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	Expected sales of supported local RE&EE equipment supplier	e.g. market study	in EUR
Social Sustainability	Expected No. of people / households / public institutions / companies are expected to gain access to electricity	Surveys, physical connections	No.
	Expected No. of businesses and/or experts trained	Attendance lists, delivered certificates	No.
	No. of jobs are expected to be created directly or indirectly during construction and operation of the RE project	e.g. No. of construction and maintenance workers, No. of jobs created indirectly throughout the value chain (e.g. Collecting and processing of biomass feedstock)	No.
	No. of people expected to get access to vaccines in PV powered health posts	e.g. people served through health posts	No.
Environmental Sustainability	GHG emission reduction	CO2 reduction in relation conventional alternative	CO2 per ton
	Reduced pressure on local eco-system through reduction of fuel wood use for cooking and lighting	Household survey	in kg.

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Effectiveness/Specific Objectives (20)

- **The specific objectives of the project describe clearly how to overcome the identified problems and how the defined positive impacts for the final beneficiaries can be achieved (e.g. access to electricity through the construction of a small hydro plan, small solar businesses through business training). The objectives are realistic, results-orientated and measurable. They reflect the identified needs of the target groups/final beneficiaries. (5)**
- **The most promising, cost-effective and feasible strategy alternative was selected to achieve the overall objective/impact (with and without project scenario). The chosen solution is the most sustainable one in economic, social and environmental view. The proposed technology is the better alternative in relation to others (e.g. hydro plant or PV or wind power or hybrid). The economic and financial analyses has shown that the best technology alternative was chosen. The Economic and Financial Net Present Value (ENPV/FNPV) was higher than that for other alternatives. (5)**
- **The EREF grant is justified. The program/project cannot be financed through loans or micro-credits. The EREF grant makes a difference and the project would not have been implemented without EREF support (EREF grant shall amount at least to 25% of the total eligible project costs). In the case of trainings or feasibility studies the costs are realistic. Cost-effectiveness analyses (CEA) and/or cost benefit analyses (CBA) have shown that the EREF subsidy element (grant) is justified (e.g. negative FNPV). (5)**
- **The size of the subsidy element (grant) was determined according to available resources of the project partners and/or other co-financiers. The project is not over subsidised. Reduce the rate if necessary. (5)**

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Feasibility and Efficiency of Project

- **Demonstrates the feasibility of the project and the efficiency of the suggested implementation method. A 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 (see logical framework). (4)**
- **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)**
- **The lead applicant and partners have well established links to local/national authorities responsible for management and administration of services implicated in the project. (2)**
- **The technical feasibility of the project is shown: (4)**
 - **The demonstration project builds on a reliable technology, or replicates a proven energy service delivery model and/or technology. In case of feasibility studies, the should be based on realistic initial estimations (e.g. potential for hydro, solar wind).**
 - **The energy resources/feedstock is available in a long-term view and at affordable costs.**
 - **Enough attention was given to affordability issues, in particular the willingness and ability to pay received sufficient attention.**
 - **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).**

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Feasibility and Efficiency of Project

- **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. In case of demonstration projects the FNPV is positive by considering the EREF grant (project does not run out of cash during life-time). 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 shall be attached to the full proposal (Annex 5). The administrative costs should be reasonable in relation to the overall project budget (max. 10%). (2)**
- **The applicant and its partners have sufficient management capacity and stable financial sources of finance to implement the project (see administrative and financial minimum requirements in the EREF guidelines): 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 & have adequate RE&EE experience (see guidelines). (4)**
- **The project 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 (see proposal template). Key lessons from other comparable earlier or ongoing activities are explicitly analysed and incorporated. (2)**

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Sustainability and potential for regional replication or scaling-up

- *There is adequate ownership of the project by the target group(s) and project partners (the more co-funding the better). (2)*
- *The sustainability of the project after finalisation is ensured. All potential users have access to benefits and services during and after the project. The final beneficiaries are able to maintain the infrastructure & services (to cover the running costs). The operation costs were considered in the financial calculation and are payable (willingness and ability to pay). Trained experts use their obtained skills locally. A feasibility study leads to investment. (4)*
- *The project is demand/need driven and not technology or donor driven (technology decisions are sometimes imposed due the export interests). The solution is adapted to the local requirements (no blue prints). The project contributes to social, economic and environmental sustainable development. (2)*
- *Makes use of local capacities during the project implementation (e.g. local partners are obligatory). The energy resources/feedstock is available locally and the technology will be obtained locally and will be imported only if necessary (procurement will be done locally). The import component is as small as possible. Constructed infrastructure will be maintained and financed locally as far as possible. In the case of north-south and south-sought partnerships knowledge and technology transfer is ensured. Companies with international branches have to prove the engagement of local staff during project implementation. (4)*

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Sustainability and potential for regional replication or scaling-up

- *The cost-effectiveness (CEA) and/or cost benefit analysis (CBA) has shown that in a life cycle perspective the proposed program/project is the most sustainable alternative. Financial sustainability is ensured (sources of revenue for covering all future operating and maintenance costs, etc.). The finance of the project company is sustainable in a long-term view. Negative and positive social, economic and environmental externalities and their interrelated costs were considered in the selection process of the best technology alternative (such as local pollution and GHG emissions, carbon price, CDM). (2)*
- *Shows a high multiplier effect and is innovative. Has a good potential for replication in the ECOWAS region, up-scaling, leads to investments or widespread technology deployment. (4)*
- *Considers cross-cutting issues such as human rights, conflict, health, gender and environment. (2)*

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