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| http://europa.eu/about-eu/basic-information/symbols/images/flag_yellow_low.jpg | Electrification Financing Initiative*Programme funded by the European Commission**Programme Implemented by FMO (*[*www.fmo.nl*](http://www.fmo.nl)*)*  |  |

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|  | **Invitation to Submit Applications for Project Support**

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| **Round 1** | Phase 1 |

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|  | Thank you for your interest in ElectriFI. This Invitation to Submit (Invitation) is launched on 15th April 2016. The deadline for submission is 6th May 2016 at 16h00 European Continental Time. |
|  | Applications submitted after this date will not be accepted for this first round. ElectriFI expects to launch additional rounds in 2016. |
|  | This document is available on the ElectriFI Internet site: <http://www.electrifi.org> |
|  | The completed Round 1 - Phase 1 Application Form should be sent to the following e-mail address: submit@electrifi.org |
|  | Questions relating to this Invitation can be sent by e-mail to: questions@electrifi.org |
|  | Included in this document:

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| **I. Round 1 Application Guidelines** |

**A. Introduction**

The Electrification Financing Initiative (ElectriFI) is an enabling facility supporting investments that provide access to affordable, reliable, sustainable, and modern energy in developing countries. The initial amount of EUR 74.85 million contributed by the European Commission to ElectriFI, will be implemented by FMO jointly with the EDFI Association of 15 European Development Banks ([www.edfi.eu](http://www.edfi.eu)).

* ElectriFI funding is designed to provide **interim** **financing solutions** to help projects overcome obstacles or otherwise reach a sufficiently mature stage where the private sector can take over.
* ElectriFI will not compete with other funders but seeks to **collaborate with** and complement other funders.
* Funding must lead to **increased or improved end-user access** to affordable, reliable, sustainable, and modern energy.
* Funding will only be directed towards those projects capable of achieving **stand-alone financial viability**.
* Applicants must have the necessary **skills and capacity** to deliver the results aimed by their respective project proposals whilst meeting commitments with all key project stakeholders, including ElectriFI.

**B. Context of Interventions**

ElectriFI can provide funding and support to developers/investors across a range of business models. This includes not only projects operating on the Independent Power Producer (IPP) model benefiting from contractually-based revenue streams, but also those businesses that are exposed to full market forces of supply and demand. Where innovative business models are proposed, **replicability** and **scalability** will be important considerations.

Project development usually follows a well-defined path beginning with market analysis and validation, and then moving into a pre-development stage during which sponsors may *inter alia* secure land, acquire resource data, complete a pre-feasibility study and environmental impact assessment, and reach a formal understanding with authorities. This generally marks the end of pre-development and the beginning of the “active development” stage of the project life-cycle.

As shown in the following diagram, for Round 1 ElectriFI will only consider projects or businesses that have at least entered the **active development stage**.



**C. Round 1 Types of Funding**

ElectriFI will be able to provide financial support primarily through risk capital, either to corporate entities or alternatively to project special purpose vehicles.

The maximum term of funding will be 7 years. The maximum amount of any financing solution provided by ElectriFI will be EUR 5.0 million (or local currency equivalent). ElectriFI funding may not exceed 50% of total amount of equity.

ElectriFI will remain additional to other funders. Given the characteristics of the facility it will be able to assume a significant level of risk, but will nevertheless seek alignment with other investors and expect a commensurate return.

In addition to providing flexible funding, the ElectriFI finance team will also be able to provide structuring advice to clients and/or provide funding for more specialised external advisory services.

ElectriFI works closely with other programmes sponsored by the European Commission which have mandates to provide technical advisory support to renewable energy projects.

**D. Round 1 Eligibility Criteria**

*Geographical Coverage* – The project host country must be included in the list provided in Section III of this document.

*Sector* – The ElectriFI mandate covers projects within the framework of on-grid and off-grid solutions. All renewable technologies (excluding first generation biofuels) are eligible. Combining renewable with conventional generation can be exceptionally considered if indispensable for the stability of the energy produced.

*Sustainability* – Funding will only be directed to those projects undertaken by entities deemed capable of attaining financially sustainability (i.e. ultimately able to generate sufficient revenues to support debt service and provide adequate returns to investors under reasonably adverse variations in underlying assumptions).

**E. Round 1 Process**

ElectriFI will select Applicants through a two-stage process. During Phase 1 interested parties may submit Applications which will be screened by ElectriFI. Projects which successfully pass Phase 1 screening will then be asked to submit more detailed Phase 2 Applications. Projects which pass Phase 2 screening will be presented to the ElectriFI Investment Committee for Clearance in Principle. If a project is approved by the Investment Committee, ElectriFI will sign a Letter of Interest with the Sponsor and further due diligence will take place.

* All applications are to be completed in English.
* All financial figures are to be expressed in Euros (EUR) or Dollars (USD).
* Completed Application Forms should be signed by the project lead sponsor and saved in PDF format.
* The file name should conform to the following naming convention:

Unique project name of 20 letters or less followed by “(Round 1 – Phase 1)”

*Example*: **Merriweather (Round 1 – Phase 1)**

* The project lead sponsor should return the Application to ElectriFI at the following e-mail address: submit@electrifi.org

**F. Concluding Comments**

When filling in the Round 1 Application Form, project sponsors must be able to clearly define the project, show how it will contribute to **increased or improved end-user access** to electricity or energy services and how rational use of energy is promoted, and provide a convincing business case for **financial sustainability**. Applicants must have a credible professional track record, demonstrated strong commitment to date, and a capacity to deliver.

*No guarantee of Project Support* – The submission of an Application to ElectriFI does not constitute a contract between the Applicant and ElectriFI nor does it represent an offer to enter into any contract for Project Support.

*Confidentiality and Exclusive Use* – Within the context of this Invitation the Applicant may include certain information that could have commercial value in the business in which the Applicant is engaged. ElectriFI shall maintain this information in confidence and use it for the sole purpose of evaluating the request for ElectriFI Project Support. ElectriFI shall not use for its own benefit or otherwise disclose or permit the use by others for their benefit any commercially sensitive information included in the Application Form.

More Invitation Rounds will follow adapting current terms and conditions to address a wider range of partners and projects or business stages. The next Invitation Round is expected to be launched in the last quarter of 2016.

For any questions, please contact us at: questions@ElectriFI.org

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| **II. Round 1 Phase 1 Application Form** |

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| --- | --- |
| **1.** | **Information about the Lead sponsor (Main Investor / the Applicant)** |
| Company Name |  |
| Company Address |  |
| Primary Business Activity |  |
| Contact Name |  | Contact Signature |  |
| Contact Telephone |  |
| Contact E-mail |  |
|  |  |
| **2.** | **Provide an overview of the project (location, activity, how project was granted)** [100 words max] |
|  |
|  |  |
| **3.** | **Describe the track record of the Lead Sponsor** [100 words max] |
|  |
|  |  |
| **4.** | **Describe the respective roles and track records of other project partners** [100 words max] |
|  |
|  |  |
| **5.** | **List any external advisors and briefly describe their contribution to the project** [100 words max] |
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| --- | --- |
| **6.** | **Describe the legal framework and regulatory environment of the project** [100 words max] |
|  |
|  |  |
| **7.** | **Describe permits & licenses obtained and those still needed to be obtained** [100 words max] |
|  |
|  | With reference to a PPA:

|  |  |
| --- | --- |
|  | Not yet prepared |
|  |  |
|  | Draft version only |
|  |  |
|  | Nearly final version |

 | Name of Off-taker/s |  |
| EUR or USD (same currency as in question 10) | cents per kWh |
| Estimated project tariff (without ElectriFI) |  |
| Estimated project tariff (with ElectriFI) |  |
| Term of PPA (years) |  | Average consumer tariff in the country  |  |
| Take-or-Pay? (yes/no) |  | Average cost of conventionally generated electricity  |  |
|  |  |
| **8.** | **Describe expected timetable (spanning development, financing, construction)** [100 words max] |
|  |
|  |  |
| **9.** | **Describe technologies, resource assessments and methodology of measurements, and expected new connections and methodology of calculation** [100 words max] |
|  |
| Installed Capacity (AC and DC) expressed in MW |  |
| P-50 Annual production expressed in MWh |  |
| Number of new end-users gaining access to energy |  |

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| --- | --- | --- | --- |
| **10.** | **Provide an overview of project costs and funding** |  |  |
| Uses of Funding |  | Sources of Funding |
| EUR | Already Incurred | To reach Financial Close | Total Amount |  | EUR | Amount |
| Development  |  |  |  |  | Equity from sponsors |  |
| Capital Expenditure |  |  | Other equity |  |
| *Equipment* |  |  | Other equity |  |
| *Civil Works* |  |  | Debt provided by |  |
| Working Capital |  |  | ElectriFI requested  |  |
| Total  |  |  | Total |  |
|  |  |
| **11.** | **Describe the business plan (capex and opex, financing, revenue generation)** [100 words max] |
|  |
|  |  |
| **12.** | **Describe past and future stakeholder involvement with the local population** [100 words max] |
|  |
|  |  |
| **13.** | **Describe the project from an investment standpoint** |
| Sponsor IRR expectations[50 words max] |  |
| Main base case and downside assumptions[50 words max] |  |
| Sponsor intentions with respect to ownership[50 words max] |  |

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| **14.** | **Describe key risks and likely mitigants throughout the project life-cycle** |
|  | Development[50 words max] |  |
|  | Financing[50 words max] |  |
|  | Environmental[50 words max] |  |
|  | Social[50 words max] |  |
|  | Construction / Roll-Out[50 words max] |  |
| Technology[50 words max] |  |
| Commissioning[50 words max] |  |
| Operations[50 words max] |  |
| Revenue Generation[50 words max] |  |
| Country / Political[50 words max] |  |
|  | Any Other Risk?[50 words max] |  |

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| **15.** | **Describe the positive impacts of the project** |
| Access to electricity / energy[50 words max] |  |
| Employment (construction and operation)[50 words max] |  |
| Other positive impacts[50 words max] |  |
|  |  |
| **16.** | **Describe the type (amount, duration, nature, period) of financial assistance that is being requested from ElectriFI, and explain how this will help overcome risk and allow the project reach financial sustainability** [150 words max] |
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| **III – Round 1 Eligible Country List** |

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| --- | --- | --- | --- | --- |
| Afghanistan | Comoros | Indonesia | Namibia | South Africa |
| Algeria | Congo (Dem. Rep. of) | Iran | Nauru | Sri Lanka |
| Angola | Congo (Republic of) | Iraq | Nepal | Sudan |
| Anguilla | Cook Islands | Jamaica | New Caledonia | Suriname |
| Antigua and Barbuda | Costa Rica | Jordan | Nicaragua | Swaziland |
| Argentina | Côte d'Ivoire | Kazakhstan | Niger | Syrian Arab Republic |
| Armenia | Cuba | Kenya | Nigeria | Tajikistan |
| Aruba | Curacao | Kiribati | Niue | Tanzania |
| Azerbaijan | Djibouti | Korea (North) | Pakistan | Thailand |
| Bangladesh | Dominica | Kyrgyzstan | Palau | Timor-Leste |
| Belarus | Dominican Republic | Lao People's Dem. Rep. | Panama | Togo |
| Belize | Ecuador | Lebanon | Papua New Guinea | Tokelau |
| Benin | Egypt | Lesotho | Paraguay | Tonga |
| Bermuda | El Salvador | Liberia | Peru | Tunisia |
| Bhutan | Equatorial Guinea | Libya | Philippines | Turkmenistan |
| Bolivia | Eritrea | Madagascar | Pitcairn | Turks & Caicos Islands |
| Bonaire | Ethiopia | Malaysia | Rwanda | Tuvalu |
| Botswana | Falkland Islands | Malawi | Saba | Uganda |
| Brazil | Fiji | Malaysia | Saint Helena | Ukraine |
| British Antarctic Territory | French Polynesia | Maldives | Saint Lucia | Uruguay |
| British Indian Oc. Terr. | Gabon | Mali | St. Pierre and Miquelon | Uzbekistan |
| British Virgin Islands | Gambia | Marshall Islands | St. Vincent / Grenadines | Vanuatu |
| Burkina Faso | Georgia | Mauritania | Samoa | Venezuela |
| Burundi | Ghana | Mauritius | São Tomé and Principe | Viet Nam |
| Cabo Verde | Greenland | Mayotte | Senegal | Wallis & Futuna Islands |
| Cambodia | Grenada | Mexico | Seychelles | West Bank & Gaza Strip |
| Cameroon | Guatemala | Micronesia | Sierra Leone | Yemen |
| Cayman Islands | Guinea | Moldova | Sint Eustatius | Zambia |
| Central African Republic | Guinea Bissau | Mongolia | Sint Maarten | Zimbabwe |
| Chad | Guyana | Montserrat | Solomon Islands |  |
| Chile | Haiti | Morocco | Somalia |  |
| China | Honduras | Mozambique | South Sandwich Islands |  |
| Columbia | India | Myanmar | South Sudan |  |