



Contracting authority: The Government of Zambia, represented by the National Authorising Office (NAO) of the European Development Fund

Support to Zambia Energy Sector: Increased Access to Electricity and Renewable Energy Production (IAEREP) – Second call

Guidelines for grant applicants

11th European Development Fund

EuropeAid/180700/IH/ACT/ZM

Deadline for submission of concept note: **15th April 2024 at 16:00 hours Zambian time**

NOTICE

This is a restricted call for proposals. In the first instance, only concept notes (Part A of the grant application form) must be submitted for evaluation. Thereafter, lead applicants who have been pre-selected will be invited to submit a full application. After the evaluation of the full applications, an eligibility check will be performed for those which have been provisionally selected. Eligibility will be checked on the basis of the supporting documents requested by the contracting authority and the signed 'declaration by the lead applicant' sent together with the full application.

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1. SUPPORT TO ZAMBIA ENERGY SECTOR: INCREASED ACCESS TO ELECTRICITY AND RENEWABLE ENERGY PRODUCTION (IAEREP)

1.1. BACKGROUND

Long-term development framework: The key guide for long-term development efforts for Zambia is couched in the 25 year-span Vision 2030 which reflects the collective understanding, aspirations and determination of the Zambian people to be a prosperous middle-income nation. The sectoral vision for energy is "to ensure universal access to clean, safe, reliable and affordable energy at the lowest cost" and one of the overall aspirations is reducing development inequalities.

Medium-term development framework: The above Vision is implemented through 5-year National Development Plans (NDP). The development work will be implemented through the Eight National Development Plan, covering the period 2022-2026. The 8th NDP acknowledges that the lack of access to electricity services continues to have an adverse impact on social and economic development. Moreover, the 8th NDP recognizes a strong divide in access to electricity services between urban and rural areas - disparities that strongly correspond with the differences in income levels within the population. In this regard, the plan sets the specific target of virtually doubling current electricity access to rural areas by 2026, passing from 4.4% to 8% of the rural population to be connected to the national grid and from 7.4% to 15% of the rural population having access to off-grid electricity services. The long-term target set out in Vision 2030 is to reach 51% access in rural areas by 2030.

Annual budgets: The current level of funding through annual budgets and through support of traditional official development aid alone will not be sufficient to finance the required investments to meet the above medium- and long-term targets and aspirations. Mindful of the above, the Ministry of Finance and National Development (MoFND) presented the National Budget for the year 2024 under the theme “Unlocking Economic Potential”, demonstrating Government’s commitment to provide policy framework, resources and incentives to unlock the economic potential of the country.

Weighing grid expansion against off-grid solutions: One of the main problems in the rural electrification efforts in Zambia is the large size of the country and a low population density in rural areas, yielding to very high connection costs when extending the national grid to remote rural areas. The fast technological progresses with renewable energy technology that have been witnessed globally in recent years makes it particularly important for the country to reconsider its rural electrification strategy, weighing grid expansion against off - grid solutions. It is in this context that the Rural Electrification Authority (REA) is considering for a gradual shift from its current focus on grid extension towards more emphasis on serving off-grid areas and to incentivise private sector participation through the use of smart subsidies.

Private sector participation in the off-grid space: In terms of off-grid services, the Solar Home System (SHS) market is quickly establishing in Zambia with private operators who are already active and have high growth ambitions in rural areas where the grid is unlikely to reach or to be affordable. Renewable-energy powered mini-grid schemes can provide “near grid-style” solutions that can meet domestic, social, but also productive energy needs. However, the market is still at a nascent stage and REA has yet to find a sustainable financial and business model for the potential offered by such solutions to be fully tapped.

Business models: REA does recognize that creating an attractive environment for private sector players in the off-grid space will be a vital part of the full energy access solution and is looking at ways of engaging with the private sector and making best use of limited resources that are made available by the government through the Rural Electrification Fund to boost investments, promoting the participation of the private sector to leverage public and cooperating partners' funds. There is ample potential to improve energy efficiency at public institutions. These institutions burdened by budgetary constraints are unable to implement necessary energy efficiency measures to reduce costs and provide the necessary affordable and reliable services to their customers.

It is in this context that the European Union (EU) has made available to the country through this call for proposals seed finance in the form of grant funding to stimulate the emergence of sustainable business models for energy services in rural areas and energy efficiency measures in public institutions.

The Zambia-EU partnership for 'Energising Zambia': The global development policies of the EU and its Member States aim to support the underprivileged communities to improve access for all to land, food, water, and clean, affordable and sustainable energy, while avoiding any damaging effects on the environment¹. The identification of energy for development as a central area for the EU action can be traced back to the *World Summit on Sustainable Development (WSSD)* in 2002 in Johannesburg, in which the EU launched the *EU Energy Initiative for Poverty Eradication and Sustainable Development (EUEI)*; an initiative aimed at contributing to the achievement of MDGs, in particular the goal of halving the number of people in extreme poverty by 2015 via the provision of adequate, affordable, sustainable energy services to the poor. Access to energy is one of the two priorities of the Africa-EU Energy Partnership which is part of the EU-Africa Joint Strategy and Action Plan adopted in Lisbon in December 2007 and the New European Consensus on Development of 2017 prioritises action to increase their cooperation with all relevant stakeholders, including the private sector, on energy demand management, energy efficiency, renewable energy generation and clean technology development and transfer.

In response to the sectoral needs of Zambia, the 11th European Development Fund allocated EUR 244 million in grants in the National Indicative Programme (NIP) of the 11th European Development Fund (2014 – 2020), to improve access to clean, reliable and affordable energy, which include provision for connection of low-income households and increased participation of private sector in the provision of energy services². Of this amount, EUR 40 million has been earmarked for the "Increased Access to Electricity and Renewable Energy Production" (IAEREP) programme.

The IAEREP programme: This programme aims at increasing access to clean, reliable and affordable energy through promotion of use of renewable energy (RE) and energy efficiency (EE) technologies. The programme is being implemented through three parallel lines of action which are:

1. Support to public institutions to develop and/or revise the legal and regulatory framework for deployment of renewable energies and energy efficiency in Zambia;
2. Building capacity of both public and private organizations involved in the deployment of renewable energy and energy efficiency; and
3. Providing seed finance in the form of grant funding, through this call for proposal, for stimulating the emergence of sustainable business models for energy services to promote the use of renewable energy and energy efficiency at national level and incentivise private sector participation in the rural electrification programme.

¹ The New European Consensus on Development – Our World, Our Dignity, Our Future (2017)

² Zambia's National Indicative Programme of the 11th European Development Fund 2014-2020

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of this call for proposals is to increase access to affordable, reliable and modern energy for all in Zambia, in coherence with sector-specific, poverty-reduction national policy and planning frameworks.

The **specific objectives** of this call for proposals are:

1. To increase access to electricity services within rural areas and promote the rational use of energy for productive and social purposes;
2. To stimulate the emergence of viable business models (including but not limited to Public-Private Partnerships) for decentralized solutions that attract private capital for promoting affordable and sustainable energy services in rural areas in a pro-poor and inclusive perspective and also target local communities and small entrepreneurs.
3. To stimulate the emergence of viable business models for decentralized solutions that attract private capital for promoting affordable and sustainable energy services in rural areas in a pro-poor and inclusive perspective and also target local communities and small entrepreneurs;

Priorities

The priorities of this call for proposals are:

1. **Access to energy services in a pro-poor and inclusive perspective within rural Zambia:** concentrate on providing access to electricity services for (a) the low-income households, giving preference to female-headed households; and (b) public sector educational and health services in scattered settlements, villages and **Rural Growth Centres** which are not planned to be connected to the national grid in the short to medium term;
2. **Scalability/replicability:** showcase action that can be expanded to reach a greater proportion of the eligible population, while retaining effectiveness or that can be repeated in a different location. Priority will be given to projects demonstrating higher efficiency through providing access to a higher number of people;
3. **Renewable energy and energy efficiency:** promote the use of resilient renewable energy and energy efficiency technology and solutions;
4. **Business models:** stimulate the emergence of viable business models that attract private capital but also target local rural communities, small entrepreneurs, service providers such as schools, health centres, etc. in the rural areas and vulnerable groups such as women and people living with disabilities.

As other additional elements:

1. **Leverage of grant funding:** leverage additional resources (equity and loans) for greater impact;
2. **Innovation:** extend the frontiers of energy supplies and services through support for approaches which are innovative in their organization, financing or delivery mechanism;
3. **Productive use of energy:** go beyond the provision of basic services aiming at increasing access to energy services so as to promote economic growth, generate jobs and consequent increased affordability for energy service;
4. **Energy-food nexus:** support a diverse range of innovative and viable approaches to improve food security by accelerating the design and deployment of clean energy solutions to smallholder farmers and agribusinesses;
5. **Access to sustainable energy services for public services** (e.g. schools, health centres, water utilities, etc.);
6. **Gender inclusion:** foster women's entrepreneurship and promote women's economic empowerment facilitating their access to sustainable energy, finance, technical and business skills, and vocational training in order to encourage women to engage in sustainable energy usage;
7. **Use of local resources:** better coordination and use of available resources and expertise by demonstrating techniques, identification and mobilization of local community resources.

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The overall indicative amount made available under this call for proposals is EUR 8 807 130.07. The contracting authority reserves the right not to award all available funds.

Indicative allocation of funds:

- Renewable-energy powered mini-grid demonstration projects with the private sector

EUR 8 807 130

Size of grants

Any grant requested under this call for proposals must fall between the following minimum and maximum amounts:

- Minimum Amount: EUR 2 500 000
- Maximum Amount: EUR 4 500 000

Any grant requested from the EU under this call for proposals must fall between the following minimum and maximum percentages of total eligible costs of the action:

- Minimum percentage: 25 % of the total eligible costs of the action.
- Maximum percentage: 50 % of the total eligible costs of the action (see also Section 2.1.5).

The balance (i.e. the difference between the total cost of the action and the amount requested from the contracting authority) must be financed from sources other than the general budget of the Union or the European Development Fund^{3,3}.

³ Where a grant is financed by the European Development Fund, any mention of European Union financing must be understood as referring to European Development Fund financing

2. RULES FOR THIS CALL FOR PROPOSALS

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the practical guide, which is applicable to the present call (available on the internet at this address <https://wikis.ec.europa.eu/display/ExactExternalWiki/ePRAG>)^{4,4}

2.1. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

- (1) the actors:
 - The **‘lead applicant’**, i.e. the entity submitting the application form (2.1.1),
 - if any, its **co-applicant(s) (where it is not specified otherwise the lead applicant and its co-applicant(s) are hereinafter jointly referred as ‘applicant(s)’)** (2.1.1),
- (2) and, if any, **affiliated entity(ies)** to the lead applicant and/or to a co-applicant(s). (2.1.2); the actions:
 - Actions for which a grant may be awarded (2.1.4);
- (3) the costs:
 - types of cost that may be taken into account in setting the amount of the grant (2.1.5).

2.1.1. Eligibility of applicants (i.e. lead applicant and co-applicant(s))

Lead applicant

- (1) To be eligible for a grant, the lead applicant must:
 - be a legal person, **and**
 - be a specific type of organization such as: non-governmental organization or private sector operator, **and**
 - be established in⁵ a Member State of the European Union or in other countries eligible under the 11th EDF⁶, **and**
 - be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary, **and**
 - have demonstrated capacity and experience of at least two years since 2016 in managing activities of similar nature and complexity and of a scale corresponding to at least third of the size of the grant requested.
- (2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in Section 2.6.10.1 of the Practical Guide;

Lead applicants, co-applicants, affiliated entities and, in case of legal entities, persons who have powers of representation, decision-making or control over the lead applicant, the co-applicants and

⁴ Note that a lead applicant (i.e. a coordinator) whose pillars have been positively assessed by the European Commission and who is awarded a grant will not sign the standard grant contract published with these guidelines, but a contribution agreement based on the contribution agreement template. All references in these guidelines and other documents related to this call to the standard grant contract shall in this case be understood as referring to the relevant provisions of the contribution agreement template.

⁵ To be determined on the basis of the organization’s statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organization, even if the statutes are registered locally or a ‘Memorandum of Understanding’ has been concluded.

⁶ ACP-EU Partnership Agreement, laid down in Annex IV to the latter Agreement as revised by Decision No. 1/2014 of the ACP-EU Council of Ministers of 20 June 2014 (2014/428/EU). For a list of eligible countries under the 11th EDF, please consult Annex A2a “Eligibility programmes 2014-2020” to the PRAG at: <http://ec.europa.eu/europeaid/prag/document.do?isAnnexes=true>.

the affiliated entities are informed that, should they be in one of the situations of early detection or exclusion according to Section 2.6.10.1 of the practical guide, personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the early detection and exclusion system, and communicated to the persons and entities concerned in relation to the award or the execution of a grant contract. In this respect, provisionally selected lead applicants, co-applicants and affiliated entities or those placed in the reserve list are obliged to declare that they are not in one of the exclusion situations through a signed declaration on honour (PRAG Annex A14)

In Part A, Section 3 and Part B Section 8 of the grant application form ('declaration(s) by the lead applicant'), the lead applicant must declare that the lead applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations.

The lead applicant may act individually or with co-applicant(s).

If awarded the grant contract, the lead applicant will become the beneficiary identified as the coordinator in Annex E3h1 (special conditions). The coordinator is the main interlocutor of the contracting authority. It represents and acts on behalf of any other co-beneficiary (if any) and coordinate the design and implementation of the action.

Co-applicant(s)

Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself.

In addition to the categories referred to in Section 2.1.1 (1), the following are however also eligible:

- Co-applicant(s) may have demonstrated capacity and experience of at least one year since 2016 in managing activities of similar nature and complexity and of a scale corresponding to at least a one fifth of the size of the grant requested by the lead applicant.

Co-applicants must sign the mandate in Part B Section 4 of the grant application form.

If awarded the grant contract, the co-applicant(s) (if any) will become beneficiary(ies) in the action (together with the coordinator).

- (3) In addition, please note that contracts cannot be awarded to or signed with applicants included in the lists of EU restrictive measures (see Section 2.4. of the PRAG).⁷

⁷.

2.1.2. Affiliated entities

The lead applicant and its co-applicant(s) may act with affiliated entity(ies).

Only the following entities may be considered as affiliated entities to the lead applicant and/or to co-applicant(s):

Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.

This structural link encompasses mainly two notions:

- (i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings:

Entities affiliated to an applicant may hence be:

- Entities directly or indirectly controlled by the applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by the applicant (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;

⁷ The updated lists of sanctions are available at www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- Entities directly or indirectly controlling the applicant (parent companies). Likewise, they may be entities controlling an entity controlling the applicant;
 - Entities under the same direct or indirect control as the applicant (sister companies).
- (ii) Membership, i.e. the applicant is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate, or the applicant participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

The structural link shall as a general rule be neither limited to the action nor established for the sole purpose of its implementation. This means that the link would exist independently of the award of the grant; it should exist before the call for proposals and remain valid after the end of the action.

By way of exception, an entity may be considered as affiliated to an applicant even if it has a structural link specifically established for the sole purpose of the implementation of the action in the case of so-called ‘sole applicants’ or ‘sole beneficiaries’. A sole applicant or a sole beneficiary is a legal entity formed by several entities (a group of entities) which together comply with the criteria for being awarded the grant. For example, an association is formed by its members.

What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from the applicant,
- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,
- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a ‘sole applicant’ as described above).

How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the statutes or equivalent act establishing the entity (network, federation, association) which the applicant constitutes or in which the applicant participates.

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those incurred for implementation contracts and financial support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.

Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s). They must sign the affiliated entity(ies) statement in Part B Section 5 of the grant application form.

In addition to the categories referred to in Section 2.1.1, the following are however also eligible:

- Affiliated entity(ies) may have less or no capacity and experience in managing activities of similar nature and complexity as required by the lead applicant and the co-applicants.

2.1.3. Associates and contractors

The following entities are not applicants nor affiliated entities and do not have to sign the ‘mandate for co-applicant(s)’ or ‘affiliated entities’ statement’:

Associates

Other organizations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in Section 2.1.1. Associates must be mentioned in Part B Section 6 — ‘Associates participating in the action’ — of the grant application form.

Contractors

The beneficiaries and their affiliated entities are permitted to award contracts. Associates or affiliated entity(ies) cannot be also contractors in the project. Contractors are subject to the procurement rules set out in Annex IV to the standard grant contract.

2.1.4. Eligible actions: actions for which an application may be made

Definition:

An action is composed of a set of activities.

Duration

The initial planned duration of an action may not exceed **36 months**.

Sectors or themes

The specific themes of this call for proposals are to demonstrate sustainable business models for:

1. Energy access in areas in rural Zambia where Utility grid extension is not currently present and
2. Rational use of energy for productive and social purposes, as elaborated in Section 1.2 above.

Location

Actions must take place in Zambia for renewable-energy powered mini-grid demonstration projects with the private sector to be implemented in rural areas⁸ only and not connected to the main Utility grid.

Types of action

Types of action which may be financed under this call for proposals are actions that respond to the identified challenges, the global objective, the specific objectives and the priorities in a coherent, integrated and sustainable way.

The following non-exclusive list gives *examples* of the type of actions which may be considered for support provided that they meet the global and specific objectives and priorities of the call for proposals.

1. Electrification of isolated areas (electricity for dispersed populations in these isolated areas will not be done through the national grid within the foreseeable future), based on renewable-energy-powered mini-grids or in combination with SHS;
2. Electrification of rural growth centres through decentralized solutions, based on renewable energy;
3. Actions aiming at consolidating and/or scaling-up proven successful, relevant, efficient (financially and in terms of management), effective, having high impact on poverty reduction and sustainable energy access activities. In such cases, demonstration of the successful deployment along with proof of capacity to replicate/upscale will be critical;
4. Actions that intend to promote local investment for productive uses and agricultural purposes for rural electrification;
5. Promotion of rational use of renewable energy for productive and social purposes;
6. Setting up public-private partnerships with the public sector to increase access to energy for schools and health centres, including community projects and potential commercial undertakings especially in rural areas;
7. Civil society initiatives, including the promotion of innovative approaches for rural electrification, to deliver basic energy services for underserved poor man and women – especially female-headed households;
8. Providing access to energy sources for service providers of the public sector (schools, health centres, water utilities, etc.) and community projects that sustain livelihoods.

Technology transfer will be encouraged insofar as it is adapted to the local context. For economic and

⁸ As defined in the Rural Electrification Act

environmental reasons, energy efficiency measures are encouraged, in isolation or as a component of an investment project. In the access-oriented energy investment projects, the promotion of productive use of energy, beyond the provision of basic services and of gender inclusion is highly encouraged. Actions that include rehabilitation and improvement to existing services may be acceptable, provided that they bring real and measurable additional benefits to the poor. The use of fossil fuels (NB in hybrid systems only) and the connection to existing grids (e.g. to make a renewable investment economically more viable), may be considered on an exceptional basis only and subject to adequate justification as regards the increase of access to electricity and on the basis of environmental and economic considerations.

Renewable-energy powered mini-grid demonstration projects with the private sector focus on funding projects of rural electrification through decentralized systems led by the private sector and/or NGOs and models that have been proven and that show significant potential for cost-effective scaling-up having high impact on poverty reduction through sustainable rural electrification activities. In such cases, demonstration of the successful deployment along with proof of capacity to replicate/upscale will be critical. It is expected that decentralized systems will mainly be based on small solar PV / wind / bio- energy / hydro power plants in combination with a rural distribution network. The EU grant will be in support to the development or enhancement of such schemes, to narrow the gap between investment costs and affordability levels leading to a situation in which the need for grant support is significantly reduced or eliminated in the scaling up phase. The projects will be selected following an integrated approach, assessing both the supply side (e.g. power output of a potential mini-grid scheme) and the demand side (e.g. willingness to pay from users, opportunities to develop/enhance productive uses and population to be served). For mini-grid projects in rural growth centres and surrounding areas where electricity surpluses could potentially be sold in the medium term to the national grid, only the pro-rata cost of the generation and transformer capacity to the local mini-grid will be eligible to receive an EU grant.

The following types of action are ineligible:

1. actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
2. actions concerned only or mainly with individual scholarships for studies or training courses;
3. actions concerned only or mainly with planning and design;
4. “Research and Development” type of projects;
5. technology piloting or demonstration type of projects;
6. projects for expanding and improving electricity services in urban areas and general grid extension, which would normally be the responsibility of established utility companies or existing commercial providers;
7. actions concerned only or mainly with biofuels production;
8. actions concerned only or mainly with production of renewable energy for feeding the electricity into the national grid such as e.g. independent power producers type of business models.

Types of activity

The following non-exclusive list gives *examples* of the types of activities that may be included in the actions, provided that they meet the global and specific objective and priorities of the call for proposals:

1. Construction, installation, commissioning, operating and maintenance of mini-grids serving isolated areas or rural growth centres rural areas;
2. Supply and installation of energy efficient equipment, including energy management, maintenance and operation of installed equipment;
3. Activities targeted at fostering women’s entrepreneurship by facilitating their access to finance for renewable energy production, to sustainable energy, technical and business skills, and vocational training in order to encourage women to engage in the sustainable energy usage;
4. Activities targeted at reducing traditional energy related usage for households, such as efficient cook stoves⁹, clean cooking fuels, etc. and promoting environmental and user-friendly energy solutions for

⁹ Cook stoves should meet Tier 4 or 5 in the Voluntary Performance Target listed in the Clean Cooking Alliance web site (<http://cleancookstoves.org/technology-and-fuels/standards/iwa-tiers-of-performance.html>)

- domestic and productive uses;
5. Supply, installation and maintenance of solar home systems (SHS); pico-solar and solar lighting solutions; and solar-based battery charging and solar kiosks;
 6. Systems that, where appropriate, have sustainable mechanisms for collecting and recycling used batteries; technical innovations for electrification and energy distribution; pumping of water; energy efficiency measures and technologies (e.g., energy-efficient air conditioning, ventilation or cooling, lighting); and innovative systems for storage of renewable energy;
 7. Establishing appropriate administrative facilities/offices in unelectrified rural growth centres for better coordination, distribution, maintenance and after-sale services;
 8. Scaling up existing off-grid facilities and services for energy generation based on renewable energy;
 9. Setting up public-private partnerships with the public sector to increase access to energy within schools and health centres, especially in rural areas;
 10. Improved end-use energy efficiency through use of solar-fed street lighting, with smart control; energy efficient motors and their control; solar water heating; energy efficiency in indoor lighting; cooling and ventilation in buildings; reduction of the cooling load produced by solar gains through windows; combined heating/cooling and power generation, and other similar energy efficiency measures. Operation and maintenance of the installed equipment; rehabilitation/ improvement of the installed components;
 11. Coordination, studies, training and mentoring of staff and/or users, awareness raising, information and communication activities related to above;
 12. Training and mentoring of women as entrepreneurs and strengthening financial literacy of women.

Financial support to third parties¹⁰

Applicants may **not** propose financial support to third parties.

Visibility

The applicants must take all necessary steps to publicise the fact that the European Union has financed or co-financed the action. Unless the European Commission agrees otherwise, actions that are wholly or partially funded by the European Union must ensure the visibility of EU financing by displaying the EU emblem in accordance with the guidelines set out in the Operational guidelines for recipients of EU funding, published by the European Commission. If applicable, communication activities may be undertaken to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in the country or region concerned, as well as the results and the impact of this support.

All measures and activities relating to visibility and, if applicable, communication, must comply with the latest Communication and Visibility Requirements for EU-funded external action, laid down and published by the European Commission ([Communication and Visibility Requirements for EU External Actions | International Partnerships \(europa.eu\)](https://ec.europa.eu/eas/communication-visibility-requirements)).

Number of applications and grants per applicants / affiliated entities

The lead applicant **may** submit more than one application under this call for proposals¹¹. The lead applicant **may** be awarded more than one grant under this call for proposals.

The lead applicant **may** be a co-applicant or an affiliated entity in another application at the same time.

A co-applicant/affiliated entity **may** be the co-applicant or affiliated entity in more than one application under this call for proposals.

A co-applicant/affiliated entity **may** be awarded more than one grant under this call for proposals.

2.1.5. Eligibility of costs: costs that can be included

¹⁰ These third parties are neither affiliated entity(ies) nor associates nor contractors

¹¹ As additional information: If the lead applicant is interested to be considered for more than two grants, the lead applicant will submit one concept note for each potential grant that will be evaluated separately.

Union contributions under this call for proposals take the following form(s):

- The reimbursement of eligible costs may be based on any or a combination of the following forms:
 - (i) actual costs incurred by the beneficiary(ies) and affiliated entity(ies);
 - (ii) one or more simplified cost options.

Only 'eligible costs' can be covered by a grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for 'eligible costs'.

Simplified cost options may take the form of:

- **unit costs:** covering all or certain specific categories of eligible costs which are clearly identified in advance by reference to an amount per unit.
- **lump sums:** covering in global terms all or certain specific categories of eligible costs which are clearly identified in advance.
- **flat-rate financing:** covering specific categories of eligible costs which are clearly identified in advance by applying a percentage fixed ex ante.

Simplified Costs Options (SCOs) are divided in two categories:

"output or result based SCOs": they include costs linked to outputs, results, activities, deliverables in the framework of a specific project (for example the determination of a lump sum for the organization of a conference, or for the realisation of a determined output/activity). Where possible and appropriate, lump sums or unit costs shall be determined in such a way to allow their payment upon achievement of concrete outputs and/or results. This type of SCO can be proposed by the beneficiary (no threshold is applicable) at proposal's stage (Grant application form – Full application). In case the evaluation committee and the contracting authority are not satisfied with the quality of the justification provided, reimbursement on the basis of actually incurred costs is always possible.

Please refer to Annex K for the details of the procedure to be followed depending on the type and amount of the costs to be declared as SCO.

Applicants proposing this form of reimbursement, must clearly indicate in worksheet no.1 of Annex B, each heading/item of eligible costs concerned by this type of financing, i.e. add the reference in capital letters to 'UNIT COST', 'LUMPSUM' in the Unit column (see example in Annex K).

Additionally in Annex B, in the second column of worksheet no.2, 'Justification of the estimated costs' per each of the corresponding budget item or heading applicants must:

describe the information and methods used to establish the amounts of unit costs and/or lump sums, to which costs they refer, etc for output or result based SCO;

clearly explain the formulas for calculation of the final eligible amount for output or result based SCO.

Where SCOs are proposed the evaluation committee and the contracting authority decide whether to accept the proposed amounts or rates on the basis of the provisional budget submitted by the applicants, by analysing factual data of grants carried out by the applicants or of similar actions. In case the evaluation committee and the contracting authority are not satisfied with the quality of the justification provided reimbursement on the basis of actually incurred costs is always possible.

No threshold is set ex-ante for the total amount of financing that can be authorised by the contracting authority on the basis of simplified cost options.

Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the grant contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the contracting authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the grant or the percentage of EU co-financing as a result of these corrections.

It is therefore in the applicants' interest to provide **a realistic and cost-effective budget**.

The grant may take the form of a single lump-sum covering the entire eligible costs of an action or a work programme.

Single lump sums may be determined on the basis of the estimated budget, which should comply with the principles of economy, efficiency and effectiveness. Compliance with these principles shall be verified ex ante at the time of evaluation of the grant application.

When authorising single lump sums the authorising officer responsible shall comply with the conditions applicable to output or result based SCOs.

When using this form of financing, the description of the action shall include detailed information on the essential conditions triggering the payment, including, where applicable, the achievement of outputs and/or results.

Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Article 14 of the general conditions to the standard grant contract (see Annex G of the guidelines).

Contingency reserve

The budget may include a contingency reserve not exceeding 5 % of the estimated direct eligible costs. It can only be used with the **prior written authorisation** of the contracting authority.

Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 % of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the special conditions of the grant contract, no supporting documents need to be provided.

If any of the applicants or affiliated entity(ies) is in receipt of an operating grant financed by the EU, it may not claim indirect costs on its incurred costs within the proposed budget for the action.

Contributions in kind

Contributions in kind mean the provision of goods or services to beneficiaries or affiliated entities free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are not eligible costs (except for personnel costs for the work carried out by volunteers under an action or an operating grant if so authorised).

Contributions in kind **may not** be treated as co-financing.

However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

Other co-financing shall be based on estimates provided by the applicant.

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred in accordance with Article 7.5 of the general conditions of the standard grant contract, at the latest at the end of the action;
- currency exchange losses;

- in kind contributions (except for volunteers' work);
- bonuses included in costs of staff;
- negative interest charged by banks or other financial institutions;
- credit to third parties;
- salary costs of the personnel of national administrations.

2.1.6 Ethics clauses and Code of Conduct

a) Absence of conflict of interest

The applicant must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants or parties involved in the actions. Any attempt by an applicant to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the contracting authority during the process of examining, clarifying, evaluating and comparing applications will lead to the rejection of its application and may result in administrative penalties according to the Financial Regulation in force.

b) Respect for human rights as well as environmental legislation and core labour standards

The applicant and its staff must comply with human rights. In particular, and in accordance with the applicable act, applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organization conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

Zero tolerance for sexual exploitation, abuse and harassment

The European Commission applies a policy of 'zero tolerance' in relation to all wrongful conduct which has an impact on the professional credibility of the applicant.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited.

Applicants (and affiliated entities) other than (i) natural persons, (ii) pillar-assessed entities and (iii) governments and other public bodies, whose application has been provisionally selected or placed in a reserve list shall assess their internal policy against sexual exploitation, abuse and harassment (SEA-H) through a self-evaluation questionnaire (Annex L). For grants of EUR 60 000 or less no self-evaluation is required. Such self-evaluation questionnaire is not part of the evaluation of the full application by the contracting authority, but is an administrative requirement. See Section 2.5.6 of the PRAG.

c) Anti-corruption and anti-bribery

The applicant shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The European Commission reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract and if the contracting authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, 'corrupt practices' are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded with the contracting authority.

d) Unusual commercial expenses

Applications will be rejected, or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main

contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a payee who is not clearly identified, or commissions paid to a company which has every appearance of being a front company.

Grant beneficiaries found to have paid unusual commercial expenses on projects funded by the European Union are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving EU/EDF funds.

e) Breach of obligations, irregularities or fraud

The contracting authority reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, the contracting authority may refrain from concluding the contract.

2.2. HOW TO APPLY AND THE PROCEDURES TO FOLLOW

2.2.1. *Concept note content*

Applications must be submitted in accordance with the concept note instructions in the grant application form annexed to these guidelines (Annex A).

Applicants must apply in **English**.

Please note that:

1. In the concept note, lead applicants must only provide an estimate of the requested EU contribution as well as an indicative percentage of that contribution in relation to the eligible costs of the action. A detailed budget is to be submitted only by the lead applicants invited to submit a full application in the second phase.
2. The elements outlined in the concept note may not be modified in the full application, except for the changes described below:
 - The EU contribution may not vary from the initial estimate by more than 20%. Lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines in Section 1.3.
 - The lead applicant may add, remove or replace one or more co-applicant(s) or affiliated entity(ies) only in duly justified cases.

The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases, the duration must remain within the limits imposed by the guidelines for applicants. Own contributions by the applicants can be replaced by other donors' contributions at any time.

An explanation/justification of the relevant replacements/adjustments shall be included in section 2.1.1. of the full application form. Should the explanation/justification not be accepted by the evaluation committee, the proposal may be rejected on that sole basis.

3. Only the concept note form will be evaluated. It is therefore of utmost importance that this document contains ALL relevant information concerning the action. No additional annexes should be sent.

Please complete the concept note form carefully and as clearly as possible so that it can be assessed properly.

Any error or major discrepancy related to the concept note instructions may lead to the rejection of the concept note.

Clarifications will only be requested when information provided is not sufficient to conduct an objective assessment.

2.2.2. *Where and how to send concept notes*

The concept note together with its relating checklist and declaration by the lead applicant (to be found in **Part A Sections 2 and 3** of the grant application form) must be submitted in **one original and three copies** in A4 size, each bound.

An electronic version of the concept note must also be submitted. A CD-Rom or USB stick with the concept note in electronic format will be included, along with the paper version, in a sealed envelope as described below. The electronic file must contain **exactly the same** application as the paper version enclosed.

Where lead applicants send several different concept notes (if allowed to do so by the guidelines of the call^{12,14}), each one must be sent separately.

The envelope must bear the **reference number and the title of the call for proposals**, together with the lot number and title the full name and address of the lead applicant, and the words 'Not to be opened before the opening session'.

Concept notes must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) to the address below:

Postal address:

National Authorising Office of the European Development Fund
Ministry of Finance
Plot No 488a
P.O. Box 50378
Lusaka
Zambia

Address for hand delivery

National Authorising Office of the European Development Fund
Ministry of Finance and National Planning
Plot No. 488a
Lake road, Kabulonga
Lusaka,
Zambia
+260 211 250874

Concept notes sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

Lead applicants must verify that their concept note is complete using the checklist for concept note (Part A Section 2 of the grant application form). **Incomplete concept notes may be rejected.**

2.2.3. Deadline for submission of concept notes

The applicants' attention is drawn to the fact that there are two different systems for sending concept notes: one is by post or private courier service; the other is by hand delivery.

In the first case, the concept note must be sent before the date for submission, as evidenced by the postmark or deposit slip¹³, but in the second case it is the acknowledgment of receipt given at the time of the delivery of the concept note which will serve as proof.

The deadline for the submission of concept notes is **15th April 2024** as evidenced by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-deliveries, the deadline for receipt is **15th April 2024, before 16.00 hours local time**, as evidenced by the signed and dated receipt. Any concept note submitted after the deadline will be rejected.

The contracting authority may, for reasons of administrative efficiency, reject any concept note submitted on time to the postal service but received, for any reason beyond the contracting authority's control, after the effective date of approval of the concept note evaluation, if accepting concept notes that were submitted on time but arrived late would considerably delay the evaluation procedure or jeopardise decisions already taken and notified (see indicative calendar under Section 2.5.2).

¹² See also Section 2.1.4 on number of applications and grants per applicants/affiliated entities, on page 20 including the additional information in footnote 12.

¹³ It is recommended to use registered mail in case the postmark would not be readable.

2.2.4. Further information about concept note

An information session on this call for proposals will be held on 15th March 2024 at 09:00 hours at the NAO Conference Room, Lusaka, Zambia for those who can attend physically and in a virtual mode at the following Zoom Link

<https://us05web.zoom.us/j/88051413816?pwd=uiF5pFpNtFd68BmBSEwo3hEDGtJJy.1>

Meeting ID: 880 5141 3816 Passcode: 3Zhyh6

Questions may be sent by e-mail no later than 21 days before the deadline for the submission of concept notes to the address(es) below, indicating clearly the reference of the call for proposals:

E-mail address: tenders.infra@nao.gov.zm, in copy to: info@rea.org.zm and delegation-zambia-call-for-propals@eeas.europa.eu

The contracting authority has no obligation to provide clarifications to questions received after this date.

Replies will be given no later than 11 days before the deadline for submission of concept notes.

To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure will be published on the website of DG International Cooperation and Development: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>, as the need arises. It is therefore advisable to consult the abovementioned website regularly to be informed of the questions and answers published.

2.2.5. Full applications

Lead applicants invited to submit a full application following pre-selection of their concept note must do so using Part B of the grant application form annexed to these guidelines (Annex A). Lead applicants should then keep strictly to the format of the grant application form and fill in the paragraphs and pages in order.

Please note that the elements outlined in the concept note may not be modified in the full application except for the changes described below:

- The EU contribution may not vary from the initial estimate by more than 20 %. Lead applicants are free to adapt the percentage of co-financing required within the minimum and maximum amount and percentages of co-financing, as laid down in these guidelines in Section 1.3.
- The lead applicant may add, remove or replace one or more co-applicant(s) or affiliated entity(ies) only in duly justified cases.
- The lead applicant may adjust the duration of the action if unforeseen circumstances outside the scope of the applicants have taken place following the submission of the concept note and require such adaptation (risk of action not being carried out). In such cases, the duration must remain within the limits imposed by the guidelines for applicants.

An explanation/justification of the relevant replacements/adjustments shall be included in section 2.1.1. of the full application form Should the explanation/justification not be accepted by the evaluation committee, the proposal may be rejected on that sole basis.

Lead applicants must submit their full applications in the same language as their concept notes.

Please complete the full application form carefully and as clearly as possible so that it can be assessed properly.

Any error related to the points listed in the checklist (Part B, Section 7 of the grant application form) or any major inconsistency in the full application (e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

Clarifications will only be requested when information provided is unclear and thus prevents the contracting authority from conducting an objective assessment.

Please note that only the full application form and the published annexes which have to be filled in (budget, logical framework) will be transmitted to the evaluators (and assessors, if used). It is therefore of utmost importance that these documents contain ALL the relevant information concerning the action. **With the full application the lead applicant also has to submit completed PADOR registration form (Annex F) for the lead applicant, each co-applicants (if any) and each affiliated entities¹⁴ (if any).**

Please note that the following documents should be submitted together with PADOR registration form and the full application:

1. The statutes or articles of association of the lead applicant, of each co-applicant (if any) and of each affiliated entity (if any). Where the contracting authority has recognised the lead applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, what should be submitted, instead of the statutes or articles of association, is a copy of the document proving their eligibility in a former call (e.g. a copy of the special conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime. This obligation does not apply to international organisations that have signed a framework agreement with the European Commission.
2. Legal entity form (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and by each co-applicant, if any), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the contracting authority, instead of the legal entity form and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.
3. A financial identification form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

In addition, for the purpose of the evaluation of the financial capacity, the following documents should be submitted¹⁵:

1. For action grants exceeding EUR 750 000 and for operating grants above EUR 100 000, the lead applicant must provide an audit report produced by an approved external auditor where it is available, and always in cases where a statutory audit is required by EU or national law. That report shall certify the accounts for up to the last three available financial years.

In all other cases, the applicant shall provide a self-declaration signed by its authorised representative certifying the validity of its accounts for up to the last three available financial years. Such self-declaration shall be dated and signed, either by hand or by applying a qualified electronic signature (QES)¹⁶ by an authorised representative of the signatory.

This requirement shall apply only to the first application made by a beneficiary the same contracting authority in any one financial year.

¹⁴ Natural persons who apply for a grant (if so allowed in the guidelines for applicants) do not have to provide an organisation data form. In this case, the information included in the grant application form is sufficient.

¹⁵ No supporting documents will be requested for applications for a grant not exceeding EUR 60 000.

¹⁶ Please note that only the QES within the meaning of Regulation (EU) No 910/2014 (eIDAS Regulation) will be accepted. Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

The external audit report is not required from the co-applicant(s) or affiliated entities (if any).

2. For action grants not exceeding EUR 750 000 and for operating grants below EUR 100 000, a copy of the lead applicant's profit and loss account and the balance sheet for up to the last three financial years for which the accounts were closed¹⁷. A copy of the latest account is neither required from the co-applicant(s) (if any) nor from affiliated entity(ies)(if any).

Documents must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

Where such documents are not in one of the official languages of the European, a translation into English of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, must be attached for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than English, it is strongly recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into English.

If the abovementioned supporting documents are not provided by the deadline for the submission of the full application, the application may be rejected

With the full application the lead applicant also has to submit completed organisation data forms (Annex F) for the lead applicant, each (if any) co-applicants and each (if any) affiliated entities¹⁸.

No additional annexes should be sent.

2.2.6. Where and how to send full applications

Full applications (i.e. the full application form, the budget, the logical framework and the declaration by the lead applicant) must be submitted in a sealed envelope by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) to the address below:

Postal address

National Authorising Office of the European Development
Fund Ministry of Finance
Plot No 488a
P.O. Box 50378
Lusaka
Zambia

Address for hand delivery

National Authorising Office of the European Development Fund
Ministry of Finance and National Planning
Plot No. 488a
Lake road, Kabulonga
Lusaka,
Zambia
+260 211 250874

Applications sent by any other means (e.g. by fax or by e-mail) or delivered to other addresses will be rejected.

Applications must be submitted in **one original** and **three copies** in A4 size, each bound. The full application

¹⁷ This obligation does not apply to natural persons who have received education support or who are in most need or in receipt of direct support, nor to public bodies and to international organisations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to Section 2.2.5, point 1.

¹⁸ Natural persons who apply for a grant (if so allowed in the guidelines for applicants) do not have to provide an organization data form. In this case, the information included in the grant application form is sufficient.

form, budget and logical framework must also be supplied in electronic format (CD-Rom or USB stick) in a separate and single file (i.e. the full application must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version.

The checklist (Section 7 of Part B of the grant application form) and the declaration by the lead applicant (Section 8 of Part B of the grant application form) must be stapled separately and enclosed in the envelope.

Where lead applicants send several different applications (if allowed to do so by the guidelines of the call¹⁹), each one must be sent separately.

The envelope must bear the **reference number and the title of the call for proposals**, with the number and title, the full name and address of the lead applicant, and the words 'Not to be opened before the opening session'.

Applicants must verify that their application is complete using the checklist (Section 7 of Part B of the grant application form). Incomplete applications may be rejected.

2.2.7. *Deadline for submission of full applications*

The applicants' attention is drawn to the fact that there are two different systems for sending full applications: one is by post or private courier service; the other is by hand delivery.

In the first case, the full application must be sent before the date for submission, as evidenced by the postmark or deposit slip, but in the second case it is the acknowledgment of receipt given at the time of the delivery of the full application which will serve as proof.

The deadline for the submission of full applications will be indicated in the letter sent to the lead applicants whose application has been pre-selected.

The contracting authority may, for reasons of administrative efficiency, reject any application submitted on time to the postal service but received, for any reason beyond the contracting authority's control, after the effective date of approval of the full application evaluation, if accepting applications that were submitted on time but arrived late would considerably delay the award procedure or jeopardize decisions already taken and notified (see indicative calendar under Section 2.5.2).

Any application submitted after the deadline will be rejected.

2.2.8. *Further information about full applications*

Questions may be sent by e-mail no later than 21 days before the deadline for the submission of full applications to the addresses listed below, indicating clearly the reference of the call for proposals:

E-mail address: tenders.infra@nao.gov.zm, in copy to: info@rea.org.zm delegation-zambia-call-for-propals@eeas.europa.eu

The contracting authority has no obligation to provide clarifications to questions received after this date.

Replies will be given no later than 11 days before the deadline for the submission of full applications.

To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), or an action.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure, will be published on the website of DG International Cooperation and Development: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>, as the need arises. It is therefore advisable to consult the abovementioned website regularly to be informed of the questions and answers published.

2.3. EVALUATION AND SELECTION OF APPLICATIONS

Applications will be examined and evaluated by the contracting authority with the possible assistance of external assessors. All applications will be assessed according to the following steps and criteria.

¹⁹ See also Section 2.1.4 on number of applications and grants per applicants/affiliated entities, on page 20 including the additional information in footnote 21.

If the examination of the application reveals that the proposed action does not meet the eligibility criteria stated in Section 2.1, the application will be rejected on this sole basis.

(1) STEP 1: OPENING & ADMINISTRATIVE CHECKS AND CONCEPT NOTE EVALUATION

During the opening and administrative check, the following will be assessed:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the concept note satisfies all the criteria specified in the checklist in Section 2 of Part A of the grant application form. This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The concept notes that pass this check will be evaluated on the relevance and design of the proposed action.

The concept notes will receive an overall score out of 50 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on how to complete the concept note, which can be found in Part A of the grant application form.

The evaluation criteria are divided into headings and subheadings. Each subheading will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Scores*

1. Relevance of the action		Sub-score	20
1.1	How relevant is the proposal to the objectives and priorities of the call for proposals and to the specific themes/sectors/areas or any other specific requirement stated in the guidelines for applicants? Are the expected results of the action aligned with the priorities defined in the guidelines for applicants (section 1.2)?	5	
1.2	How relevant is the proposal to the particular needs and constraints of the target country(ies), region(s) and/or relevant sectors (including synergy with other development initiatives and avoidance of duplication)?	5	
1.3	How clearly defined and strategically chosen are those involved (final beneficiaries, target groups)? Have their needs (as rights holders and/or duty bearers) and constraints been clearly defined and does the proposal address them appropriately?	5	
1.4	Does the proposal contain particular added-value elements (e.g. innovation, best practices) and the other additional elements indicated under 1.2. of the guidelines for applicants?	5	
2. Design of the action		Sub-score	30
2.1	How coherent is the overall design of the action? Does the proposal indicate the expected results to be achieved by the action? Does the intervention logic explain the rationale to achieve the expected results?	5x2**	
2.2	Does the design reflect a robust analysis of the problems involved, and the capacities of the relevant stakeholders?	5	
2.3	Does the design take into account external factors (risks and assumptions)?	5	
2.4	Are the activities feasible and consistent in relation to the expected results (including timeframe)? Are results (output, outcome and impact) realistic?	5	
2.5	To which extent does the proposal integrate relevant cross-cutting elements such as environmental/climate change issues, promotion of gender equality and equal opportunities, needs of disabled people, rights of minorities and rights of indigenous peoples, youth, combating HIV/AIDS (if there is a strong prevalence in the target country/region)?	5	
TOTAL SCORE			50

* Note: A score of 5 (very good) will only be allocated if the proposal specifically addresses more than the required minimum number of priorities as indicated in Section 1.2 (objectives of the programme) of these guidelines.

**this score is multiplied by 2 because of its importance

Once all concept notes have been assessed, a list will be drawn up with the proposed actions ranked according to their total score.

Firstly, only the concept notes with a score of at least 30 will be considered for pre-selection.

Secondly, the number of concept notes will be reduced, taking account of the ranking, to the number of concept notes whose total aggregate amount of requested contributions is equal to 400% of the available budget for this call for proposals. The amount of requested contributions of each concept note will be based on the indicative financial envelopes for each lot, where relevant.

After the evaluation of concept notes, the contracting authority will send letters to all lead applicants, indicating whether their application was submitted by the deadline, informing them of the reference number they have been allocated, whether the concept note was evaluated and the results of that evaluation. The pre-selected lead applicants will subsequently be invited to submit full applications.

(2) STEP 2: OPENING & ADMINISTRATIVE CHECKS AND EVALUATION OF THE FULL APPLICATION

Firstly, the following will be assessed:

- If the submission deadline has been met. Otherwise, the application will automatically be rejected.
- If the full application satisfies all the criteria specified in the checklist (Section 7 of Part B of the grant application form). This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

The full applications that pass this check will be further evaluated on their quality, including the proposed budget and capacity of the applicants and affiliated entity(ies). They will be evaluated using the evaluation criteria in the evaluation grid below. There are two types of evaluation criteria: selection and award criteria.

The selection criteria help to evaluate the applicant(s)'s and affiliated entity(ies)'s operational capacity and the lead applicant's financial capacity and are used to verify that they:

- have stable and sufficient sources of finance to maintain their activity throughout the proposed action and, where appropriate, to participate in its funding (this only applies to lead applicants);
- have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This applies to applicants and any affiliated entity(ies).

The award criteria help to evaluate the quality of the applications in relation to the objectives and priorities set forth in the guidelines, and to award grants to projects which maximise the overall effectiveness of the call for proposals. They help to select applications which the contracting authority can be confident will comply with its objectives and priorities. They cover the relevance of the action, its consistency with the objectives of the call for proposals, quality, expected impact, sustainability and cost-effectiveness.

Scoring: The evaluation grid is divided into Sections and subsections. Each subsection will be given a score between 1 and 5 as follows: 1 = very poor; 2 = poor; 3 = adequate; 4 = good; 5 = very good.

Evaluation grid

Section	Maximum Score
1. Financial and operational capacity	20
1.1 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient in-house experience of project management?	5
1.2 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient in-house technical expertise? (especially knowledge of the issues to be addressed)	5
1.3 Do the applicants and, if applicable, their affiliated entity(ies) have sufficient in-house management capacity? (Including staff, equipment and ability to handle the budget for the action)?	5
1.4 Does the lead applicant have stable and sufficient sources of finance?	5
2. Relevance	20
<i>Score transferred from the Concept Note evaluation</i>	
3. Design of the action	15
3.1 How coherent is the design of the action? Does the proposal indicate the expected results to be achieved by the action? Does the intervention logic explain the rationale to achieve the expected results? Are the activities proposed appropriate, practical, and consistent with the envisaged outputs and outcome(s)?	5
3.2 Does the proposal/Logical Framework include credible baseline, targets and sources of verification? If not, is a baseline study foreseen (and is the study budgeted appropriately in the proposal)?	5

Section	Maximum Score
3.3 Does the design reflect a robust analysis of the problems involved, and the capacities of the relevant stakeholders?	5
4. Implementation approach	15
4.1 Is the action plan for implementing the action clear and feasible? Is the timeline realistic?	5
4.2 Does the proposal include an effective and efficient monitoring system? Is there an evaluation planned (previous, during or/and at the end of the implementation)?	5
4.3 Is the co-applicant(s)'s and affiliated entity(ies)'s level of involvement and participation in the action satisfactory?	5
5. Sustainability of the action	15
5.1 Is the action likely to have a tangible impact on its target groups?	5
5.2 Is the action likely to have multiplier effects, including scope for replication, extension, capitalisation on experience and knowledge sharing?	5
5.3 Are the expected results of the proposed action sustainable? - Financially (<i>e.g. financing of follow-up activities, sources of revenue for covering all future operating and maintenance costs</i>) - Institutionally (<i>will structures allow the results of the action to be sustained at the end of the action? Will there be local 'ownership' of the results of the action?</i>) - At policy level (where applicable) (<i>what will be the structural impact of the action — e.g. improved legislation, codes of conduct, methods</i>) - Environmentally (if applicable) (<i>will the action have a negative/positive environmental impact?</i>)	5
6. Budget and cost-effectiveness of the action	15
6.1 Are the activities appropriately reflected in the budget?	5
6.2 Is the ratio between the estimated costs and the results satisfactory?	10
Maximum total score	100

If the total score for Section 1 (financial and operational capacity) is less than 12 points, the application will be rejected. If the score for at least one of the subsections under Section 1 is 1, the application will also be rejected.

If the lead applicant applies without co-applicants or affiliated entities the score for point 3.3 shall be 5 unless the involvement of co-applicants or affiliated entities is mandatory according to these guidelines for applicants.

Provisional selection

After the evaluation, a table will be drawn up listing the applications ranked according to their score. The highest scoring applications will be provisionally selected until the available budget for this call for proposals is reached. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

(3) STEP 3: VERIFICATION OF ELIGIBILITY OF THE APPLICANTS AND AFFILIATED ENTITY(IES)

The eligibility verification will be performed on the basis of the supporting documents requested by the contracting authority (see Section 2.4). It will by default only be performed for the applications that have been provisionally selected according to their score and within the available budget for this call for proposals.

- The declaration by the lead applicant (Section 8 of Part B of the grant application form) will be cross-checked with the supporting documents provided by the lead applicant. Any missing supporting document or any incoherence between the declaration by the lead applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of applicants and the affiliated entity(ies) will be verified according to the criteria set out in Sections 2.1.1, 2.1.2 and 2.1.3.

Any rejected application will be replaced by the next best placed application on the reserve list that falls within the available budget for this call for proposals.

2.4. SUBMISSION OF SUPPORTING DOCUMENTS FOR PROVISIONALLY SELECTED APPLICATIONS

A lead applicant whose application has been provisionally selected or placed on the reserve list will be informed in writing by the contracting authority. It will be requested to supply the following documents to allow the contracting authority to verify the eligibility of the lead applicant, (if any) of the co-applicant(s) and (if any) of their affiliated entity(ies).

1. The statutes or articles of association of the lead applicant, (if any) of each co-applicant and (if any) of each affiliated entity²⁰. Where the contracting authority has recognized the lead applicant's, or the co-applicant(s)'s, or their affiliated entity(ies)'s eligibility for another call for proposals under the same budget line within 2 years before the deadline for receipt of applications, it should be submitted, instead of the statutes or articles of association, a copy of the document proving their eligibility in a former call (e.g. a copy of the special conditions of a grant contract received during the reference period), unless a change in legal status has occurred in the meantime²¹. This obligation does not apply to international organizations which have signed a framework agreement with the European Commission.
2. For action grants exceeding EUR 750 000 and for operating grants above EUR 100 000, the lead applicant must provide an audit report produced by an approved external auditor where it is available, and always in cases where a statutory audit is required by EU or national law. That report shall certify the accounts for up to the last 3 financial years available. In all other cases, the applicant shall provide a self-declaration signed by its authorized representative certifying the validity of its accounts for up to the last 3 financial years available.

This requirement shall apply only to the first application made by a beneficiary to an authorising officer responsible in any one financial year.

The external audit report is not required from (if any) the co-applicant(s) or affiliated entities.

3. A copy of the lead applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed)²².²⁰ A copy of the latest account is neither required from (if any) the co-applicant(s) nor from (if any) affiliated entity(ies)).
4. Legal entity sheet (see Annex D of these guidelines) duly completed and signed by each of the applicants (i.e. by the lead applicant and (if any) by each co-applicant), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the contracting authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime.
5. A financial identification form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.
6. If the person signing the application does not appear on the official registration documents or in the statutes, or articles of association or a similar legal document, then a letter from someone whose name does appear on the legal documents empowering the person to sign on behalf of the organization/company i.e. power of attorney.

²⁰ Where the lead applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

²¹ To be inserted only where the eligibility conditions have not changed from one Call for Proposals to the other.

²² This obligation does not apply to natural persons who have received a scholarship or that are in most need in receipt of direct support, nor to public bodies and to international organizations. It does not apply either when the accounts are in practice the same documents as the external audit report already provided pursuant to Section 2.4.2

7. If relevant, the applicant must submit proof of funding, e.g. a commitment letter by a bank or financial institution, letter from another donor, etc. that it will finance the non-EU grant part of the total costs conditional to the EU-grant being awarded.
8. If relevant, the minutes from the board of directors/trustee meeting in which it has been decided to invest own capital (equity) in the project being proposed.
9. Certified evidence that demonstrates that the applicant and co-applicant(s) (if applicable) have the capacity and experience of at least three years (1 year for co-applicant(s)) since 2013 in managing activities of similar nature and complexity and of a scale corresponding to at least half (a third for co-applicant(s)) of the size of the grant requested by the lead applicant..
10. Feasibility studies or due diligence reports, depending on the package, as per the requirements set out in Section 2.1.4 - Additional Information.
11. Where necessary, ERB investment endorsement and proof of submittal of request for environmental clearance to ZEMA - and application for water rights to WARMA, as applicable.

Documents must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals.

Where such documents are not in one of the official languages of the European Union, a translation into English of the relevant parts of these documents proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, must be attached for the purpose of analysing the application.

Where these documents are in an official language of the European Union other than the English language, it is **strongly** recommended, to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the lead applicant's and, where applicable, co-applicants' and affiliated entity(ies)' eligibility, into the English language.

If the abovementioned supporting documents are not provided before the deadline indicated in the request for supporting documents sent to the lead applicant by the contracting authority, the application may be rejected.

After verifying the supporting documents, the evaluation committee will make a final recommendation to the contracting authority, which will decide on the award of grants.

NB: In the eventuality that the contracting authority is not satisfied with the strength, solidity, and guarantee offered by the structural link between one of the applicants and its affiliated entity, it can require the submission of the missing documents allowing for its conversion into co-applicant. If all the missing documents for co-applicants are submitted, and provided all necessary eligibility criteria are fulfilled, the above-mentioned entity becomes a co-applicant for all purposes. The lead applicant has to submit the application form revised accordingly.

2.5. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

2.5.1. *Content of the decision*

The lead applicants will be informed in writing of the contracting authority's decision concerning their application and, if rejected, the reasons for the decision.

An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint. See further Section 2.4.15 of the practical guide.

Applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations of early detection or exclusion, their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the early detection and exclusion system, and communicated to the persons and entities concerned in relation to the award or the execution of a grant contract.

For more information, you may consult the privacy statement available on http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm

2.5.2. Indicative timetable

	DATE	TIME
1. Call for Proposal issued	15 st February 2024	-
2. Information meeting	15 th March 2024	09:00 hours
3. Deadline for requesting any clarifications from the contracting authority	21 th March 2024	16:00 hours
4. Last date on which clarifications are issued by the contracting authority	4 April th March 2024	16:00 hours
5. Deadline for submission of concept notes	15th April 2024	16:00 hours
6. Information to lead applicants on opening, administrative checks and concept note evaluation (Step 1)	29 th May 2024	-
7. Invitations to submit full applications	24 th June 2024	-
8. Deadline for submission of full applications	9th August 2024	16:00 hours
9. Information to lead applicants on the evaluation of the full applications (Step 2)	16 th September 2024	-
10. Notification of award (after the eligibility check) (Step 3)	23 rd September 2024	-
11. Contract signature	30 th September 2024	-

All times are in the time zone of the country of the contracting authority.

This indicative timetable refers to provisional dates (except for dates 2, 3, and 4) and may be updated by the contracting authority during the procedure. In such cases, the updated timetable will be published on the web site of DG International Cooperation and Development: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>.

2.6. CONDITIONS FOR IMPLEMENTATION AFTER THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT

Following the decision to award a grant, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex G of these guidelines). By signing the application form (Annex A of these guidelines), the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract. Where the coordinator is an organisation whose pillars have been positively assessed, it will sign a contribution agreement based on the contribution agreement template. In this case references to provisions of the standard grant contract and its annexes shall not apply. References in these guidelines to the grant contract shall be understood as references to the relevant provisions of the contribution agreement.

Implementation contracts

Where implementation of the action requires the beneficiary(ies) and its affiliated entity(ies) (if any) to award procurement contracts, those contracts must be awarded in accordance with Annex IV to the standard grant contract.

In this context, a distinction should be made between awarding implementation contracts and subcontracting parts of the action described in the proposal, i.e. the description of the action annexed to the grant contract, such subcontracting being subject to additional restrictions (see the general terms and conditions in the model grant contract).

Awarding implementation contracts: implementation contracts relate to the acquisition by beneficiaries of routine services and/or necessary goods and equipment as part of their project management; they do not cover any outsourcing of tasks forming part of the action that are described in the proposal, i.e. in the description of the action annexed to the grant contract.

Subcontracting: Subcontracting is the implementation, by a third party with which one or more beneficiaries have concluded a procurement contract, of specific tasks forming part of the action as described in annex to the grant contract (see also the general terms and conditions in the model grant contract).

1. LIST OF ANNEXES

Documents to be completed

- Annex A: Grant application form (Word format)
- Annex B: Budget (Excel format)
- Annex C: Logical framework (Excel format)
- Annex D: Legal entity sheet
- Annex E: Financial identification form
- Annex F: Offline Registration Form

DOCUMENTS FOR INFORMATION

- Annex G: Standard grant contract
 - Annex II: general conditions
 - Annex IV: contract award rules
 - Annex V: standard request for payment
 - Annex VI: model narrative and financial report
 - Annex VII: model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action
 - Annex VIII: model financial guarantee
 - Annex IX: standard template for transfer of ownership of assets
- Annex H: Declaration on Honor
- Annex I: Daily allowance rates (per diem), available at the following address:
https://international-partnerships.ec.europa.eu/funding/guidelines/managing-project/diem-rates_en
- Annex J: Information on the tax regime applicable to grant contracts signed under the Call.
- Annex K: Guidelines for assessing simplified cost options.
- Annex L: Self-evaluation questionnaire on SEA-H

Useful links:

Project Cycle Management Guidelines

https://ec.europa.eu/international-partnerships/funding/managing-project_en

The implementation of grant contracts

A Users' Guide

<https://wikis.ec.europa.eu/pages/viewpage.action?pageId=48169235>

Financial Toolkit

https://ec.europa.eu/international-partnerships/financial-management-toolkit_en

Please note: The toolkit is not part of the grant contract and has no legal value. It merely provides general guidance and may in some details differ from the signed grant contract. To ensure compliance with their contractual obligations, beneficiaries should not exclusively rely on the toolkit but always consult their individual contract documents.

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