Success Factors for RE&EE Proposal Writing (TA/Donor Projects)

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General

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General recommendations

✓ Use short and straight-forward sentences
✓ Make use of graphs and tables to describe problems, strategies and key messages
✓ Back-up statements and assumptions with facts and figures and cite sources properly
✓ Check donor specific Project guidance/tools, templates (EU Capacity4dev, GIZ Capacity Works, NAMA facility, etc.) and procurement guidelines (→ high diversity in details)
✓ Consider relevant differences: Consultancy services vs grant agreements
✓ Clarify required scope of Project analysis and strategy
Benefits of grid-connected Microgrids

Photo: MTU-SOLUTIONS, 2021

Relevant Structure and Content for Donor Proposals

An Association of Electric Energy Solution Providers.
Project Description and Implementation Strategy
1. Rationale and Background (Problem and Background Analysis)
2. Objectives and expected Outcomes
3. Implementation Strategy (Outputs and Activities)
4. Cooperation (Beneficiaries, Key Stakeholders, Implementation Partners)
5. Risk Management and Mitigation
6. Monitoring, Evaluation and Project Steering

Annexes:
• Work Plan
• Budget
• Project Log Frame
• Other (CVs, Certificates, References)

* Different terms and sequential structures apply depending on the donor
Main Task: Describe the issues or problems in the region or sector that the project seeks to address.

Recommendations for RE and EE Projects:
✓ Link to SDGs, NDCs, National Energy and Climate Sector Policies
✓ Baseline data: National/Regional Energy Matrix, GDP/capita, Power-Purchase Parity, local incomes, energy affordability
✓ Provide numbers and hard figures including respective sources
✓ Close with a brief summary of problems to be addressed by the Project (→ leading to objectives)
Overall objective:
The long-term change to which the intervention contributes at country, regional or sectoral level, in the political, social, economic, and environmental global context.

*e.g.* Reduced CO\textsubscript{2}-emission from a higher share of RE

Specific Objective(s)/Outcomes:
The main effect of the intervention focusing on environmental, behavioural, or institutional changes

*e.g.* Outcome: *Support schemes for RE adopted, Grid code accomodate RE expansion requirements*

Outputs:
Direct/tangible infrastructure, goods and services delivered by the project and directly under its control.

*e.g.* *Draft Grid Code or RE Support Schemes*
Implementation Strategy

✓ Describe implementation approach to achieve objectives/impacts, envisaged theory of change, employed means and resources (see budget and procurement rules), considered expertise and experience (best-practice), activities and relevant milestones

✓ Use graphics to visualizes impacts of envisaged activities and outputs

✓ Make emphasis on gender strategy, innovation, communication&visibility, learning and scaling-up and the creation of synergies (here or in specific subsections)
Cooperation

✓ Describe the **key stakeholder groups**, their attitudes towards the action, potential conflicting issues, or potential resistance to change

✓ Who are the individuals, groups, or organisations, whether targeted or not, that will **benefit or be impacted directly** from or contribute to the action?

✓ Who are the individuals, groups, or organisations, whether targeted or not, that will **benefit or be impacted directly** from or contribute to the action (i.e. those who will benefit from the action in the long term at the broad societal or sectoral level)?

✓ How do these groups **interact**, how is their **relation/hierarchy towards each other**?

✓ Which **role/mandate** do the different stakeholders have within the Project?
Risk Management and Mitigation

Key Questions to answer:

What are the potential risks, including strategic, environmental, social, financial, operational, organisational, political, and regulatory risks?

Risks may be ranked according to the likelihood of occurrence (low, medium, or high) and potential severity (low, medium, or high).

What preventative measures may mitigate the risk(s) of occurrence? What measures would be taken to reduce the impact should the risk(s) materialise?

<table>
<thead>
<tr>
<th>ASSUMPTIONS</th>
<th>RISKS</th>
<th>LIKELIHOOD</th>
<th>SEVERITY/ IMPACT</th>
<th>MITIGATION STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given Political Commitment to support RE</td>
<td>Changes in Gov./ Slow pace of framework adj.</td>
<td>Low</td>
<td>High</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Example: Risk Assessment Matrix
Use a **gantt chart** or similar tabular overview (as required)

- Document timelines for **activities and relevant milestones/deadlines**
- Consider **needed time buffer** for procurement preparation, revision and stakeholder feedback
- Document **employed resources and means** per activity/milestone
- Use work plan to **define or verify** required budget and amount of **work days/months needed**
Consider donor **specific budget requirements/templates** and applicable **procurement rules & thresholds** for goods, works and services.

Consultancy vs grant agreement.

Workload for **planning, coordination, procurement and documentation**.

Develop **templates** for Terms of References, Evaluation sheets, contracts, vendor communication in advance.

Plan in **workdays/month** for **cost recovery** (see work plan).
Integration of field/pilot RE Projects and EE Measures

Requirements or Success Factors for „Field“ or „Pilot“ Project Integration into larger TA Projects:

✓ Potential for (sustainable) replication and scaling-up → Lighthouse-Effect
✓ **Capacity-building** and training of relevant target group through Project
✓ **Own contributions** (financial and in-kind)
✓ In-line with and showcasing of recently developed support and/or regulatory measures
✓ Showcasing innovative **business-models**
✓ Involvement/consultation of **local community/citizens**
✓ Long-term monitoring of **Project´s carbon-footprint** possible
✓ **Environmental and Social Impact Assessment** !!! (see i.e. **IFC Guidelines on ESIA**)
✓ **Public institutions and communities** as final beneficiaries
A **prefeasibility study** scans a series of options and determines the best one in the set. **The feasibility study** analyzes in depth the best solution from the prefeasibility phase.

The term “bankable” typically does not only refer to the study itself but to availability/conditions for: licensing and permitting/PPA/supporting and regulatory frameworks.
Pre-Feasibility Study (RE)

**Required content:**
- Description of the RE/fuel availability, its local potential, costs etc.
- **Barriers** for the project
- Potential **technical concepts** (several concepts may be identified and briefly assessed)
- Calculation of **expected energy generation** (electricity, steam, heat)
- **Preliminary plant layout**
- Possibility to **connect to the electrical grid** (distance to grid, voltage level, costs for connection, etc.)

**Preliminary assessment of**
- **Energy sales** (PPA, electricity price, heat/steam price, etc.)
- **Alternative sites and locations** (access to site, size, connection to grid, etc.)
- **Environmental and social risks and impacts**
- Construction costs (**CAPEX**) and operating costs (**OPEX**)
- Necessary **permitting and licensing**
- Preliminary **financial analysis, risk assessment**
- Planning and **project implementation**, including tentative time schedule.
Feasibility Study (RE)

Required content:
✓ The conceptual design and required investment
✓ Secured long-term RE/fuel supply
✓ Financial and economic analysis including cost-benefit calculations, calculations of net present value (NPV) and internal rate of return (IRR), and similar analyses (i.e. Cash-Flow overview, Debt Ratio)
✓ Overview of current regulatory and policy framework relevant to the project
✓ Assessment of potential additional sources of financing, sensitivity analyses, and risk analyses important to financing institutions
✓ Assessment of potential risks to the financial viability of the project and suggestions of mitigation measures
✓ Environmental and social impact assessment, including identification of mitigation measures (see guidelines and national frameworks)
✓ Organization studies of potential O&M service companies
✓ Procurement plan and identification of potential equipment suppliers and contractors
✓ Implementation plan, including time and financing schedule
THANK YOU!

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