



CARILEC

An Association of Electric Energy Solution Providers

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

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Source:
<https://down2earth.esa.int/2020/09/how-space-supports-the-energy-transition/>

General

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

Photo: MTU-SOLUTIONS, 2021

<https://www.mtu-solutions.com/cn/en/pressreleases/2020/rolls-royce-supplies-battery-storage-for-microgrid-on-cook-island.html>



Relevant Structure and Content for Donor Proposals

General Structure* TA Proposal

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

Rationale and Background

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)

Objectives and expected Outcomes

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 CO₂-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 accommodate RE expansion requirements

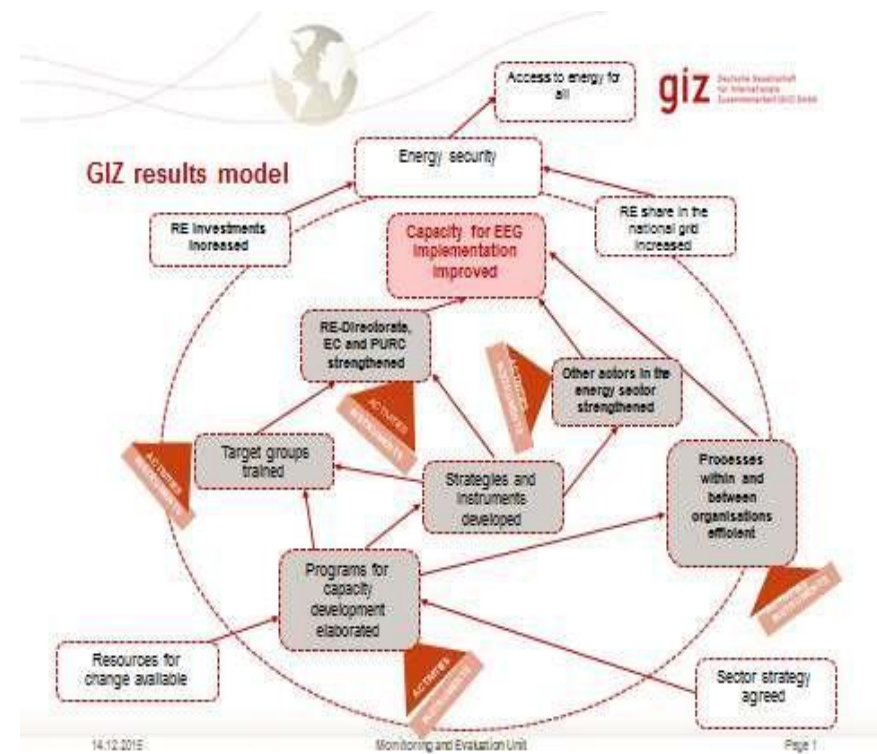
Outputs:

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

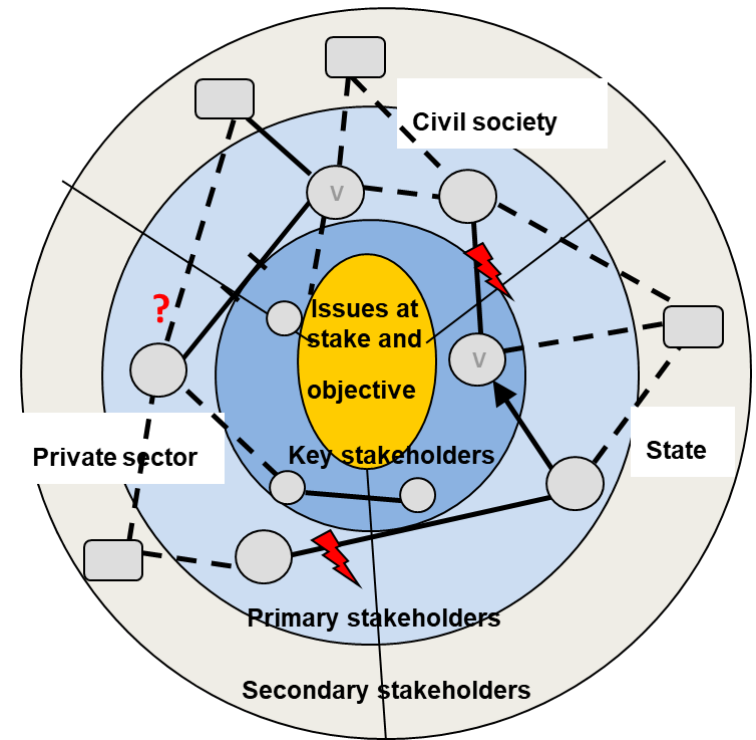
- ✓ **Describe implementation approach** to achieve objectives/impacts, **envisaged theory of change**, employed means and resources (see budget and procurement rules), considered expertise and experience (best-practice), activities and relevant milestones
- ✓ **Use graphics** to visualizes impacts of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



Example Result model (GIZ Capacity Works)

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?



Template Actors Map (GIZ Capacity Works)

Risk Management and Mitigation

Key Questions to answer:

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

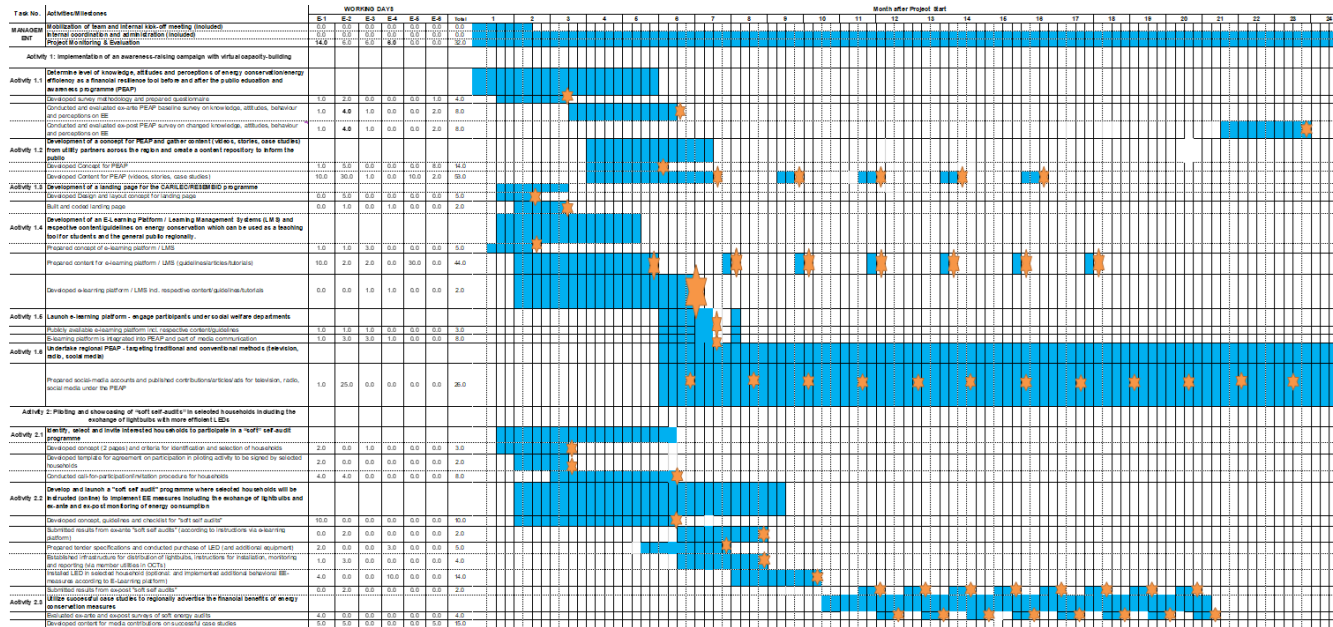
Risks may be ranked according to **the likelihood of occurrence** (low, medium, or high) and **potential severity** (low, medium, or high).

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

ASSUMPTIONS	RISKS	LIKELIHOOD	SEVERITY/ IMPACT	MITIGATION STRATEGY
Given Political Commitment to support RE	Changes in Gov./ Slow pace of framework adj.	Low	High	TBD

Example: Risk Assessment Matrix

Work Plan



- ✓ Use a **gant 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**

Budget (and Procurement)

- ✓ 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)





Photo from: <https://new.abb.com/news/detail/45853/abb-microgrid-technology-to-power-robben-island>

Integration of field/pilot RE Projects and EE Measures

Pilot Project Requirements

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

RE Project Feasibility

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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