



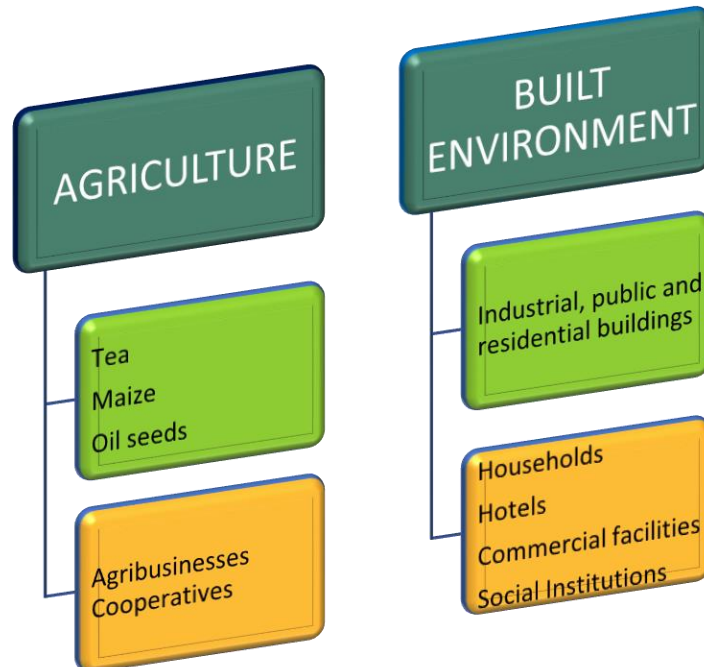
IMEU Market Development Fund Call Brochure

1.0 Introduction

The Inclusive Markets for Energy Efficiency in Uganda (IMEU) is a four-year project funded by the Embassy of Sweden (EoS) in Kampala, Uganda. IMEU is implemented by a consortium of 3 partners: SNV Netherlands Development Organisation (lead), College of Engineering, Design, Art, and Technology (CEDAT), and Private Sector Foundation Uganda (PSFU).

The project aims at contributing to the development of sustainable and inclusive markets for appropriate energy efficient (EE) products and services for households, businesses, and institutions in Uganda through the implementation of 6 coordinated and reinforcing strategies; a) Behavioural change communication for increased awareness and mindset change, b) Capacity strengthening of energy service companies and businesses, c) Energy efficiency market development financing, d) Applied research and knowledge management, e) Policy advocacy and institutional coordination through multi-stakeholder partnerships.

The thematic scope for the project is based on prioritised value chains.



This brochure provides the guidelines submission of expressions of interest, and proposals and the selection process of applications to be financed under this IMEU MDF. Successful applicants will sign a funding Agreement with SNV and will implement an agreed project following the grants agreement.

2.0 Background and rationale for IMEU

The Market Development Fund (MDF) is a 2.1M Euro funding facility domiciled within SNV that will run until November 2025. The MDF intends to kickstart the energy efficiency market by buying down risk for ESCOs and ESPCs (Energy Service Companies) on the supply side, and Agribusinesses, social institutions, and businesses in the built environment on the demand side, to pilot innovative models for supplying and adopting energy-efficient technologies and services, grow to attract private capital for sustained impact beyond the project period.

The energy efficiency market in Uganda is nascent, and therefore requires substantial financial risk sharing if the ESCOs and ESPCs are to innovate scalable business models. Most ESCOs and ESPCs are currently micro and small-scale businesses where access to finance has been identified as a major challenge, reducing their impact. On the other hand, agribusinesses, institutional energy users and households in the built environment may not yet have adequate demand for the services of ESCOs and ESPCs.

The MDF is designed as a catalyst fund to stimulate access to EE services and products, especially in poorer communities and harder-to-reach geographies with limited market distortions. The MDF, therefore, makes temporary investments to kick-start the market and will engage with commercial finance providers to fund the EE market in the long term.

The choice and design of the mechanisms under the MDF were researched and validated during the inception phase, drawing on lessons learned and best practices in designing and implementing similar mechanisms in the energy sector in other countries, as well as market soundings with a broad spectrum of key players in Uganda and those interested to potentially engage in Uganda.

3.0. Fund Structure:

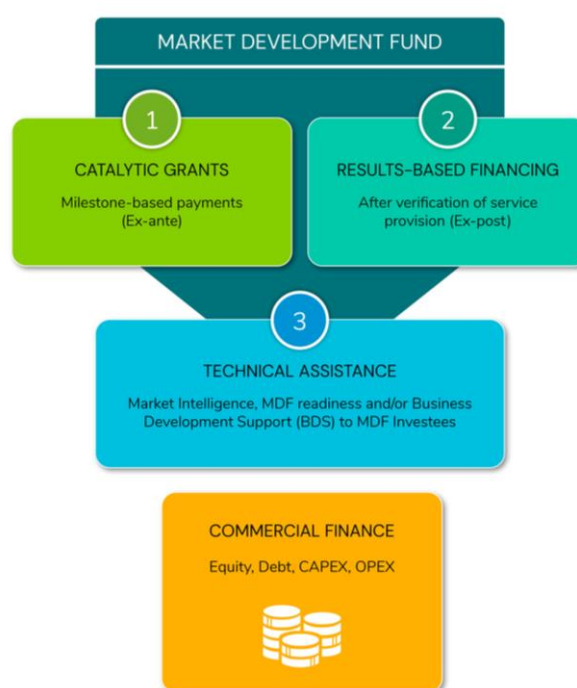
The fund will be delivered using three mechanisms:

- 1. Technical Advisory (10% of the fund):** to support ESCOs and ESPCs and all businesses to develop business models, plans and operational strategies to scale their existing activities within the Ugandan Energy Efficiency market.
- 2. Catalytic grants (50% of the fund):** The Catalytic Grants will be available only once for successful applicants' agribusinesses, cooperatives, and enterprises in the built environment, that

are eligible to receive payment upon verification of pre-agreed milestones, aiming to reduce risks and remove barriers that prevent the companies from adopting energy efficiency technologies to retrofit their current operations.

- 3. Results-Based Financing (40% of the fund),** to provide bonuses to the ESCOs and ESPCs to deliver energy efficiency services to specific underserved segments including women, youth, and vulnerable individuals and further leverage private sector investment. The RBF will include special bonuses for targeting those interest groups of IMEU.

Table 1: Graphical Illustration of the Fund Structure.



The percentage allocation is indicative and SNV reserves the right to change it based on demand, fund availability and success of ongoing projects.

4.0. Objective of the Fund

The main objective of the MDF is to build a sustainable energy efficiency market, assisting companies to grow and continue to attract private capital for sustained impact beyond the life of IMEU.

Specifically, the fund will:

- Buy-down risk of agribusinesses, cooperatives, businesses in the built environment and social institutions to

adopt and prove whether energy efficiency retrofitting improves competitiveness.

b) Buy-down risk of 12 ESCOs to pilot innovative products and service bundles and build last-mile distribution infrastructure within the project area.

c) Provide information to prove return on investments in energy efficiency financing for financial institutions to buy in and create tailored products.

The IMEU fund is competitive, and the best eligible proposals, in terms of innovation, environmental and social impact, the practicality of execution and the possibility of scale-up will be funded until the total available funding from MDF is fully used up. Successful applicants will sign a project funding agreement with SNV, which consists of a contract, and a detailed description of the objectives, activities and milestones that measure the success of the project.

5.0 Eligibility criteria and application process

MDF is open to growth-stage enterprises only and not idea-stage or start-up enterprises. The target entities are organised according to the category below.

Category 1: ESCOs and ESPCs

Category 2: Agribusinesses and Cooperatives/farmer institutions operating at any stages of maize, sunflower, soybeans, and tea value chains.

Category 3: Social Institutions including schools, and health facilities within the project areas.

Category 4: Enterprises in the built environment including hotels, and recreational amenities.

5.1. Eligibility Criteria for Category 1:

- ✚The company must be registered and operating in Uganda and in project areas or willing to expand to project areas.
- ✚Must have operated for not less than 3 years
- ✚Have viable certified energy efficiency products or services that it has traded for the last 3 years (not a start-up)
- ✚Compliant with all legal requirements including filling all applicable tax returns, NSSF contributions, URSB returns and trading license
- ✚Conduct annual audits, with audited financial statements for the last 3 years available
- ✚Has a clear business case for using its products or services to improve the energy efficiency of households and businesses in agriculture and the built environment.

✚Has the ability to finance its operations without financial support.

✚Willing to adjust its business models with the IMEU team to ensure it provides benefits to women and youth in its supply/distribution chains either on commission or as paid employment.

✚Reputable company with no previous records of fund mismanagement.

5.2. Eligibility Criteria for Categories 2,3 and 4

✚The entity must be registered and operating in Uganda and operating in the project area.

✚Must have operated for not less than 3 years.

✚Have viable products or services that it has traded for the last 3 years (not a start-up).

✚Compliant with all legal requirements including filling all applicable tax returns, NSSF contributions, URSB returns and trading license

✚Has a clear business case of why it wants to adopt energy-efficient technology/service.

✚Has the ability to contribute 50% of required funding (including in-kind¹)

✚Applications have expected social (inclusion of women, youth, and vulnerable persons) and environmental returns of adopting EE solutions.

✚Willing to declare annual financial reports to IMEU to measure the impact of the adoption of EE solutions on business performance over the project period.

✚Reputable company with no previous records of fund mismanagement

6.0 Selection Parameters

Criteria for business case selection	Reasons
Energy Efficiency Technology Feasibility	ESCOs and ESPCs should promote only tried and tested technologies are promoted to guarantee performance with a clear warranty period.
Commercial viability and outreach	The technology and the business model should evidence a clear business case with potential for scale up.
Inclusiveness of Business model and technologies	The business model and the technologies should have a gender, youth, and vulnerable groups inclusion strategies with clear business case for targeting each group.
Innovativeness of the business	Should not be a business-as-usual business model and

¹ Download the in-kind contributions guide.

model and technologies	technology, but should demonstrate innovations in either market reach or technology improvements
Quality Certification of Technologies (National/International quality Standards assurance)	The technologies to be promoted MUST be certified at national and/or international level for quality.
e-Waste management	There should be a clear demonstration of e-waste management strategies in the manufacture, assembly, distribution, and consumption of the energy efficiency technologies.
Evidence of Valid Business Registration.	To promote adherence to regulatory requirements regarding business registration, promote formalization of the EE sector

7.0. Eligible Technologies

The followings are the technologies considered for under the IMEU MDF.

Clean Cooking	<ul style="list-style-type: none"> Energy efficient wood and charcoal cookstoves for households (Rural households) and institutions Energy efficient Electric Pressure Cookers (Peri-Urban and Urban households) Volcanic rocks as an add to charcoal
Heating	<ul style="list-style-type: none"> Energy efficient boilers Steam line insulation Efficient heat recovery system (e.g., condensate recovery and reuse in tea processing)
Cooling	<ul style="list-style-type: none"> Energy efficient cooling fans Energy efficient air conditioners Energy efficient refrigerators
Lighting	<ul style="list-style-type: none"> Light Emitting Diodes (LEDs) Translucent sheets for processing areas and stores Automated lighting control system in hotels, households, and offices
Milling	<ul style="list-style-type: none"> Energy efficient motors Capacitor Banks Reinforced fibre blade fans for withering tea
Hulling	<ul style="list-style-type: none"> Energy Efficient Hullers
Drying	<ul style="list-style-type: none"> Energy Efficient Driers

8.0. Funding

The total funding available for the IMEU MDF is 2.1M Euros.

9.0. How to apply

To apply, an applicant must first register his/her credentials with SmartME, the IMEU fund management system at www.imeu.ug/howtoapply

Applicants will then fill out and submit an expression of interest form summarising the business case, which will be reviewed by the IMEU project evaluation committee.

Shortlisted applicants are notified on their registered emails to complete and submit a full proposal template applicable to the appropriate category.

Primary due diligence (online), secondary due diligence (on-site) and preliminary energy audit will be conducted to shortlisted applicants to confirm the facts of the business case and prove the potential for energy saving of the proposed project.

The due diligence and preliminary audit reports will be submitted as annexes to the proposals to the Investment Advisory Committee (a committee external to the project) for final selection.

Applicants will be selected for this Fund through two windows (January/February and June/July 2023) until the available budget is depleted. Application is on a rolling basis and applications in the system will be retrieved at the time of shortlisting.

The entire process from registration to submission of the application documents is completed online.

The application must be submitted in English. This application takes place on an open competitive basis.

applicants must fulfil the eligibility requirements listed above.

Partnerships between two or more entities are allowed, if it has clear value addition and business case, in which case the consortium members must select a lead applicant, who submits the application forms. SNV will contract the lead applicant. The management of the consortium of entities will be the responsibility of the lead applicant.

10.0. Where and how to apply

Applications will be done online as follows:

- i. Go to www.imeu.ug
- ii. On the how to apply page, register.
- iii. Sign in to your account, and you will be routed to the application portal.
- iv. Select your category and fill out the application forms.

- v. Upload the required documents;
- vi. Submit completed application forms, after which you will receive a confirmation email.
- vii. Applications sent through other means including hand delivered, or through email will be rejected.
- viii. Send any queries about the fund to imeu@snv.org

11.0. Timelines Activity Date and Time

Activity Dates
Launch of IMEU Market Development Fund 25 th October 2022.
Expression of Interest/application Period 25 th October 2022 – 28 th April 2023
First Window:
Shortlisting of Applications 1 st December 2022 – December 16 th , 2022
Notification of Applicants 19 th December 2022 – 22 nd December 2022
Proposal Bootcamp for shortlisted Applicants 5 th January 2023
Due Diligence and Preliminary Energy Audits 9 th January, 2023 – 28 th January 2023
Full Proposal Submission for Shortlisted Applicants 30 th January 2023 – 10 th February 2023
Selection of successful applicants 27 th February 2023 – 28 th February 2023
Notification of Applicants 1 st March 2023 – 3 rd March 2023
Award of Winning Proposals 16 th March 2023
Implementation of awarded projects March 2023 – February 2025
Second Window:
Shortlisting of Applications 1 st May 2023 – May 12 th , 2023
Notification of Applicants 15 th May 2022 – 19 th May 2022
Proposal Bootcamp for shortlisted Applicants 24 th May 2023
Due Diligence and Preliminary Energy Audits 25 th May 2023 – 15 th June 2023
Full Proposal Submission for Shortlisted Applicants 16 th June 2023 – 28 th June 2023
Selection of successful applicants 10 th July 2023 – 11 th July 2023
Notification of Applicants 17 th July 2023 – 18 th July 2023
Award of Winning Proposals 24 th July 2023 – 28 th July 2023
Implementation of awarded projects August 2023 – July 2025

12.0. Ethics Considerations

SNV operates on a strict anti-canvassing principle. Any attempt to solicit confidential information, or enter into unlawful agreements with or influence IMEU or any other SNV or partner staff at any stage of the elaborated application and selection process will lead to automatic disqualification. For any complaints on fraudulent practices by IMEU staff, other SNV staff or partner staff, send an email to imeu@snv.org