

IMEU PROJECT MARKET DEVELOPMENT FUND IN-KIND CONTRIBUTION GUIDE

Background

The Inclusive Markets for Energy Efficiency (IMEU) Project's Market Development Fund (MDF) targets to de-risk and demand side actors in Uganda's energy efficiency markets to adopt and use the energy efficient technologies and services; and supply actors in the energy efficiency markets to set up last-mile supply infrastructure. The Fund will be executed through three mechanisms, **Catalytic Grant** (targeting agribusiness, hotels, schools, and social institutions), **Results-Based Financing** (targeting energy efficient technology supply companies) and **Technical Assistance** to build capacity of all participating firms.

The catalytic grant will be implemented through a 50% matching contribution from interested applicants, which can be in-kind or in-cash. This document therefore provides more details about in-kind contribution from the applicants.

Purpose of the Document:

1. Used as guiding document for applicants to calculate their in-kind contributions when budgeting for their proposed projects.
2. Guiding document for the implementation of in-kind contribution from IMEU MDF team.

Definition of in-kind Contribution:

Eligible in-kind contributions refer to eligible non-monetary resources that IMEU MDF applicants will provide to support the implementation of the business cases they propose. IMEU will consider in-kind contributions that are budgetary contributions from applicants for their business cases.

Categories of In-Kind Contributions:

The following table provides a detailed explanation of the various categories of items considered as In-kind contributions by IMEU. However, this is not exhaustive, and SNV reserves the right to update this list as and when deemed necessary in advance to a call window.

| Category | Eligible | Non-Eligible |
|--|--|---|
| <p>Salaries: This includes salaries and acceptable employment benefits provided by the entity to its employees.</p> | <p>Actual salary cost for staff who will be directly contributing to the business line related to the energy efficiency project. The company's salary structure will be considered when quantifying staff salary cost.</p> <p>Support staff salaries will not be considered as eligible in-kind financing. There must be clear documentation to support the staff roles and at least 6 months records of past salary payments for the position unless the position is new.</p> <p>New positions will be discussed during co-creation and eligibility agreed.</p> | <p>Payments to non-implementing directors, co-applicants and/or collaborators as consulting fees or honoraria (additional to his or her salary)</p> <p>Salary overheads, or external charge-out or consultant rates</p> <p>Salary and costs of administrative support staff</p> |

| Category | Eligible | Non-Eligible |
|---|--|---|
| | | Salary and costs of management activities not directly related to the project |
| Professional and technical services/contracts | Consulting professional fees and/or technical expertise for energy audits, fixing retrofit technologies or for executing any of the selected Technical Assistance areas identified by the applicant. The fees should directly be related to the funded project (e.g., communications professionals, lawyers, engineers, etc.) | Fees not related to the funded project |
| Travel and subsistence costs | Travel costs related to the professional and technical services discussed above. Reasonable out-of-pocket travel and subsistence expenses for work that is directly dedicated to the funded project | Costs to cover travel, hotels, food, etc., for consultants and technical experts who provide technical assistance that are unrelated to the project |
| <p>Equipment, materials, Furniture and fittings, and supplies.</p> <p>This refers to the equipment owned by the company and is employed for the implementation of the project.</p> <p>They include machinery, electronics such as computers, weighing scales and all electronics directly utilized by the project, electricals and furniture and fittings.</p> | <p>Donated used equipment, material, furniture and fittings and supplies, at:</p> <ul style="list-style-type: none"> • company book value according to official Uganda Revenue Authority schedule. <p>Donated new equipment, material, and supplies, at:</p> <ul style="list-style-type: none"> • Purchase price, according to purchase documentation provided by the entity <p>Rented Equipment valued at the cost of renting. However, the rented equipment must be contractually available for use for the entire project period.</p> | <p>Equipment, material, furniture and fittings and supplies at list price or discounted list price</p> <p>Rental equivalents exceeding accepted values had the equipment been donated or sold</p> |
| Buildings and Rent | <p>Value of Buildings which are fully owned by the entity and wholly utilized for the project.</p> <p>Cost of rent for space being directly and wholly utilized for the execution of the</p> | <p>Buildings which are partially being utilized for the project.</p> <p>Rented for shared space or space not</p> |

| Category | Eligible | Non-Eligible |
|---|--|--|
| | project. | being fully utilized for executing the projects. |
| Software, new technologies and databases | <p>Cost of purchasing licenses needed for the project, if not already provided by the institution</p> <p>Development cost of new technologies related to the project</p> <p>Access to unique databases</p> <p>Costs of collecting and archiving data where:</p> <ul style="list-style-type: none"> the data are critical to the success of the project. The database remains active a year after closure of the project. | Development costs of new software and new technologies that go well outside the scope of the project |

Valuation of Eligible In-Kind Contributions

For Assets, IMEU will use the book value at the time of application. To depreciate the assets, IMEU will use the rates published by Uganda Revenue Authority.

For non-asset valuation (salaries, software development, etc), IMEU MDF will recognize in-kind contributions at fair market value. "Fair market value" is defined as the agreed-upon price in an open and unrestricted market between knowledgeable and willing parties who are dealing at arm's length and who are fully informed. The fair market value is the price an institution would be expected to pay in such circumstances, after normal and educational discounts.

Note: It is the responsibility of the applicants to ensure that the reported fair-market value for all items involving an in-kind contribution is reasonable. IMEU will conduct checks verify the validity of the prices.

Exclusions

The following will not be considered as in-kind contribution:

- Land:** land which is newly procured or already in use will not be considered an eligible in-kind contribution.
- Buildings, property, motor vehicles, and other assets not directly involved in the execution of the business case.
- Salaries and benefits of staff not directly involved in the execution of the business case.
- Travels and subsistence for consultants and technical services providers not directly related to the execution of the project.

Important: Any other item not included in the schedule should be considered in-eligible. Suggestions for potential eligible items can be considered by SNV, but SNV reserves the right to include or reject the submissions.