

Annex 5 Eligibility Conditions and Lists of Required Documents

Please note: All documents required must be copies of the originals. For documents established in other languages than English or French translations must be provided (translations have not to be certified at Concept Note Stage, but must be certified at the Full Project Proposal stage).

Annex 5.1: Eligibility conditions and list of required documents for Applicants

| Topic | Description | Requirement for Supporting Documentation | |
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| | | Concept Note Stage | Full Project Proposal Stage |
| Registration | <p><u>When applying as an individual entity:</u></p> <ul style="list-style-type: none"> Must be a separate legal entity registered in the concerned country. The exact type of legal form must be disclosed in the application form. Must be duly registered and operating under all licenses required for a given line of business in the concerned country. <p><u>When applying as a Consortium of several entities.</u> The consortium must nominate one lead applicant amongst its entities. The lead applicant need not necessarily be from the respective country.</p> <ul style="list-style-type: none"> All applicants of the consortium must each be a separate legal entity registered in the concerned country, in Africa or EU/EFTA. The exact type of legal form must be disclosed in the application form. Entities registered outside of the country, EU/EFTA or Africa are not eligible At least one member of the applying consortium must be duly registered and operating under all licenses required for the given line of business in the country purpose of the specific Call for Proposal. | <p><u>For private entities:</u> Submission of</p> <ul style="list-style-type: none"> Commercial register from applicant and partners Business licenses for all partners (if applicable) <p><u>For public entities, Civil Society and Non-Governmental Organisations:</u> Submission of:</p> <ul style="list-style-type: none"> Legal acts of establishment | <ul style="list-style-type: none"> Any changes occurred between the Concept Note Stage and the submission date of the Full Project Proposal must be declared and supporting documentation must be provided. In case of having submitted translated documents during the Concept Note Stage, notarised certified translations of these documents are required |
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| | | Concept Note Stage | Full Project Proposal Stage |
| Years of Operation | <p><u>All</u> applicants (the Individual, Lead Applicant, and Consortium members) must have been operating for a minimum of 3 years at the time of submitting the IFE grant application.</p> <p>Exception: If the local consortium entity has been in operation for less than 3 years, it would still qualify, (i) if it is a subsidiary of one or more of the other consortium partners, and (ii) if all other consortium partners have been in operation over 3 years.</p> | <ul style="list-style-type: none"> Registration documents as above Proof that the entity has been active during the last 3 years | <ul style="list-style-type: none"> Any changes occurred between the Concept Note Stage and the submission date of the Full Project Proposal must be declared and supporting documentation must be provided. In case of having submitted translated documents during the Concept Note Stage, notarised certified translations of these documents are required |
| Compliance | <p>The following conditions must be met by <u>all</u> applicants (Individual, Lead, and Consortium members if applicable):</p> <ul style="list-style-type: none"> No applying entity can be engaged in activities that feature on the IFC Exclusion List as adapted by KfW¹ or otherwise contravene KfW's Environmental and Social Guidelines² The project does not feature on the IFC Exclusion List as adapted by KfW or otherwise contravene KfW's Environmental and Social Guidelines | <p>The following documentation must be submitted:</p> <ul style="list-style-type: none"> Declaration of Undertaking signed by <u>all</u> parties (Individual applicant, Lead applicant, Consortium members) (see Annex 2) Confirmation of compliance with IFC Exclusion List / KfW Environmental and Social requirements | <ul style="list-style-type: none"> Any changes occurred between the Concept Note Stage and the submission date of the Full Project Proposal must be declared and supporting documentation must be provided. |
| | <p>Disclosure of the names of shareholders / board of directors / owners up to the level of ultimate beneficial owners, or (in the case of entities without shareholders) the main sources of their annual budget or capital endowment</p> | <ul style="list-style-type: none"> Private sector applicants must provide a document outlining the ownership structure including a list of all shareholders Information on the executive management / decision makers / shareholders (if applicable) / ultimate beneficial owners (if applicable) | <p>Know-Your Customer (KYC) Documentation:</p> <ul style="list-style-type: none"> Proof of registration (Commercial Register Extract, alternatively Certificate of Incorporation or other document) |

¹ https://www.kfw.de/PDF/Download-Center/Konzernthemen/Nachhaltigkeit/Ausschlussliste_EN.pdf and

² https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie_EN.pdf

| Topic | Description | Requirement for Supporting Documentation | |
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| | | Concept Note Stage | Full Project Proposal Stage |
| | | including names, nationalities, and dates of birth in the Concept Note | <ul style="list-style-type: none"> ○ List of members of the Board and Management/Executive Committee (including their birth dates and nationalities) ○ List of authorized signatories ○ ID/passport scans of authorized signatories ○ Document showing the specimen signatures of signatories (Certificate of Incumbency) ○ Information regarding ownership structure ○ Legal entity identifier ○ Taxpayer registration certificate |
| Financial Capacity (Individual or Lead Applicants) | <p>Private sector companies must fulfil the following criteria:</p> <ul style="list-style-type: none"> ○ Average yearly turnover must be greater than or equal to 50% of requested grant volume (if in consortium, this turnover requirement applies to the combined turnover average of the entire consortium), ○ Debt-equity ratio less than or equal to 4.0 (in last financial year), ○ Positive EBITDA in at least 2 out of past 3 years. <p>All public sector applicants, Civil Society and Non-Governmental Organisations must fulfil the following criteria:</p> <ul style="list-style-type: none"> ○ Average yearly budget must be greater than or equal to 25% of requested grant, | <p><u>General:</u></p> <ul style="list-style-type: none"> ○ Declaration confirming that applicant will cover any potential taxes/levies applied in the applicant's country on the grant received ○ Statement of Applicant that he will bear any costs overruns <p><u>Private entities:</u></p> <ul style="list-style-type: none"> ○ Certified financial statements covering the past three years for the applicant and for partner entities (if applicable), translated into French/English in case it is in Arabic. <p><u>Public Entities, CSOs and NGOs:</u></p> | <ul style="list-style-type: none"> ○ Any updated document ○ Notarial certified translation of Arabic Financial Statements (if applicable) ○ Submitted financial documents will need to be notary certified in order for the application to proceed |

| Topic | Description | Requirement for Supporting Documentation | |
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| | | Concept Note Stage | Full Project Proposal Stage |
| | <ul style="list-style-type: none"> Confirmation of financial capability to cover potential deficits during the operational phase of the project. confirm their own contribution at submission of the Concept Note; commit to exhaust their own contribution for the investment prior to the 1st disbursement of the grant. | <ul style="list-style-type: none"> Information about the applicant's overall annual budget for the past three years, Letter of Commitment from the responsible public authority and if possible proof of authorised budget. Information on budget for the entity for each of the past three years. | |
| Financial Capacity (Consortium Members) | <p>Private sector partners must</p> <ul style="list-style-type: none"> demonstrate positive EBITDA in at least 2 out of past 3 years. <p>Public sector partners, CSO and NGOs must</p> <ul style="list-style-type: none"> confirm their own contribution and provide clear commitment to undertake and fund the project according to their consortium agreements. | <p>Note: Entities not subject to the legal audit obligation of their accounts must document their budgetary balance (presentation of surpluses / neutral or positive results) over the past three years through other documented means.</p> | |
| Lead Applicant Requirements | <p>The lead applicant is responsible for the quality and truth of information provided. The lead applicant will be the one signing the Grant Agreement with IFE.</p> <p>Hence the lead applicant must be the main stakeholder, who will implement the project and be responsible for its full execution, as well as all monitoring / reporting obligations.</p> | <ul style="list-style-type: none"> Power of Attorney for signing the potential grant agreement on behalf of the applicant (in case of consortia, signed by each partner) In case of consortia, Declaration of Collaboration between consortium partners and signed by all partners delegating responsibility to the Lead Applicant and describing the role of each partner (see Annex 3) | In case of a modification, submit relevant documents |
| Technical Capacity | Applicants must demonstrate the technical capacity to undertake and implement the project at hand. At a minimum this means offering a sufficient number of capable personnel to lead the project implementation. | <ul style="list-style-type: none"> CVs of key personnel It will be an advantage if the applicant can also present Project references for other comparable projects which the applicant has undertaken | Any additional CVs |

Annex 5.2: Eligibility conditions and list of required documents for Projects

| Topic | Description | Documentation to be provided | |
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| | | Concept Note Stage | Full Project Proposal Stage |
| Project Location | All projects co-financed by IFE must take place in the countries of the Call for Proposals. The job creation impact of the project must also take place in the countries of the Call for Proposals. | The applicant must <ul style="list-style-type: none"> ○ state the intended location of the project ○ demonstrate the availability of land (copy of landowner / lease certificates) | If applicable, provide independent valuation report |
| Project Maturity | FE only accepts projects that have already been progressed to an advanced level of maturity as evidenced by the preparatory activities of the applicant. IFE reserves the right to cancel a committed financing contribution if this condition is not fulfilled. | <u>compulsory:</u> <ul style="list-style-type: none"> ○ Basic cash flow projection (format will be provided) ○ Funding plan and funding sources incl. contingency budget ○ Investment components and cost estimates <u>optional:</u> <ul style="list-style-type: none"> ○ Cost quotations ○ Market Study ○ Technical Study (e.g. feasibility studies, etc.) ○ Implementation Plan ○ Procurement Plan <p>Please note: While some documents are not mandatory, it is highly recommended that the applicant provides as much details as possible to boost their chances for being selected</p> | <ul style="list-style-type: none"> ○ Detailed cash flow projection incl. 5% retention provision of the requested IFE grant ○ Cost quotations ○ Market Study ○ Technical Study (including feasibility studies, etc.) ○ Implementation Plan ○ Procurement Plan |

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| Investment Phase Timeframe | <p>It is a condition that the investment can be started within a maximum period of 12 months after signing the Grant Agreement;</p> <p>The investment phase of a project may not exceed 24 months;</p> <p>Total time from the date of effectiveness of the grant agreement until the end of the investment phase cannot exceed 30 months.</p> | <ul style="list-style-type: none"> ○ Description of key activities and estimated timing ○ Timeline for project preparation activities (max. 12 months) ○ Timeline for the investment period (max. 24 months) ○ Overall timeline shall not exceed 30 months | <ul style="list-style-type: none"> • Detailed description of activities and timelines by submission of a clear and precise implementation plan |
| Additionality | <p>Prove that the financial contribution from IFE is essential for the implementation of the project, i.e. the contribution does not replace but rather supplement other options of funding currently available to the applicant.</p> <p>Please note that IFE will not approve a grant:</p> <ul style="list-style-type: none"> ○ if the project has already begun and is at a stage beyond the planning phase (except land acquisition/lease and preparatory activities); ○ if the applicant/parent company has sufficient liquid funds to carry out the investment; or ○ if the applicant (incl. its parent company) can secure sufficient external financing without the IFE grant. <p>Please note that it is the obligation of the Applicant to prove that he has exhausted all reasonable funding options and was not successful in obtaining the required funds. This does not only include lending institutions (banks, leasing, factoring) but also equity investors (investment funds or holding companies).</p> <p>Insufficient or no-convincing justification of the additionality criterion will disqualify the project for an IFE grant.</p> | <p>The following list offers potential reasons for additionality:</p> <ul style="list-style-type: none"> ○ Banks and/or investment funds do not offer suitable financing products that match the investment terms of the project; ○ Applicants cannot provide sufficient collateral to obtain loans from local banks for the investment project (demonstrated by, for example, letter of rejection for a loan from a local bank stating lack of collateral as a reason for rejection); ○ The project's cashflow is positive, but key financial indicators do not support the financial viability of the investment – specifically, the Internal Rate of Return is far too low. ○ Applicants or their parent companies have not sufficient liquid funds to make the investment (demonstrated by certified financial statements). ○ The IFE grant creates a significant additional number of jobs in the first two years of the operation phase (at least 20% additional in the first year of operation compared to the baseline scenario). | <ul style="list-style-type: none"> ○ Submission of supplementary documents, proving the indicated reason for additionality |

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| Absence of Market Distortion | <p>The proposed project should not cause significant negative market distortions or lead to market dominance/monopoly for the applicant. In particular, IFE may not be able to offer co-financing in the event that:</p> <ul style="list-style-type: none"> • The specific product market has less than 5 providers; and/or • The applicant has a market share >20% before the investment and/or might reach a market share of >40% after the investment project to be co-financed by IFE <p>If either of the two above criteria is met based on available market information, or if no sufficiently meaningful market data is available, IFE will examine the risk of possible market distortion in more detail to arrive at a final recommendation to be submitted as part of the evaluation report.</p> | <p>Evidence that the proposal does not cause market distortion by providing</p> <ul style="list-style-type: none"> ○ Market analyses showing the state of the market for the product(s); ○ Clear description of the existing market situation and forecast for how the IFE grant project will change the market position of the applicant. | <ul style="list-style-type: none"> • Submission of supplementary documents, proving the non-existence of market distortion |
| Key Performance Indicators (KPI) | <p>As the primary aim of the IFE is the creation of new jobs, applicants have to prove that the proposed investment will lead to new and good jobs. (see definition in section 1 of this document).</p> <p>Maximum grant costs / job created shall not exceed 8.000 EUR</p> | <p>Estimation of</p> <ul style="list-style-type: none"> ○ Number of new jobs (KPI 1) ○ Number of existing employees who benefit from improved working conditions as a result of the investment (KPI 2) ○ Number of employees who will participate in vocational and higher education measures as a result of the investment (KPI 3) <p>In case of jobs to be created at 3rd party entities, provision of Letters of Intent (see Annex 4) for at least 25% of the jobs</p> <ul style="list-style-type: none"> ○ | <ul style="list-style-type: none"> ○ Detailed time plan for creation of jobs at own and 3rd entities ○ Detailed planning (professions) for own and 3rd party entities ○ Lols for at least an additional 25% of jobs to be created at 3rd entities |
| Environmental and Social Issues | <p>Applicants will have to provide information on environmental and social aspects of the project. Please note that projects falling into Cat. A according to KfW guidelines are not eligible.</p> | <p>Information on eight performance standards incl.</p> <ul style="list-style-type: none"> ○ Potential E&S risks and impacts ○ Labour, Health and Safety aspects ○ Type of land used for the project ○ Community Health, Safety and Security | <ul style="list-style-type: none"> • Any additional or updated documentation on environmental or social aspects (Please note: as a result of the Concept Note evaluation compulsory requirements may have to be fulfilled) |

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| Land and in-kind contributions | <p>Applicants must demonstrate that the land for the planned investment is available. Please note in this context that IFE will not finance the acquisition or lease costs of land.</p> <p>In-kind contributions such as land, buildings, equipment can be accepted in the financing plan under the following conditions:</p> <ul style="list-style-type: none"> ○ The contributions are necessary for the operation of the foreseen project ○ The size of the contributed land or building including its facilities are required for the foreseen project. ○ The value of the in-kind contributions is verified by an independent entity ○ The total value of the in-kind contribution does not exceed 85% of the total eligible investment costs covered by the applicant. | <ul style="list-style-type: none"> • Land ownership documentation (provision of land title or lease agreement) • List of planned in-kind contributions and values necessary for the planned project <p><u>Optional:</u></p> <ul style="list-style-type: none"> ○ External independent valuation of in-kind contributions | <ul style="list-style-type: none"> • Independent valuation of assets provided as own-contribution |
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