

Guideline for Applicants

regarding

Call for Proposals by the Facility Investing for Employment (IFE)

This document is intended to help applicants by providing detailed information on the conditions, timelines and procedures applicable to Calls for Proposals of the Facility Investing for Employment (IFE).

Specific conditions and timelines for a specific Call for Proposals are published in a separate file 'Key Information'.

Please read these Guidelines for Applicants and the respective Term Sheet in their entirety before registering with the online application system SmartME to start your application process.

Contents

| | | |
|----------|---|----|
| 1. | Background and IFE Purpose | 1 |
| 2. | Project Categories | 2 |
| 3. | Conditions for Applicants | 5 |
| 4. | General project eligibility conditions | 6 |
| 5. | Grant Size, Own Contributions and Eligible Expenditures | 7 |
| 5.1 | Grant size | 7 |
| 5.2 | Own contribution requirement | 7 |
| 5.3 | Eligible Expenditures | 8 |
| 6. | Application and Project Selection Procedure | 9 |
| 6.1 | Submission Procedure | 9 |
| 6.2 | Concept Note Assessment Procedure and Criteria | 10 |
| 6.3 | Ranking and Shortlist | 12 |
| 6.4 | Full Project Proposal | 13 |
| 6.5 | Due Diligence / Full Project Proposal Evaluation | 14 |
| 6.6 | Contracting | 14 |
| 6.7 | Disbursement/Implementation | 14 |
| 7. | General Conditions | 15 |
| 7.1 | Reporting Obligations | 15 |
| 7.2 | Tax and cost overruns | 15 |
| 7.3 | Procurement | 15 |
| 7.4 | Cancellation of Call for Proposals | 15 |
| 7.5 | Disclaimer on grant award decisions | 16 |
| 7.6 | Applicability of EU State Aid Laws | 16 |
| 7.7 | Use of data | 16 |
| Annex 1: | List of Key Performance Indicators..... | 17 |
| Annex 2: | Declaration of Undertaking | 19 |
| Annex 3: | Declaration of Collaboration and Power of Attorney..... | 22 |
| Annex 4: | Letter of Intent for Third Party Job Creation | 24 |
| Annex 5 | Eligibility Conditions and Lists of Required Documents | 26 |
| Annex 6 | Know Your Customer Documentation | 35 |

1. Background and IFE Purpose

Africa needs about 20 million new jobs per year in order to provide its young population with prospects for the future. With its **Special Initiative on Training and Job Creation**, the German Federal Ministry for Economic Cooperation and Development (BMZ) has set itself the goal of supporting German, European and African businesses and investors engaging in Africa. The Special Initiative aims at (i) creating decent jobs, improving income and working conditions; (ii) creating possibilities for training and further education; and (iii) increasing private investment. For more information regarding the Special Initiative and its range of activities, please visit <https://invest-for-jobs.com/en>.

The **Facility Investing for Employment (IFE)** - an integral part of the Special Initiative on Training and Job Creation - was created by KfW Development Bank (KfW) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Please visit www.invest-for-jobs.com/en/investing-for-employment for more information on IFE.

The main purpose of the Facility is job creation at the private sector.
Grant funding is therefore available only for projects which will create new jobs!

While the primary goal of the Facility is the creation of new jobs, there are in total three Key Performance Indicators (KPI) of the IFE (see Annex 1 for a detailed description):

- Creation of new and good jobs (KPI 1)
- Improvement of working conditions or income (KPI 2)
- Provision of higher education or short-term job-related trainings (KPI 3)

Therefore, projects which first demonstrate sufficient job-creation potential may receive additional points in the evaluation process if they can demonstrate additional impacts in one or both of two additional areas as listed above. Please see chapters 6.2 and 6.3 for further information.

Every application must convincingly describe and substantiate how the project will create new good jobs in the private sector as a direct result of the IFE funding.

Jobs can be counted if they are created either at the Applicant entity (or at an entity in the Applicant consortium) and/or if they are created at Third Parties. Further, jobs must fulfil certain conditions (see below). Only jobs created in the private sector will be considered.

| | |
|---|---|
| Job Conditions | <p>Only new jobs can be counted which fulfil the following conditions according to ILO standards:</p> <ul style="list-style-type: none"> ○ Fulfilment of a minimum employment duration (20 hours/week over 26 weeks within a year or at least 520 working hours/year) ○ Salary at least equal to the national minimum wage ○ Compliance with the ILO core and basic labour standards (no child or forced labour, prohibition of discrimination in employment and occupation, freedom of association and right to collective bargaining). |
| Jobs created at the Applicant entity | <ul style="list-style-type: none"> ○ Jobs created at the Applicant's entity can only be counted if these jobs would not have been created without the IFE grant. This needs to be demonstrated in the application. |

Jobs created at Third Party entities

In case the new jobs are to be created at Third Parties, these jobs can only be counted if:

- The Third Party is a private sector entity;
- The Third Party commits via a Letter of Intent to create new good jobs;
- The Third party confirms that the job creation is a direct result of the IFE grant (i.e., the Third Party would not have created these new good jobs without the IFE-supported project).

PLEASE NOTE:

- The indicated number of new jobs will be verified during the application process.
- Jobs created through indirect effects of the project (e.g. through an improvement in social and economic conditions), are not eligible and cannot be counted.
- Successful applicants are obliged to monitor and prove the creation of jobs created, both at own and – if applicable - at 3rd party entities.
- IFE reserves the right to reject applications which have overestimated the job creation potential of their project.

2. Project Categories

The proposed project must fall within one of IFE's four categories. It is the responsibility of the applicant to correctly identify the project category which applies to the proposed project.

PLEASE NOTE:

- Applicants should pay special attention to the project category they chose to apply for.
- IFE reserves the right to re-categorise the project (with a corresponding impact on the own contribution expected from the applicant) if it disagrees with the categorisation proposed by the applicant.
- In the event that the applicant refuses the re-categorisation, IFE reserves the right to reject the application.

The following table provides an overview of the project categories and features:

| Categories | Not-for-Profit Projects | | For-Profit Projects | |
|----------------------------|--|--|--|---|
| | For both categories it must be proved that all assets co-financed by the IFE will belong irrevocable to a non-profit entity and that potential revenues / profits generated by the project will not be distributed to private entities or persons! | | | |
| | Category 1 | Category 2 | Category 3 | Category 4 |
| | Not-for-profit projects with job creation impact (no revenue generation by the lead applicant's entities or by the consortium members - if applicable) | Not-for-profit projects with job creation impact (with revenue generation by the lead applicant's entities or by the consortium members - if applicable) | For-profit projects with broader job creation impact" | For-profit projects with job creation impact" |
| Eligible Applicants | National ministries and public investment agencies; Professional Associations (industry, commerce, agriculture); Organisations managing industrial zones; NGOs; infrastructure service providers; Private commercial companies | | Private commercial companies | |
| Project description | <ul style="list-style-type: none"> Projects enabling job creation in the private sector (Lol have to be provided) Projects do not generate revenues | <ul style="list-style-type: none"> Job creation either within the applicant entity (in case the applicant is a private commercial entity) and/or within private 3rd party entities (Lols have to be provided) Projects generate revenues, but no distribution of profits | <ul style="list-style-type: none"> Projects creating jobs within the applicant's entities and <ul style="list-style-type: none"> at least the same number of jobs within 3rd party entities (Lols must be provided) | <ul style="list-style-type: none"> Projects creating jobs primarily at the applicant's entities Lols must be provided for jobs at 3rd entities |
| IFE grant | <ul style="list-style-type: none"> Up to 90% of the total investment cost of the project | <ul style="list-style-type: none"> Up to 75% of the total investment cost of the project | <ul style="list-style-type: none"> Up to 35% of the total investment cost of the project | <ul style="list-style-type: none"> Up to 25% of the total investment cost of the project |
| Examples | <ul style="list-style-type: none"> Construction of a toll free road for an industrial zone Training projects (without generation of fees) | <ul style="list-style-type: none"> Energy generation / transmission facilities to supply an industrial zone Equipping accelerator centres | <ul style="list-style-type: none"> Construction of a factory to build a new medical device and Third Party entities hire additional sale teams to market and sell the device | <ul style="list-style-type: none"> Expansion of an existing processing facility Investment in an upstream or downstream project |

| | | | | |
|--|--|---|---|--|
| | | <ul style="list-style-type: none">• Vocational Training centres (with fees) | <ul style="list-style-type: none">• Construction of a food processing plant and a Third Party entity hires new staff to produce inputs to the plant | |
|--|--|---|---|--|

3. Conditions for Applicants

Applicants can be any entity with a proper legal body which enjoys budgetary autonomy (see above table). The Call for Proposal is open for applicants applying either as an **Individual** entity or in a **Consortium** of several entities.

The following table provides a summary of conditions, which **must be met** by all Applicants (Individual or Consortium members) in order for a project proposal to receive funding. Please review carefully the requirements and the required supporting documentation. If any of the Applicants do not meet the below criteria, please do not apply.

For a full list of documentation required at each stage of the IFE application process, please refer to Annex 5.

| Topic | Description of Key Conditions |
|--|---|
| Registration and Years of Operation | <ul style="list-style-type: none"> • Applicant must be a separate legal entity duly registered in the concerned country, in Africa or EU/EFTA • Applicant or at least one member in case of a consortium must be duly registered and operating in the concerned Country for the Call for Proposals. • <u>All</u> applicants (the Individual, Lead Applicant, and Consortium members) must have been operating for a minimum of 3 years Exception: In case of a recently registered entity in the country of call, which is an investee of an individual applicant or any of the consortium members (e.g. subsidiary, joint venture, SPV), then the respective shareholders of this entity must have been operating for a minimum of 3 years at the time of CN submission |
| Financial Capacity | <p><u>Private sector applicants:</u></p> <ul style="list-style-type: none"> • Average yearly turnover must be greater than or equal to 50% of requested grant, • 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><u>Public sector applicants:</u></p> <ul style="list-style-type: none"> • evidence of availability of the required own contribution • confirm financial capability to cover the operating costs of the project. |
| Compliance | <ul style="list-style-type: none"> • Applicants are not engaged in activities that feature on the IFC Exclusion List as adapted by KfW¹ • The project does not feature on the IFC Exclusion List as adapted by KfW • Applicants must disclose 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 |

¹ <https://www.kfw.de/nachhaltigkeit/About-KfW/Sustainability/Sustainable-Banking-Operations/Responsible-Investment/KfWs-Sustainable-Investment-Approach/Exclusion-Criteria/>

| | |
|---------------------------|---|
| Technical capacity | <ul style="list-style-type: none"> 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 |
|---------------------------|---|

PLEASE NOTE:

- The fulfilment of these eligibility conditions will be verified during the assessment procedure
- All applications, which fail to submit any of the indicated required documentation, will be rejected

4. General project eligibility conditions

The following table provides an overview of the key conditions a project must fulfil to be eligible. Please review each requirement carefully and ensure that you can provide sufficient supporting documentation to prove their fulfilment. If the proposed project does not meet any of these criteria, please do not apply.

For a full list of all documentation required at each stage of the IFE application process, please refer to Annex 5.

| Topic | Description of Key Conditions |
|--|---|
| Project Location | <ul style="list-style-type: none"> All projects co-financed by IFE must take place entirely in the country of the Call for Proposals. The job creation impact of the project must also take place in the country of the Call for Proposals. |
| Project Maturity and Investment Phase Timeframe | <ul style="list-style-type: none"> Projects must demonstrate an advanced level of maturity; Investment can be started within a maximum period of 12 months after signing the Grant Agreement; The investment phase of a project may not exceed 24 months; Total time from the date of effectiveness of the grant agreement until the end of the investment phase cannot exceed 30 months. |
| Additionality | <ul style="list-style-type: none"> Evidence 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. |
| Market distortion | <ul style="list-style-type: none"> The proposed project should not cause significant negative market distortions or lead to market dominance/monopoly for the applicant. |

PLEASE NOTE:

- The fulfilment of these eligibility conditions will be verified during the assessment procedure
- All applications, which fail to submit any of the indicated requirements, will be rejected

5. Grant Size, Own Contributions and Eligible Expenditures

5.1 Grant size

IFE offers grants between 1 million EUR and 10 million EUR per project. The specific grant size is subject to the specific project category:

| Category | Description | Grant size | Own contribution |
|-------------------|---|------------|------------------|
| Category 1 | Not-for-profit projects with job creation impact (no revenue generation) | max. 90% | min. 10% |
| Category 2 | Not-for-profit projects with job creation impact (with revenue generation) | max. 75% | min. 25% |
| Category 3 | For-profit projects with job creation impact mainly at 3 rd party entities | max. 35% | min. 65% |
| Category 4 | For-profit projects with job creation impact mainly at applicant's entity | max. 25% | min. 75% |

PLEASE NOTE:

- Requested grant size cannot exceed 200% of the average turnover of the applicant in the past 3 years.
- Grants are in addition to the applicant's own financial contribution (both cash and in-kind).
- A sum equal to 5% of the grant amount will be withheld by IFE until completion of the investment (not considering defects liability period) to secure finalisation of the project.
- Any cost overruns will have to be covered fully by the applicant.

5.2 Own contribution requirement

An applicant (individual entity or consortium) must provide own financial contributions towards the overall project investment costs. The minimum percentage of own contribution required is defined based on the respective project category (see above).

The applicant's required contribution can be in either cash or a mix of cash or in-kind towards the overall project budget. Notably, a cash-contribution of a minimum of 15% of the overall own contribution is a requirement.

| Contribution | Description |
|---|---|
| Cash contributions <ul style="list-style-type: none"> ○ Documentary evidence for cash contributions (signed MoUs for loan agreements and/or equity provision, bank statements, etc.). | <ul style="list-style-type: none"> ○ Must be in EUR (or listed in EUR equivalent) ○ Can stem from own funds, loans, and/or other types of financial support, such as equity contributions or grants from third parties ○ To be exclusively used for Eligible Expenditures (see below) ○ At least 15% of the Own Contribution shall be in cash |

| | |
|---|---|
| <p>In-kind contributions</p> <ul style="list-style-type: none"> ○ Value of existing constructions, land, equipment or already implemented measures, which are necessary for the foreseen Investment project (value must be certified by independent expert) | <ul style="list-style-type: none"> ○ Value of land necessary for the project ○ Project-related existing constructions, equipment or similar ○ Value of preparatory studies or other measures already implemented for the planning of the project |
|---|---|

| |
|---|
| <p>PLEASE NOTE:</p> <p>The applicant must provide</p> <ul style="list-style-type: none"> • a full breakdown of the planned own contribution in its application including identifying the amount and source of each contribution. • Documentation of account balances for cash contributions and confirmation at signing of the IFE grant contracts. • If applicable: Signed loan agreements and / or Letter of Intent from financial institutions / equity providers pertaining to the availability of debt and/ or equity financing • Independent, certified valuations of the value of in-kind contributions of land and equipment |
|---|

5.3 Eligible Expenditures

IFE grants can be used to co-finance expenditures only during the investment phase of the project. All costs occurring during the operational phase are not eligible!

| Eligible Expenditures | Non-Eligible Expenditures |
|--|--|
| <ul style="list-style-type: none"> ○ Purchase or acquisition of equipment, machinery or other capital goods required for the realization of the project, including import duties, taxes, tariffs and other necessary side costs linked to such purchases (such as warranty costs) under the condition that these costs are not recoverable ○ Materials and labour for the construction of premises required for the execution of the project ○ Training, advisory or other technical services required for the project, e.g. the initial capacitation of management or new employees in newly adapted machines or technology ○ Costs related to licenses needed to operate the acquired equipment or technology ○ Working capital required for a maximum of the initial 3 months of the operating period ○ Cost of acquiring land for the purpose of the project (Note: this cost cannot be financed by the IFE grant) | <ul style="list-style-type: none"> ○ The costs of acquiring intangible goods (such as patent, brand, trademark, or copyright) ○ Normal recurring costs (such as staff salaries, office rental or maintenance of equipment). ○ Personal or corporate income taxes at the level of the applicant entities or their owners, and generally all taxes or duties arising outside the project country ○ Lease or acquisition of vehicles that are not directly required by, and used for, the execution of the project (including any vehicle which is allowed to be privately used by managers or staff) ○ Costs related to renting or leasing, land required for the execution of the project. ○ All types of costs and expenses incurred beyond the investment phase of a project. IFE grants may not be used for the operating phase of a project. ○ All other types of expenditures that are not listed under Eligible Expenditures |

PLEASE NOTE:

- IFE reserves the right to re-assess the value of the in-kind contribution and – if necessary – to adjust the funding plan and grant size accordingly
- Including non-eligible costs in the funding plan may result in the disqualification of the project proposal
- The applicable share to be co-financed by the IFE grant will be based on the total sum of eligible expenditures.

6. Application and Project Selection Procedure

For the selection of projects, a two stage procedure is applied:

1. Submission of Concept Note
2. Submission of Full Project Proposals, **ONLY** for shortlisted applicants

The selection of projects will be conducted through a competitive, transparent process, as outlined below.



For information on the timeline, please refer to the term sheet of the specific Call for Proposal

6.1 Submission Procedure

IFE utilises an online system called SmartME: <https://smartme.adalia.fi/login/IFE>

General rules for submission

- Applicants must register on the SmartME online platform and create an account.
- Only registered applicants can access the application forms.
- Concept Notes and – if shortlisted - Full Project Proposals must be submitted online via SmartME. No other form of submission is allowed.
- Applications received after the submission deadline will be rejected
- Applications shall be submitted only in either French or English
- All financial information included in the applications shall be in EUR
- All requested documentation must be submitted in French or English, depending on the application language (documents in other languages must be uploaded in the original language and accompanied by a translation).

Technical assistance with SmartME is available via the platform itself. Please note that IFE does not take responsibility for technical errors and **it is strongly recommended to submit an application well in advance of the deadline**. The system will generate an automatic reply email informing you of the successful submission.

6.2 Concept Note Assessment Procedure and Criteria

The Concept Note (CN) Evaluation comprises the following steps:

a. Eligibility check for fulfilment of formal application criteria

Each CN submitted will be checked or verified against a set of eligibility criteria (minimum requirements) related to the applicant(s) and to the project. The main criteria are:

- Applicant is duly registered in the country of call (see chapter 3)
- Applicant has been in operation for at least 3 years (see chapter 3)
- Applicant fulfils minimum financial parameters (see chapter 3)
- Applicant has submitted all necessary declarations (please refer to Annex 5)
- Applicant has disclosed its shareholder structure and ownership
- Basic cash flow plan and funding concept is provided
- Project investment phase can be completed within a period of max. 30 months (including time needed for planning, studies, licences, construction) until full technical completion.
- Project does not fall into Environmental and Social Category A (high risk of having diverse significant adverse impacts and risks on the environment or the social conditions of the affected population)

PLEASE NOTE:

- Applications, which do not fulfil any of the eligibility criteria above, will be rejected.

b. Qualitative assessment:

All applications, which have passed the eligibility check, will be assessed in a two-step procedure: In a first step, the CNs will be evaluated against five basic criteria:

Basic evaluation criteria

Completeness, clarity, and consistency with SI purpose

- The proposed measures to be financed and their intended effects are clearly described and are in line with the specific objectives of the SI and IFE.

Maturity of the Project

- The project must be at an advanced planning stage in order to be considered for IFE funding (demonstrated by presentation of feasibility studies, market studies, detailed cash flows, detailed funding plans etc.

Additionality

- Demonstration that IFE's grant support is essential for the implementation of the proposal and does not replace other available financing options (demonstrated by low IRR, lack of collaterals, lack of available loan schemes etc.) (see Chapter 4)

Absence of negative Market Distortion

- Demonstration that the Project does not show a substantial risk of causing significant negative market distortions or crowding out of private players (applicant's market share shall not exceed 20% before the project and not more the 40% with the project) (see Chapter 4)

Cost per job created

- The grant cost / new job created shall not exceed 8.000 EUR (total grant requested divided by number of estimated new jobs)

PLEASE NOTE:

- All criteria must be fulfilled by the project to qualify for a shortlisting

In a second step, all applications, which fulfil the basic evaluation criteria, will be assessed and scored according to the following criteria (quality of the project concept and the applicant's capabilities and capacities:

| Assessment of the Project Concept | Points |
|--|----------------------|
| Intervention logic <ul style="list-style-type: none"> • Logic and suitability of the project concept to address the identified challenges | 10 points max. |
| Description of proposed project activities <ul style="list-style-type: none"> • Quality of description of activities and their suitability/necessity for the achievement of the project goals and results | 15 points max. |
| Description of regulatory framework conditions <ul style="list-style-type: none"> • Quality of description about the regulatory framework conditions and potential obstacles, which may have an impact on the expected project outcome | 10 points max. |
| Financial viability of the project (short and long term) <ul style="list-style-type: none"> • Availability of sufficient financial resources to cover own contributions and operational costs until net profits are achieved. • Quality of the project implementation plan, financial assumptions and projections • The financial and operating sustainability of the Project does not hinge on continued subsidy by third parties in the medium- and long-run. | 15 points max. |
| Operational implementation aspects of the project <ul style="list-style-type: none"> • Commitment and capacity of applicant to allocate the required resources and human resource capacity to implement the project <ul style="list-style-type: none"> ○ Clear description of the organisational structure of the project ○ Sound and coherent implementation plan | 15 points max. |
| Total | 65 points max |
| Minimum score to be achieved | 32,5 points |

| Assessment of the Applicant's Capabilities and Capacities | Points |
|---|----------------------|
| Experiences in implementing projects in similar sector and size <ul style="list-style-type: none"> • Number of similar projects implemented in the past | 7,5 points max |
| Institutional and staff capabilities to implement the project <ul style="list-style-type: none"> • To what extent does the applicant have the required sectoral, technical and organisational knowledge to execute and manage the project? | 20 points max |
| Knowledge of the national legislation or prior experience with the implementation of ESMS <ul style="list-style-type: none"> • To what extent does the applicant demonstrate knowledge and/or experiences in ESMS? | 7,5 points max |
| Total | 35 points max |

| | |
|---|--------------------|
| Minimum score to be achieved | 14,0 points |
| Overall Maximum Score | 100 points |
| Overall Minimum Score to be achieved | 50 points |

PLEASE NOTE:

- Projects which do not achieve the established respective minimum thresholds or do not reach 50 points or higher on the Overall Qualitative Evaluation, will not be considered further.

c. Bonus criteria

Projects, which achieve the respective minimum scores in the qualitative assessment, will be assessed against bonus aspects, which comprise:

| Bonus criteria | |
|--|--------|
| More than 50% of jobs created will be for women | Yes/no |
| More than 25% of jobs created will be for youth | Yes/no |
| More than 50% of the jobs to be created by this project will be created within 6 months of project implementation beginning | Yes/no |
| The project contains an added ecological value, such as: a green economy project, significant positive environmental impact etc. | Yes/no |
| The project provides positive synergies with other projects within the Special Initiative on Training and Job Creation | Yes/no |

The aspects, which have been positively assessed, will be considered in the subsequent ranking procedure.

PLEASE NOTE:

- The CN evaluation exercise may also involve an onsite visit and/or video conference by an IFE staff member to assess the information provided by the applicant, in particular the plausibility of the KPIs, project category, in-kind contributions and grant amount.
- Applicants are required to make the information demanded by the IFE team available.
- If necessary, the figures will be adapted for further processing.
- False or incorrect information may lead to the rejection of the Concept Note.

6.3 Ranking and Shortlist

All projects, which have achieved the minimum score in the qualitative evaluation, will be – exclusively – ranked according to the following criteria:

| Aspect | Criteria | Points |
|---------------|--|---------------|
| KPI 1 | Number of people who came into formal employment | 35 max. |
| | Cost / job (grant amount / expected number of jobs created) | 35 max. |
| KPI 2 | Number of people who benefit from improved working conditions or whose income has improved per €1,000 of grant funding | 10 max. |

| | | |
|----------------|--|---------------------|
| KPI 3 | Number of people participating in vocational and higher education or vocational/further qualification measures per €1,000 of grant funding | 10 max. |
| Bonus criteria | See criteria above | 10 max. |
| | | Max. 100 |

Please note: Bonus points for an individual project are limited to a maximum of 10% of the score, the project achieved for the KPI related criteria.

Based on the availability of funds, a shortlist is established and successful applicants will be informed to submit a Full Project Proposal (FPP).

6.4 Full Project Proposal

Shortlisted Applicants have to submit Full Project Proposals in the online management system (<https://smartme.adalia.fi/login/IFE>). Shortlisted Applicants will receive an invitation letter for submitting a FPP. Upon logging onto SmartME, the applicants can access the Full Project Proposal package, consisting of the following information/documents:

- The Full Proposal Form in SmartME, where they can download all required instructions, templates, and upload further documentation
- Word template for the Project Implementation Plan, including instructions for developing this critical document
- Excel template for the Financial and Work Plan
- List of documentary requirements including:
 - All required legal and financial documents;
 - Evidence of availability of applicant co-funding contribution including third party funding where relevant;
 - CVs or biographies of key staff/managers involved in the project implementation;
 - Letters of intent by project partners (other than consortium members) which are individually identified in the proposal either for the implementation of the project or the achievement of KPI targets;
 - Declarations of Undertaking signed by lead applicant and all consortium members, if applicable (Annex 9);

PLEASE NOTE:

- Shortlisted applicants have as a standard 45 calendar days to elaborate their Full Project Proposals and upload it online in SmartME with all supporting documents (specific timelines and dates will be indicated with the invitation letter).
- At the beginning of the FPP period, individual counselling sessions will be offered to all shortlisted applicants. The aim of these sessions is to explain in detail the observations of the CN evaluation and areas that need to be improved in the Full Project Proposal.
- During the FPP stage IFE offers two Information Sessions for all shortlisted Applicants

The Full Project Proposal must be sufficiently self-explanatory and convincingly document the viability and sustainability of the project. It must include a detailed implementation plan with realistic timelines, detailed budget, proposal-specific results framework with objectives, targets and indicators, detailed technical design or equipment specifications including cost estimate, environmental and social management checklist, procurement plan, list of force account

measures and an operational and maintenance plan (please see Annex 5 for specific documentation to be submitted).

6.5 Due Diligence / Full Project Proposal Evaluation

IFE will conduct a detailed due diligence exercise for each received Full Project Proposal to assess the correctness, completeness and relevance of the information provided. In particular, the following aspects are assessed.

- Verification of Eligibility criteria (financial indicators, investment time etc.)
- Verification of basic selection criteria (coherence with SI, maturity, additionality, absence of market distortion, max. job costs);
- Project category and Grant size;
- Maturity and technical plausibility of project concept
- Plausibility of cost estimations, revenues, cash flow projections
- Funding plan and sources
- Plausibility of KPIs
- Environmental & Social aspects
- Coherence with EU State Aid Law

PLEASE NOTE:

- The due diligence exercise may comprise an onsite visit and/or video conference by an IFE staff member to assess the information provided by the applicant, in particular the plausibility of the KPIs, project category, in-kind contributions and grant amount.
- Applicants are required to make the information demanded by the IFE available.
- If necessary, the figures will be adapted for further processing.
- Applicants have to agree on the modifications.
- False or incorrect information provided by the applicant may lead to the rejection of the project proposal.

6.6 Contracting

Applicants, whose Full Project Proposals have been accepted by IFE, will be offered a Grant Agreement. The terms and conditions of the Grant Agreement will reflect the relevant category of the applicant's project.

In case that during the Due Diligence conditions precedent to the effectiveness of the grant agreement will have been defined, the Grant agreement will only become effective, once all these conditions have been fulfilled.

6.7 Disbursement/Implementation

IFE disbursements will be done in instalments subject to achieved pre-defined milestones and upon submission of evidence and proof of expenses. The Applicants are expected to commit their own contribution before the disbursement of the grant. Disbursement of the IFE grant will only start, once all contractual conditions for pre-disbursement (will be determined during the DD procedure) have been fulfilled.

7. General Conditions

7.1 Reporting Obligations

In general, grantees are required to report quarterly during the investment phase and up to 3 years after the end of the investment phase. During the investment phase, reporting mainly includes information on project progress, procurement aspects and payments, as well as environmental and social aspects. With the start of the operational phase, reporting only consists of KPI achievement. Grantees will be required to demonstrate this job creation through:

- Copies of employment records, contracts, etc. (employment directly within an Applicant entity and – if applicable – at 3rd party entities)
- Tax records demonstrating that appropriate employer taxes have been paid on employee salaries (employment either within an Applicant entity or Third Party)

In addition to the above reporting, there are mandatory compliance reporting obligations. The grantee must report on all circumstances that might jeopardize the achievement of the overall objective, the business activities' purpose and the results, as well as any incidents which may give rise to liabilities or negative publicity.

These reporting obligations will be part of the contracting procedure, meaning that the grantee is legally required to undertake all necessary work to submit comprehensive and complete reports each quarter.

7.2 Tax and cost overruns

Upon submission of the Concept Note, the applicant must make a declaration confirming that any taxes/levies applied upon the IFE grant in the applicant's country of origin will be covered in full by the applicant.

Further, the applicant must declare that he will bear any cost overruns on the project, as the grant amount cannot be increased after the award even if the overall project cost increases.

7.3 Procurement

Please note that all goods, services and works to be financed or co-financed using the grant contribution of IFE (refer to chapter 5.3) must be procured in accordance with the IFE's Procurement Procedures for Recipients which mirror the KfW Guidelines for the procurement of goods and services². IFE Procurement Guidelines will be provided to the shortlisted applicants. Although it is generally permissible for applicants to indicate a preferred supplier already in their Concept Notes, the shortlisting of the Concept Note by IFE does not imply the acceptance or pre-determination of the supplier preference stated or implied therein. In fact, as a matter of principle, IFE requires procurements to be carried out in a transparent and competitive manner.

7.4 Cancellation of Call for Proposals

A Call for Proposals may be cancelled prior to awarding any grant, without incurring any liability thereby vis-à-vis the applicants. In the event of cancellation, applicants will be notified thereof by IFE and shall not be entitled to any compensation. Applicants acknowledge that they are taking part in a Call for Proposal process at their own expenses and risks.

² Please visit <https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/FZ-Vergaberichtlinien-V-2021-EN.pdf> for the full Guidelines.

7.5 Disclaimer on grant award decisions

The final grant award decisions rest in the sole responsibility of IFE. By submitting a Concept Note or a Full Project Proposal, applicants acknowledge that they participate in a competitive selection process in which the award of the requested financing is not guaranteed, and within which they have no rights of appeal against any decision taken by IFE. However, a grievance mechanism has been established; details and contact information can be found at the following Website: <https://invest-for-jobs.com/en/ife-facility-grievance-mechanism>

7.6 Applicability of EU State Aid Laws

Applicants and consortium members must take into consideration the rules arising from the laws and regulations of the European Union concerning government support for industry (state aid) in respect of a provision of subsidies by IFE to them directly or through their subsidiaries or affiliates in other countries, including but not limited to the respective country. IFE reserves the right to reject a Concept Note or (at a later process stage) to withdraw or cancel a grant financing award if it deems – in its sole and final discretion – that its financing contribution may lead to a potential infringement of applicable subsidy laws or may require to obtain a special exemption from applicable authorities beforehand.

IFE is not in the position to provide legal advice to applicants in regards to this matter but refers interested applicants to the European Commission's [external website](#), which provides further information on regulations concerning government support.

7.7 Use of data

Prior to submitting their Concept Notes, applicants need to declare in a standardized form that they consent with uploading and processing basic information on the applicant, the partners and the project to/in the SIIS platform. Basic information includes the names/locations of the entities involved, the relevant economic sector, the project type, a summary of the project objective and activities, the selection status, the total capital mobilized (incl. IFE grant) as well as the KPIs (planned vs. effectively achieved). The SIIS data serve to provide an overview on the Special Initiative's portfolio of ongoing and planned projects as well as the progress in achievements respective to the key performance indicators (KPI). The SIIS facilitates collaborations and synergies between the various instruments of the Special Initiative (part of which is IFE), KfW, GIZ and IFE, including their service providers that have access to the SIIS platform.

Annex 1: List of Key Performance Indicators

KPI 1 – Job Creation

Number of people who came into employment as a result of the Special Initiative on Training and Job Creation (**please note: this is IFE’s primary key performance indicator**), differentiated by target group (women/men, youth (15-24)).

To be counted for IFE purposes, a new job must be a “good” job, meaning that it meets the following criteria:

- Be established in a private entity. Jobs created in the public sector do not count.
- **Fulfilment of a minimum employment duration** (20 hours/week over 26 weeks within a year or at least 520 working hours/year (exception when the employee quits the job);
- **Payment of a national minimum wage**, where legally established;
- **Compliance with the ILO core and basic labour standards** (no child or forced labour, prohibition of discrimination in employment and occupation, freedom of association and right to collective bargaining).

These new good jobs can only be counted if they are

- created as a direct result of the investment project (jobs created thanks to improved general socio-economic framework conditions cannot be counted, even if these improvements are an indirect effect of the project)
- created in a private entity either at the applicant and/or consortium members or at Third Party entities

The successful applicants will be responsible for demonstrating job creation after project implementation by presenting evidence such as contracts indicating minimum wage, working hours as per legislation in the respective country, etc.

KPI 2 – Improved Working Conditions and / or Income

Number of people who benefit from improved working conditions or whose income has improved as a result of the Special Initiative - differentiated by target group (women/men, youth (15-24)). **Please note that this KPI applies only to already existing employees of applicant entities (i.e., the people employed by the applicant at the time of the submission of the IFE proposal).** It does not apply to new good jobs created under KPI 1 above.

This KPI is divided into two categories:

Improved Working Conditions: If as a direct result of the project one or more of the following measures is put into place, employees already employed when applying for the grant can be counted.

- Transformation of an informal job (from the shadow economy) to a formal job.
- Access to personnel support (e.g., health programmes, childcare, flexible working-time arrangements, maternity leave, transportation assistance);
- Compliance with labour standards (e.g. occupational health and safety standards);
- Social security (contributions to pension, health insurance, access to a company pension scheme);

Gender equality situation and better representation of interests within the company;
Access to corporate financial services (e.g. savings schemes, business loans).

Improved Income: If as a direct result of the project, it is expected that the income of existing employees already employed when applying for the grant will on average increase, they can be counted. Please note that the expected income increase must be directly resulting from the proposed project.

If existing employees are expected to benefit from both Improved Working Conditions and Improved Income, they should only be counted **once**.

The successful applicants will be responsible for demonstrating improvement of working conditions or income after project implementation by presenting evidence such as e.g. new HR policies, company or organisation procedures; employment contracts demonstrating increase in wages, etc.

KPI 3 – Vocational higher education and job-related measures

Number of people who have participated/are participating in vocational and higher education or vocational/further qualification measures as a result of the Special Initiative - differentiated by target group (women/men, youth (15-24)).

This KPI is divided into two categories:

Vocational higher education: Count people who have participated successfully in initial / further training with the aim of enhancing their employability due to TVET and higher education qualification measures lasting for 12 months or more.

Job-related measures: Count the number of people who are participating / have participated successfully in occupationally relevant short-term measures and courses are programmes with a duration between minimum 6 days and up to 12 months (usually short vocational-training courses).

Please note that new hires, which receive an initial training and which are already counted under KPI 1, cannot be counted again under KPI 3.

The successful applicants will be responsible for demonstrating the number of people participating in higher education or job-related measures after project implementation by presenting evidence such as enrolment in courses or internal company training course enrolments or facilitation of training e.g. apprenticeship etc.

Annex 2: Declaration of Undertaking

Standard Declaration of Undertaking

Reference name of the Application: ("Project"¹)

To: Investitionen für Beschäftigung (Investing for Employment) GmbH "(IFE)"

1. We recognise and accept that the Investitionen für Beschäftigung (Investing for Employment) GmbH (hereafter IFE) only finances projects of Recipients² subject to its own conditions which are set out in the Grant Agreement yet to be entered into with the Recipient. As a matter of consequence, no legal relationship exists between IFE and our company, our Joint Venture or our Subcontractors under the Project. The Recipient retains exclusive responsibility for the preparation and implementation of the Application Process and the performance of the Project.

2. We hereby certify that neither we nor any of our board members or legal representatives nor any other member of our Joint Venture including Contractors and Subcontractors under the Project are in any of the following situations:

2.1) being bankrupt, wound up or ceasing our activities, having our activities administered by courts, having entered into receivership, reorganisation or being in any analogous situation;

2.2) convicted by a final judgement or a final administrative decision or subject to financial sanctions by the United Nations, the European Union or Germany for involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings; this criterion of exclusion is also applicable to legal Persons, whose majority of shares are held or factually controlled by natural or legal Persons which themselves are subject to such convictions or sanctions;

2.3) having been convicted by a final court decision or a final administrative decision by a court, the European Union, national authorities in the Partner Country or in Germany for Sanctionable Practice in connection with a Tender Process or the performance of a Contract or for an irregularity affecting the EU's financial interests (in the event of such a conviction, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this conviction is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction);

2.4) having been subject, within the past five years to a Contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during such Contract performance, unless this termination was challenged, and dispute resolution is still pending or has not confirmed a full settlement against us;

¹ Project Name/Title and Project ID

² The Recipient means, in this case: Applicant having successfully submitted a Project Proposal and with whom IFE signed a Grant Agreement.

2.5) not having fulfilled applicable fiscal obligations regarding payments of taxes either in the country where we are constituted or the Recipient's country;

2.6) being subject to an exclusion decision of the World Bank or any other multilateral development bank and being listed on the website <http://www.worldbank.org/debarr> or respectively on the relevant list of any other multilateral development bank (in the event of such exclusion, the Applicant or Bidder shall attach to this Declaration of Undertaking supporting information showing that this exclusion is not relevant in the context of this Contract and that adequate compliance measures have been taken in reaction); or

2.7) being guilty of misrepresentation in supplying the information required as a condition of participation in the Tender.

3. We hereby certify that neither we, nor any of the members of our Joint Venture or any of our Contractors and Subcontractors under the Project are in any of the following situations of conflict of interest:

3.1) being an Affiliate controlled by the IFE or a shareholder controlling the Applicant, unless the stemming conflict of interest has been brought to the attention of IFE and resolved to its satisfaction;

3.2) having a business or family relationship with a IFE's staff involved in the Tender Process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of IFE and resolved to its satisfaction;

3.3) being controlled by or controlling another Applicant or Bidder, or being under common control with another Applicant or Bidder, or receiving from or granting subsidies directly or indirectly to another Applicant or Bidder, having the same legal representative as another Applicant or Bidder, maintaining direct or indirect contacts with another Applicant or Bidder which allows us to have or give access to information contained in the respective Applications or Offers, influencing them or influencing decisions of the Recipient;

4. If we are a state-owned company, and compete in a Tender Process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.

5. We undertake to bring to the attention of IFE, any change in situation with regard to points 2 to 4 here above.

6. In the context of the Application Process and performance of the corresponding Contract:

6.1) neither we nor any of the members of our Joint Venture nor any of our Contractors and Subcontractors under the Contract have engaged or will engage in any Sanctionable Practice during the Tender Process and in the case of being awarded a Contract will engage in any Sanctionable Practice during the performance of the Contract;

6.2) neither we nor any of the members of our Joint Venture or any of our Contractors and Subcontractors under the Contract shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or Germany; and

6.3) we commit ourselves to complying with and ensuring that our Contractors and Subcontractors and major suppliers under the Contract comply with international environmental and labour standards, consistent with laws and regulations applicable in the country of implementation of the

Contract and the fundamental conventions of the International Labour Organisation³ (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the relevant environmental and social management plans or other similar documents provided by the IFE and, in any case, implement measures to prevent sexual exploitation and abuse and gender-based violence.

6.4) We accept that our data (including personal data) generated in connection with the preparation of the Concept Note and Full Project Proposal during the Application Process are stored and processed according to the Applicable Law by the Recipient and IFE. We accept that IFE will share selected information received as part of the Application Process with other organization's part of the Special Initiative on Training and Job Creation for verification purposes.

7. In the case of being awarded a Contract, we, as well as all members of our Joint Venture partners, Contractors and Subcontractors under the Contract will, (i) upon request, provide information relating to the Tender Process and the performance of the Contract and (ii) permit the Recipient and IFE or an agent appointed by either of them, and in the case of financing by the European Union also to European institutions having competence under European Union law, to inspect the respective accounts, records and documents, to permit on the spot checks and to ensure access to sites and the respective project.

8. In the case of being awarded a Contract, we, as well as all our Joint Venture partners and Subcontractors under the Contract undertake to preserve above mentioned records and documents in accordance with Applicable Law, but in any case, for at least six years from the date of fulfilment or termination of the Contract. Our financial transactions and financial statements shall be subject to auditing procedures in accordance with Applicable Law. Furthermore, we accept that our data (including personal data) generated in connection with implementation of the Contract and the performance of the Contract are stored and processed according to the Applicable Law by the Recipient and IFE.

Name: _____

In the capacity of: _____

Duly empowered to
sign in the name and
on behalf of⁴: _____

Signature: _____

Dated:

³ In case ILO conventions have not been fully ratified or implemented in the Employer's country the Applicant/Bidder/Contractor shall, to the satisfaction of the Employer and IFE, propose and implement appropriate measures in the spirit of the said ILO conventions with respect to a) workers grievances on working conditions and terms of employment, b) child labour, c) forced labour, d) worker's organisations and e) non-discrimination

⁴ In the case of a JV, insert the name of the JV. The person who will sign the application, bid or proposal on behalf of the applicant shall attach a power of attorney from the applicant.

Annex 3: Declaration of Collaboration and Power of Attorney

**Facility Investing for Employment
Declaration of Collaboration and
Power of Attorney**

The parties, as listed hereunder (now referred to as Partners):

| | | |
|---------------------|---------------------------------|--|
| Partner 1 | Name (incl. legal status) | |
| | Established: (when, where?): | |
| | Activity (what, where): | |
| | Role in Project: | |
| | - Financial | |
| | - Non-financial | |
| Partner 2 | Name (incl. legal status) | |
| | Established: (when, where?): | |
| | Activity (what, where): | |
| | Role in Project: | |
| | - Financial | |
| | - Non-financial | |
| Partner | Name (incl. legal status) | |
| | Established: (when, where?): | |
| | Activity (what, where): | |
| | Role in Project: | |
| | - Financial | |
| | - Non-financial | |

hereby confirm the following:

- (i) The Partners intend to form a consortium to jointly carry out following project

Name of project: _____

Legal Status: _____

Purpose: _____

- (ii) The Partners intend to apply for a grant from the Facility Investing for Employment for co-financing the investment phase of the project.
- (iii) The Partners nominate the Partner as Lead Applicant to submit the concept note application to IFE, and – in the event of being approved – assume the full responsibility for the execution of the project until its technical completion.
- (iv) The Partners give the Lead Applicant Power of Attorney:
- to submit the concept note application on their behalf.
 - in case of being shortlisted: to submit the full project proposal on their behalf.
 - In case of being approved: to submit the Grant Agreement on their behalf.

City, Country, date

Partner 1: _____
Name: _____
Function: _____

Signature: _____

Partner 2: _____
Name: _____
Function: _____

Signature: _____

Partner ...: _____
Name: _____
Function: _____

Signature: _____

Annex 4: Letter of Intent for Third Party Job Creation

Facility Investing for Employment Letter of Intent on Job Creation and Labour Standard Compliance

This Letter of Intent is offered by a valid Third Party Entity and a Grantee (Individual or Lead Grantee) which is the recipient of a grant from the Facility Investing for Employment (IFE) co-financing a job creating project. By this Letter of Intent, the Third Party Entity named as _____ (please provide name and registration details) hereby confirms its intention to:

- (i) Create _____ new good jobs as a direct result of the IFE co-financed project (see Section I below);
- (ii) Commits to ensuring that all such newly created good jobs will be compliant with the labour standards outlined in Section II below;

Agrees to provide documentation necessary for the verification and validation of the creation of these jobs and the compliance with labour standards (see Section III below).

I. Job Creation⁵

As a direct result of the IFE co-financed project, we expect to create new jobs in the following time period:

Total number of new jobs expected to be created: _____

Of which total, the new hires are expected to be women: _____

Of which total, the new hires are expected to be youth (15-24): _____

The new jobs are expected to be created according to the following schedule:

| | During Project | Y1 | Y2 | Y3 |
|--------------|----------------|----|----|----|
| Total | | | | |
| <i>Women</i> | | | | |
| <i>Youth</i> | | | | |

The first year considered for the creation of new jobs corresponds to the year, when the IFE co-financed project has completed its investment phase and commences with its operating phase.

Details of jobs to be created:

| Description of Positions | Year 1 | Year 2 | Year 3 | Total |
|--------------------------|--------|--------|--------|-------|
| | | | | |
| | | | | |

⁵ We understand that jobs created during the first year will achieve a higher score and therefore improve its chances to qualify for an IFE grant.

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Please provide brief explanation / justification, why these jobs will be created as a direct result of the project:

II. Labour Standard Compliance

As a Third Party Entity, we confirm that all jobs created will comply with the following criteria:

Employment will be of a minimum duration, currently set at 20 hours per week over a 26-week period in a year, or any combination leading to 520 hours of employment in a year.

At a very minimum, the national statutory minimum wage laws (where applicable) will be applied or a wage in excess of a pre-defined threshold, applying World Bank standard of 3.80 USD/day

ILO principles and associated conventions, in particular:

- o No child labour (Minimum age No.138, Worst forms of child labour No.182),
- o No forced labour (No forced labour No. 29, No forced labour No.105),
- o Prohibition of discrimination in employment and occupation (Non-discrimination No. 111, Equal remuneration No. 100),
- o Freedom of association and right to collective bargaining (Freedom of union membership No. 87, Right to organise & collective bargaining No. 98).'

In accordance with the International Labour Organisations (ILO) Fundamental Conventions, the International Finance Corporation (IFC) performance standards and any laws and regulations applicable in the country of implementation of the Contract.

III. Provision of Documentation of Good Jobs created

By signing this Letter of Intent, we confirm that we shall provide all necessary documentation for the Grantee and the IFE team to quarterly verify that the reported number of jobs created are accurate and shall further provide any additional information necessarily requested by IFE to verify compliance with the good job standard outlined above.

IV. Signature

Name of signatory: _____

Position of signatory: _____

Name of entity: _____

Signature: _____

Date: _____

Annex 5 Eligibility Conditions and Lists of Required Documents

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

| Topic | Description | Requirement for Supporting Documentation (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) | |
|---------------------|---|---|---|
| | | 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 Country. | Submission of <ul style="list-style-type: none"> ○ Commercial register from applicant and partners (translated into French/English in case it is in Arabic) ○ Business licenses for all partners (if applicable) ○ Legal acts of establishment for public sector entities | <ul style="list-style-type: none"> ○ Notarised certified translations of all submitted documents during the Concept Note Stage |

| Topic | Description | Requirement for Supporting Documentation (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) | |
|---------------------------|---|--|--|
| | | 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: In case of a recently registered entity in the country of call, which is an investee of an individual applicant or any of the consortium members (e.g. subsidiary, joint venture, SPV), then the respective shareholders of this entity must have been operating for a minimum of 3 years at the time of CN submission</p> | <ul style="list-style-type: none"> Commercial register from applicant and partners (translated into French/English in case it is in Arabic) showing date of registration of company | <ul style="list-style-type: none"> Notarised certified translations of all submitted documents during the Concept Note Stage |
| 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 KfW⁸ or otherwise contravene KfW's Environmental and Social Guidelines⁹ 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) Information on the executive management / decision makers / shareholders (if applicable) / ultimate beneficial owners (if applicable) including names, nationalities, and dates of birth in the Concept Note Confirmation of compliance with IFC Exclusion List / KfW Environmental and Social requirements | <p>Submission of:</p> <ul style="list-style-type: none"> List of authorized signatories ID/passport scans of authorized signatories Document showing the specimen signatures of signatories (Certificate of Incumbency) |

⁸ https://www.kfw.de/PDF/Download-Center/Konzernthemen/Nachhaltigkeit/Ausschlussliste_EN.pdf and

⁹ https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie_EN.pdf

| Topic | Description | Requirement for Supporting Documentation (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) | |
|--|---|--|---|
| | | Concept Note Stage | Full Project Proposal Stage |
| | <ul style="list-style-type: none"> o 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 | <ul style="list-style-type: none"> o Private sector applicants must provide a document outlining the ownership structure including a list of all shareholders | <ul style="list-style-type: none"> o Know-Your Customer (KYC) Documentation (see Annex 6) |
| Financial Capacity (Individual or Lead Applicants) | <p>Private sector companies must fulfil the following criteria:</p> <ul style="list-style-type: none"> o 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), o Debt-equity ratio less than or equal to 4.0 (in last financial year), o Positive EBITDA in at least 2 out of past 3 years. <p>All public sector applicants must</p> <ul style="list-style-type: none"> o confirm their own contribution at submission of the Concept Note; o commit to exhaust their own contribution for the investment prior to the 1st disbursement of the grant; o confirm financial capability to cover the operating costs of the project after completion of the investment. <p>NGOs must:</p> | <p><u>General:</u></p> <ul style="list-style-type: none"> o Declaration confirming that applicant will cover any potential taxes/levies applied in the applicant's country on the grant received o Statement of Applicant that he will bear any costs overruns <p><u>Private entities:</u></p> <ul style="list-style-type: none"> o 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:</u></p> <ul style="list-style-type: none"> o Information about the applicant's overall annual budget for the past three years, o Letter of Commitment from the responsible public authority and if possible proof of authorised budget. o Information on budget for the entity for each of the past three years. | <ul style="list-style-type: none"> o Any updated document o Notarial certified translation of Arabic Financial Statements (if applicable) o Submitted financial documents will need to be notary certified in order for the application to proceed |

| Topic | Description | Requirement for Supporting Documentation (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) | |
|---|---|--|-----------------------------|
| | | Concept Note Stage | Full Project Proposal Stage |
| | <ul style="list-style-type: none"> demonstrate budgetary balance (neutral or positive result) in the last three financial years. | 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. | |
| 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 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. | | |
| 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) | n.a. |
| Technical Capacity | <p>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.</p> | <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 | |
|-----------------------------------|---|---|--|
| | | Concept Note Stage | Full Project Proposal Stage |
| Project Location | All projects co-financed by IFE must take place entirely in the country of the Call for Proposals. The job creation impact of the project must also take place in the country 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) | n.a. |
| 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 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 | <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 |
| Investment Phase Timeframe | It is a condition that the investment can be started within a maximum period of 12 months after signing the Grant Agreement; | <ul style="list-style-type: none"> ○ Description of key activities and estimated timing | <ul style="list-style-type: none"> • Detailed description of activities and timelines by submission of a clear and precise implementation plan |

| Topic | Description | Documentation to be provided | |
|----------------------|---|---|--|
| | | Concept Note Stage | Full Project Proposal Stage |
| | <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"> ○ Timeline for project preparation activities (max. 12 months) ○ Timeline for the investment period (max. 24 months) ○ Overall timeline shall not exceed 30 months | |
| 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; ○ if the applicant/parent company has sufficient liquid funds to carry out the investment; or ○ if the applicant 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>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). ○ Local banks or other investors make IFE grant a prerequisite for granting a loan for the project (demonstrated by, for example, Letter from a bank indicating the requirement of IFE grant for a loan) | <ul style="list-style-type: none"> ○ Submission of supplementary documents, proving the indicated reason for additionality |

| Topic | Description | Documentation to be provided | |
|---|--|--|---|
| | | Concept Note Stage | Full Project Proposal Stage |
| | Insufficient or no-convincing justification of the additionality criterion will disqualify the project for an IFE grant. | <ul style="list-style-type: none"> 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). | |
| 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) | 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>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) | <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 |

| Topic | Description | Documentation to be provided | |
|--|---|--|---|
| | | Concept Note Stage | Full Project Proposal Stage |
| | Maximum grant costs / job created shall not exceed 8.000 EUR | <ul style="list-style-type: none"> ○ Number of employees who will participate in vocational and higher education measures as a result of the investment (KPI 3) In case of jobs to be created at 3 rd party entities, provision of Letters of Intent (see Annex 4) for at least 25% of the jobs <ul style="list-style-type: none"> ○ | |
| Environmental and Social Issues | 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. | Information on eight performance standards incl. <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) |
| Land and in-kind contributions | 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. In-kind contributions such as land, buildings, equipment can be accepted in the financing plan under the following conditions: <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 | <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 <u>Optional:</u> <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 |

| Topic | Description | Documentation to be provided | |
|-------|---|------------------------------|-----------------------------|
| | | Concept Note Stage | Full Project Proposal Stage |
| | <ul style="list-style-type: none"> ○ The total value of the in-kind contribution does not exceed 85% of the total eligible investment costs. | | |

Annex 6 Know Your Customer Documentation

Applicants have to submit together with the Full Project Proposal the following documents:

- Proof of registration (Commercial Register Extract, alternatively Certificate of Incorporation or other document)
- 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
- Banking license or other proof of being supervised (in case counterparty is a financial intermediary)