



IDEAS Energy Innovation Contest in Renewable Energy, Energy Efficiency & Access in the Caribbean

APPLICATION FORM GUIDANCE

It is strongly recommended that applicants consider information outlined below when completing the online application form and relevant budget/milestones spreadsheet. The application guidance reflects the criteria that will be used to award funding. It is appreciated that there may be circumstances in which certain applicants will not be able to provide all the information requested below. In these instances, discretion may be applied.

PARTICIPANT INFORMATION

I. PROJECT IDENTIFICATION

- Questions A-E require no additional information

II. EXECUTIVE SUMMARY

- No additional information is required

III. TECHNOLOGY INNOVATION DIMENSION

- Please insert information on:
 - i. Whether the company has knowledge of the technology and equipment which it is proposing to use
 - ii. Whether the above technology equipment has been tested and found to be suitable for local conditions.
 - iii. Please provide information on any IP rights which may be relevant to the use of the technology being proposed.

IV. INSTITUTIONAL AND TEAM CAPACITY

- Question A – Capacity of Institution
 - i. If you are applying with a partner, please indicate whether you have a partnership agreement in place. If not, please provide detail on the proposed partnership.
 - ii. Please include a **very high level** summary of last year's profit and loss statement (revenue/operating profit/profit before tax) and balance sheet (total fixed assets, total current assets, total current liabilities and total long term liabilities)
- Question B – Capacity of the team
 - i. Please ensure that you specify any relevant projects which team members have been involved in.

V. PROJECT DESCRIPTION

- Questions A – Objectives of Project
 - i. Please address whether the project meets a critical need of the local population and what the overall significance of the proposed impact will be.
- Question B – Beneficiaries
 - i. Please specify exactly who benefits, particularly specifying any disadvantaged groups, women and/or children.



- ii. Please specify whether gender issues are specifically addressed within the recipient organisation.
 - iii. If benefits relate to job creation, please specify the number of people that you expect will be able to realize a higher income or new job as a result of your proposal. What will be the expected wage levels of these jobs?
 - iv. What will be the individual financial impact of your intervention? To what extent do you expect individual/household incomes to improve as a result of your intervention?
- Question C – Expected Outputs
 - i. Outputs are the **measureable results** that the project management team expects to achieve during the project and/or at the conclusion of the project. *Please specify ALL outputs by reference to annual totals where possible.*
 - ii. Please specify how many jobs you expect to be created as a result of your intervention. Please divide the number into direct and indirect employment.
 - iii. Please estimate how much CO2 you anticipate can be avoided through your proposal, making explicit what calculations have been used to achieve the number stated, (eg sales volumes *times* usage per product *times* CO2 saved per unit of usage) . If necessary, please make reference to CO2 avoided during and post the grant period separately.
 - Question D – Output Indicators
 - i. Indicators enable evaluators to **quantifiable and/or qualitatively measure** the obtained output. For example; an indicator for employment generated, would be contracts signed or salary statements. Alternatively an indicator for CO2 avoided would be sales volumes
 - Question E – Environmental, Social and Economic Impact
 - i. Explain the project's expected contribution to promoting renewable energy and /or energy efficient projects
 - ii. Explain the extent that the proposal negatively or positively affects the protection of biodiversity, animal species, fresh water sources and/or forests.
 - iii. If the proposal specifically targets a traditionally 'high energy' sector i.e. transport, please specify the sector and the extent to which it is expected that the proposed idea will be make an impact.
 - Question F – Scalability
 - i. Please specify a) your target market geography (eg a particular country/countries), and b) the potential market volume for your product/service (eg number of houses for a product that could be required at a rate of one per house)
 - ii. Please include information on whether the business concept is easily extendable to other regions or countries, or other product groups or service lines.
 - Question G – Replicability
 - i. If applicable, explain whether at the end of the intervention, the market and availability of raw materials and labour will be sufficient to expand the business quickly.



- Question H – Technical and Financial Sustainability
 - i. Please provide information on whether there is a clearly-defined market with sufficient depth and significant growth potential available i.e. what is your addressable market? Where is it? What is your long term market share target?
 - ii. Please include data relating to customers or traders that have shown a real interest (that can be evidenced) in the product or service you are providing. Please specify whether you have any long term contracts, negotiated or potential
 - iii. If applicable, have any producers and/or suppliers been organised and how can you ensure their reliability?
 - iv. Please provide background as to your business proposal's competitive position

- Question I – Methodology and Core Activities
 - i. Please include information on how you plan to monitor and evaluate the project throughout the period of implementation to gauge its success.

- Question J – Delivery Strategy
 - i. Please provide information on whether your proposal has the support of the local government policy.

- Question K – Assumptions and Potential Risks
Please answer the following questions in this section of the application form.
 - i. Are the commercial and financial risks of your intervention limited and manageable?
 - ii. What are the risks associated with the execution of the business plan and effective utilisation of the grant?
 - iii. What is the likelihood that the business will be able to compete if a larger company enters the market?
 - iv. What are the risks associated with the region/company in which the company operates and/or the proposal is being implemented?

ADDITIONAL DOCUMENTATION

Budget/Activity Plan/Milestones

These are critical planning documents and are required by the the IDEAS committee as part of the selection process. All applicants will need to complete the combined budget, activity plan and milestones tracker which is available here] . The completed document should be sent to ideas@iadb.org Please ensure that you include the in the Subject line the title of your proposed project and the name of your organisation i.e. Subject: *Project Name; Organisation name*

When setting out the budget it is important that there is a logical flow between all the planning documents. There needs to be correlation between the activity plan for each period, the relating budget and the outcome (i.e. milestone) to be reached at the end of it. The relationship between these will shape the project's final budget and payment schedule. Should your application be successful the grant agreement will include an undertaking to pay you tranches of the IDEAS grant on achievement of the milestones specified in the milestone schedule.



You will need to balance the need to demonstrate cost effectiveness and value for money on the one hand, with your need for a realistic financial plan on the other. Since your grant agreement will be based on the information provided here, if you are too optimistic in your time or cost estimates, this could create financial difficulties later.

Budget

The budget is intended to measure revenue and expenditure both generated from current operations and from the activities undertaken by the project to determine the required grant contribution to be made by DFID over the two year life of the grant agreement. You should assume the grant period starts on 1st September 2012

The budget template is split into 3 sections: Revenue, Expenditure and cash flow. Each of the lines under this has been given a reference letter to help identify how to calculate the budget lines accurately. Below is a brief description of budget line.

Income

A. Revenues – any income that is earned from the activities of the project itself during the period it is supported by IDEAS. It may be that there will be no revenues, or that they will only be received towards the latter stages of project implementation. These are trading revenues, and therefore exclude the capital inflows captured by lines I and J.

Expenditures

B. Human resources – the cost of all staff costs employed by the organisation during the duration of the project. This includes all taxes, pension, benefits and staff training (this must be relevant to the project outcomes).

C. Travel/Subs – all costs relating to the travel of staff *and* consultants during the project. This includes travel tickets, accommodation, food, insurance and other small travel related expenses.

D. Equipment/Supplies – This includes the assets and production inputs for the project to reach its objectives, i.e. machinery, raw materials, packaging materials etc. It also includes items such as computers and IT equipment for project staff.

E. Other Direct Costs – These are any other costs directly related to the project. It includes consultants, marketing and advertising, sales costs etc.

F. Other non-direct costs – these are the proportion of companies' overheads to be contributed by the grant. This should not exceed 5% of project expenditure.

G. Total Expenditure - the sum of lines B, C, D and F

H. Operating cash Flow = revenue (line A) less the expenditure items listed above (line G). This shows the level of support required from the project proposer, the IDEAS grant facility and third parties in each period.

I. This is the contribution to be offered by the project proposer (at least 20 % of the total project amount) for the duration of the project. It can include investments, staff time and other contributions in kind. Where the contri-



bution is in staff time or in kind, then the financial value of this must be included both here and in the relevant expenditure line(s) (B to F).

J. This is any other financial support that the project is expected to receive, including other government grants, donor grants, bank debt, third party investments etc, net of associated interest payments, arrangement costs and fees, etc.

K. This calculates the contributions required from IDEAS for the project in each period in order for total cash inflows to match total outflows.

You will notice there are two “check questions” at the top of the spreadsheet, one to see if the proposers is providing at least 20% of the funding requirement, and one to check that your financial plan does not imply an IDEAS grant requirement which exceeds \$200,000. If either of these test questions are showing a “NO” answer, you are strongly advised to review your financial plan accordingly.

Activity Plan

The aim of this plan is to set out the *key* activities that will take place during implementation for the project to reach its milestones and overall objectives. There should not be more than 8-12 of these for each project. Completion, or part completion of these activities should result in the delivery of the milestones in the milestones schedule. (see below). Each column corresponds to a month of the proposed 24 month grant period; the requirement is simply to shade the cells corresponding to the months when each activity is underway.

Milestones Schedule

This should set out the 4-8 milestones that are critical stepping stones to the project’s success. They should reflect significant progress from the latest achievements made under the project and would be expected to be relatively evenly distributed throughout the life of the project, and there must be at least one milestone specified for completion in the first six months of the project. The milestones should be associated with completion, or part completion of the activities in the activity plan.

The milestones should be consistent with the Activity Plan, which should in turn be consistent with the Budget. Your IDEAS grant agreement, (if you are successful), will specify payment tranches to be paid on delivery of the milestones you specify, and the financial value of each tranche will be calculated from this Budget as the amount of cash needed to get to the next milestone. (The first tranche will be paid on signature of the grant agreement and will be the cash required to get to the first milestone). So, your forecasts need to be realistic. Conversely, proposals which appear unnecessarily slow or expensive, or which have long time lags between consecutive milestones, (and therefore high levels of prepayment by IDEAS), are less likely to be evaluated favourably.

Milestones need clear definition, and be capable of unambiguous confirmation. In the grant agreement, the mechanism for agreeing that the milestones have been achieved will include submission by you of supporting documentary or photographic evidence. Therefore, please show in the table what evidence you would propose to provide to demonstrate achievement of each of your milestones.