CALL FOR PROPOSAL FOR GRANT COMPETITION

UNDP Georgia

DATE: February 23, 2022

REFERENCE: 00101419

Dear Sir / Madam:

We kindly request you to submit CALL FOR PROPOSALS FOR GRANT COMPETITION FOR Rural Renewable Energy Projects in Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi and Tetritskaro Municipalities.

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Please send filled application materials electronically to all of the following e-mails: nodar.kereselidze@undp.org, natia.gobejishvili@undp.org in PDF (signed and stamped) and word formats. The subject line should read: “CoP Application – Rural Renewable Energy”.

Deadline for submission of applications for grant proposals is March 16, 2022, 18:00 (Tbilisi time and date). In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

A pre-proposal conference will be held via Zoom on March 1, 2022, at 12:00 p.m. (Tbilisi time and date) via Zoom, Meeting ID: https://undp.zoom.us/j/84827093821

The UNDP focal point for the arrangement:

Ms. Liliana Gureshidze; E-mail: liliana.gureshidze@undp.org;

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

Nodar Kereselidze
National Project Manager
23/02/2022
CALL FOR PROPOSALS FOR GRANT COMPETITION
FOR DEVELOPMENT OF Rural Renewable Energy Projects
in Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi
and Tetritskaro Municipalities
1/BACKGROUND

Georgia has high potential for the development of Renewable Energy such as solar, wind, geothermal and various forms of biomass. Hydropower is for now the most important renewable energy resource in Georgia as it satisfies more than 90% of the electricity demand.

Official statistics on household energy consumption in Georgia does not exist. In 2017 Geostat\(^1\) conducted statistical survey for consumption of energy forms in the household sector, which provided the opportunity to determine the structure of energy consumption in households. Sampling size comprised 3,400 households which ensure to obtain a 2.1% sampling error by country level and no more than 5% sampling error by urban and rural area level. The time frame covered by the survey is from 01.05.2016 to 01.05.2017.

CENN 2016:\(^2\) The study provided assessment of the usage of energy sources by local population, with special focus on usage of fuelwood and its share in total energy consumption based on specially developed methodology. It estimated the number of households consuming fuelwood during the winter period and the total volume of household fuelwood consumption with disaggregation by municipalities and regions. A large survey conducted by UNDP/IRDG revealed that for 68% of the population it is important or very important to care for the environment and 71% believe environmental protection is more important than economic growth, hence providing a sound base for energy efficiency investments based on environmental considerations. More importantly, 41.6% believe that better insulation and 19.5% that more efficient heating systems will improve their living standards or reduce cost. Thus, there is a high latent demand for these technologies.

The potential market size is enormous: Within the 8 IRDG target municipalities (Akhalkalaki, Borjomi, Dedoplistskaro, Kazbegi, Keda, Khulo, Lagodekhi and Tetritskaro), about 6% have a monthly household income of GEL 1,500 to GEL 3,000, and 5% of more than GEL 5,000 (vs. an average overall rural income of GEL 1,014.3)\(^3\). Together, these 8 municipalities comprise about 65,000 households. If only those top 11% income earners are considered as feasible entry market it yields a potential market size of 7,150 households. In whole of rural Georgia, this increases to over 50,000 households.

The EU-financed and UNDP-implemented project “Improving Rural Development in Georgia” (IRDG) is addressing the challenges of rural areas in Georgia by taking actions to achieve: (1) Improved governance for effective implementation of the Rural Development Strategy (2017-2020), it’s Action Plan and related programmes; (2) Improved rural economic diversification, employment and services; (3) Improved environment, sustainable management of natural resources and climate action.

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\(^1\) Geostat 2017

\(^2\) CENN 2016.

\(^3\) https://www.geostat.ge/en/modules/categories/50/households-income
Rural areas have significant role to preserve ecosystems and natural capital. Rural areas support human wellbeing and economic development through important ecosystem services, including as providers of food, wood, water, raw materials, as places of recreation, providers of regulating services (e.g. with regard to climate or water), and for conserving biodiversity. Ecosystems in rural areas can help to mitigate environmental pressures and natural threats.

Renewable energy is energy generated from renewable, non-fossil-based energy sources which are replenished in a human lifetime. Renewable energy deployment in rural areas has the capacity to reduce the greenhouse gas emissions and reduce Georgia’s dependence on fossil fuels and imported energy, thus contributing to the security of its energy supply. Renewable energy can reduce the “fuel poverty” that can be a common feature for rural areas, by allowing households to produce their own energy instead of importing expensive conventional fuels.

IRDG project supports installation of Solar Water Heaters and providing thermal insulation of houses through Green Matching Grant scheme implemented in cooperation with the Rural Development Agency. Apart from these, Georgia has high potential for development of Solar photovoltaic (PV) systems as well, due to climatic characteristics. Installation of Solar PV systems would support rural households to reduce their electricity bill and carbon footprint.

2/ PURPOSE

The primary objective of the call is to respond to rural energy needs in households of Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi and Tetritskaro municipalities and enhance capacity of local community-based organizations in the area of Renewable Energy to:
1) create awareness of the local population on Renewable Energy with focus on Solar PV systems,
2) develop and implement Renewable energy solutions for rural households with special attention on Solar PV systems.

The grants should be implemented by community-based organization in partnership with the experienced national NGO with an expertise in the area of Renewable Energy.

3/ FINANCING SCHEME AND INELIGIBLE COSTS

Any funds requested for the grant(s) under this Call for Proposals must fall between the following minimum and maximum amounts:\4:

- minimum amount: USD 80,000.
- maximum amount: USD 100,000.

Applicant organizations should submit proposals with justified and realistic budgets.

Ineligible costs are:
1. debts and debt service charges (interest).
2. provisions for losses or potential future liabilities.
3. costs financed by another action or work programme receiving EU and UNDP funding.

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\4 Proposed grant proposal(s) should be co-sponsored either through primary applicant or co-applicant(s) with following rates only in case of non-LEADER/CLLD entities: at least 10% of total eligible costs. Non-LEADER/CLLD entities should ensure financial, cash co-finance\4 of the grants. LEADER/CLLD entities are not required to have co-sponsorship of grants.
4. purchases of land or buildings.
5. purchase of luxury goods and gambling equipment.
6. purchase of agriculture commodities, motor vehicles or pharmaceuticals.
7. purchase of used equipment.
8. currency exchange losses.
9. related to any type of maintenance.
10. daily allowances (per diem).
11. utilities and office rent.
12. overheads.
13. credit to third parties.
14. salary costs of the GoG personnel.
15. salary costs for personnel (including administrative costs), if such costs exceed 30% of total project costs.
16. related to participation in workshops, seminars, conferences and congresses.
17. scholarships for studies or training courses.
18. related to the infrastructure improvement and equipment, which are directly related to this Call for Proposal, if they exceed 50% of the total budget.
19. any indirect costs,

**Note:** Successful applicant may be subject to receive guidance from the IRDG project team on implementation modalities of their projects that might affect the scope, timeline and budget of the applications – subject to further negotiations.

**Note:** Other restrictions may apply, specified before selection of successful projects

### 4/WHO CAN APPLY

LEADER/CLLD and non-LEADER/CLLD entities are invited to apply for this Call for Proposals. For the purposes of this Call for Proposals:

- **LEADER/CLLD entities** (non-profit (non-commercial) legal entities) are: Local Action Group (LAG) and local community group (AMAG) organizations established with support of ENPARD program in IRDG project target municipalities (for the purposes of this call in Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi and Tetritskaro).

- **Non-LEADER/CLLD entities** are non-profit (non-commercial) legal entities (NGOs), except: (1) Local Action Group (LAG) and local community group (AMAG) organizations established with support of ENPARD program in IRDG project target municipalities (for the purposes of this call in Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi and Tetritskaro); (2) Religious and Political organizations; (3) Government owned entities.

LEADER/CLLD and non-LEADER/CLLD entities should be registered in accordance with the legal requirements of the Government of Georgia, must be able to provide organization’s statute and the debt certificate.

All applicant organizations must demonstrate proven experience and capabilities in carrying out rural development interventions, including but not limited to: needs appraisal, community mobilization, socio-economic development actions, measures related to social inclusion and support of disadvantaged groups (youth, women, PWDs, IDPs, ethnic, religious, sexual and other minorities). Community-based

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5 CLLD - Community-Led Local Development
organisations should demonstrate potential for growth in the area of Renewable Energy and readiness to provide support and expertise to local communities on Renewable Energy technologies.

Considering that local CSO capacity building is one of the side objectives of the Call, Coalitions (based on co-application) with experienced NGOs and private sector is encouraged.

5/IMPLEMENTATION LOCATION(S) AND DURATION

Activities of Rural Renewable Energy grants should be implemented within administrative boundaries of municipalities of Akhalkalaki, Kazbegi, Borjomi, Dedoplistskaro, Lagodekhi and TetriTSkarO.

Duration of the Rural Renewable Energy grant activities within the grant application shall not exceed 8 months, counted from the date of the agreement signature to the date when all relevant activities have been successfully completed, reported and accepted by the UNDP/IRDG Project (Note: per grant agreement 1 month (on top of the 5 months of grants’ implementation) should be allocated for final reporting to the UNDP/IRDG Project).

Only successful grant proposals will be awarded with the funding. It is anticipated that at least 6 grant proposals will be financed under this Call of the Proposals.

6/PROCEDURES OF GRANT PROPOSAL SUBMISSION

Those willing to participate:

- Must submit filled Grant Application form (See Annex 1) in line with the goals and directions determined in this Call of Proposals and provide as an attachment of the application additional documents:
  - Partnership Memorandums with partner organization(s) (if applicable);
  - Note from Revenue Service on tax obligations;
  - Extract from the public register for primary and (if applicable) for co-applicants;
  - Separate account requisites which will be used only for grant project operations.

Please send filled application materials electronically to all of the following e-mails: nodar.kereselidze@undp.org; natia.gobejishvili@undp.org in PDF (signed and stamped) and word formats. The subject line should read: “CoP Application – Rural Renewable Energy”.

Deadline for submission of applications for grant proposals is 16 March 2022, 18:00 (Tbilisi time and date). The grant proposals after the deadline will not be admitted and considered. Applicant(s) are strongly advised not to wait until the last day to submit application, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. If additional clarifications required, questions can be sent to the same email addresses indicated above (all of them together) no later than 10 days before the deadline for the submission of applications. Answers to questions will be provided within 3 working days no later than 3 days before the deadline for the submission of applications. The subject line should read: “Question(s) for CoP – Rural Renewable Energy”. All questions and answers related to this CfP will be anonymized and published on 9 March 2022.
Note: Consultation meeting with interested applicants on the preparation of the applications for grant proposal idea will be held on **01 March 2022, at 12:00 p.m. (GMT+4)** via Zoom. Meeting ID: [https://undp.zoom.us/j/84827093821](https://undp.zoom.us/j/84827093821)

### 7/SELECTION PROCESS

All grant proposals will be reviewed by the Evaluation Committee comprised of the representatives of relevant UNDP representatives. The Evaluation Committee will assess proposals according to the evaluation criteria:

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<thead>
<tr>
<th>Selection Criteria</th>
<th>Selection Criteria Description</th>
<th>Score Percentage</th>
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</thead>
<tbody>
<tr>
<td>1. Applicant’s Experience and management</td>
<td>The applicant organization(s) of experience in similar interventions and capacity of implementing. Project management arrangements are sound.</td>
<td>Max. 5%</td>
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<tr>
<td>2. Relevance of the grant</td>
<td>The grant proposal is relevant to: (1) the objectives and priorities of the call for proposals; (2) particular needs and constraints of the target territories and groups; (3) proposal design reflects a robust analysis of the problems involved, and the capacities of the relevant stakeholders</td>
<td>Max. 20%</td>
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<tr>
<td>3. Methodology</td>
<td>The grant proposal is technically accurate and consistent. The grant management has good understanding of grant proposal goals, the grant implementation plan clearly demonstrates how it will support the achievement of the grant goals. Design of the interventions are coherent. Action plan for implementing the action clear, feasible and time realistic. Beneficiaries are clearly defined and strategically chosen and include disadvantaged groups. The grant makes positive impact on local population in one or more of the following: local economy, social and environmental areas</td>
<td>Max. 30%</td>
</tr>
<tr>
<td>4. Sustainability and transferability</td>
<td>The grant proposal is sustainable, and its further development and transferability of the results is possible</td>
<td>Max. 5%</td>
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<td>5. Partnership and cooperation</td>
<td>The grant proposal is designed to be implemented in partnership and close cooperation with stakeholders (public agencies, private companies, CSOs, etc.)</td>
<td>Max. 15%</td>
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<td>6. Risk Management, monitoring and evaluation mechanisms</td>
<td>Risk assessment and management tools, also the grant monitoring and evaluation mechanisms are well defined and demonstrate realistic capabilities of risk management. Logical Framework includes credible baseline, targets and sources of verification.</td>
<td>Max. 5%</td>
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### Selection Criteria

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<td>7. Grant budget</td>
<td>The grant budget is relevant and in line with the proposed work plan and set indicators</td>
<td></td>
<td>Max. 20%</td>
</tr>
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**TOTAL** Max. 100%

All decisions on the selection of grant proposals will be taken **approximately within 20 working days after closing date for applications**. An applicant is considered as a winner and will be invited to conclude the relevant agreement within 3 weeks after receiving the notification if:

- an applicant received at least 50% of scores for each selection criteria and 75% or higher of the total scores (if available, top 5 proposals out of those passing 75% will selected);
- and applicant’s scores are competitive and higher towards other applicants.

Each organization can be granted with only one grant. In total, a maximum of 6 grants will be selected for award. UNDP will be signing Low Value Grant (LVG) Agreement with the winning applicants.

**Grant Application(s) will not be further considered and will be disqualified if:**

- Applicant presents proposal (duplicate) already financed by any other project.
- It is provided by the non-eligible entity.
- It does not comply with primary and specific objectives, priorities, and instructions provided in this announcement.
- It is not consistent with the UNDP/IRDG project document.
- If the proposal includes the ineligible costs.

### 6/GENERAL METHODOLOGY/APPROACH CONSIDERATIONS

The universal access to affordable, reliable, sustainable and modern energy for all is embedded in the Sustainable Development Goal (SDG) goal 7.

Rural areas have significant role to preserve ecosystems and natural capital. Renewable energy is energy generated from renewable, non-fossil-based energy sources which are replenished in a human lifetime. Renewable energy deployment in rural areas has the capacity to reduce the greenhouse gas emissions and reduce Georgia’s dependence on fossil fuels and imported energy, thus contributing to the security of its energy supply. Renewable energy can reduce the “fuel poverty” that can be a common feature for rural areas, by allowing households to produce their own energy instead of importing expensive conventional fuels.

As a full member of the Energy Community Treaty, Georgia plans to follow the provisions of the EU Directives and transpose the *acquis communautaire* according to the Energy Community work program.

Georgia depends on imports for over 50% of its primary energy requirements and by 98% as regards natural gas and oil products.\(^6\) Low carbon energy sources such as hydropower and natural gas are

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important for electricity, while the bulk of heating requirements are met by natural gas and biomass (fuelwood). Georgia has high potential for the development of renewable resources, such as solar energy.

Renewable energy entail multiple benefits beyond energy savings and CO2 emission reductions. It is important to recognize them in programme design and evaluation in order to have a full view of the impacts. One example is economic gains which go well beyond savings in energy bills.

**How to prioritize among competing needs?**

Priorities should be given to Socially vulnerable households and women headed households. Applicants are requested to present selection criteria of the households in the call for proposal.

**It is highly recommended to use the guidance presented in:** A Guide to linking renewable energy to rural development


EU Directive on the promotion of the use of energy from renewable sources


**7/ VISIBILITY**

Selected organization(s) must take all necessary steps to publicise the fact that the European Union has financed or co-financed the grant projects and must strictly comply with EU and UNDP Communication and Visibility Guidelines and Standards.

**8/ IMPORTANT ADDITIONAL INFORMATION**

UNDP implements a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical practices, and obstruction. UNDP is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities. (See


In responding to this Call for Proposals, UNDP requires all Proposers to conduct themselves in a professional, objective and impartial manner, and they must at all time hold UNDP’s interest paramount. Proposers must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. All Proposers found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Proposers, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this solicitation process, if they:
• Are or have been associated in the past, with a firm or any of its affiliates which have been engaged UNDP to provide services for the preparation of the design, Terms of Reference, cost analysis/estimation, and other documents to be used in this competitive selection process;
• Were involved in the preparation and/or design of the programme/project related to the services requested under this Call for Proposals; or
• Are found to be in conflict for any other reason, as may be established by, or at the discretion of, UNDP.

In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, proposers must disclose the condition to UNDP and seek UNDP’s confirmation on whether or not such a conflict exists.