

DEVELOPMENT BANK OF SOUTHERN AFRICA

CALL FOR PROPOSALS

FUNDING OF SOLAR PHOTOVOLTAIC AND ONSHORE WIND PROJECTS UNDER THE EMBEDDED GENERATION INVESTMENT PROGRAMME (EGIP)

THE DBSA'S INAUGURAL CALL FOR EMBEDDED GENERATION PROJECTS TO ADDRESS CLIMATE MITIGATION IN SOUTH AFRICA

The Embedded Generation Investment Programme (EGIP) is a programme developed with funding from the Green Climate Fund (GCF) and the Development Bank of Southern Africa (DBSA). The Programme supports the implementation of solar photovoltaic (PV) and wind embedded generation projects developed by Independent Power Producers (IPPs) operating in South Africa.

The DBSA has matched GCF's US\$100 million funding, thus ensuring there is a funding contribution of US\$200 million towards the implementation of EGIP from the two institutions. Approximately US\$84 million of the US\$200 million funding will be utilised to provide Broad Based Black Economic Empowerment funding to enable the participation and ownership of local communities and Small Medium and Micro Enterprises in renewable energy projects under the Programme.

The recent announcement to exempt embedded generation projects up to 100MW from having to apply for generation licenses is an impetus for the implementation of EGIP and the various shovel ready embedded generation projects in the market.

For additional information about DBSA, please see www.dbsa.org

Key Dates	
Call Issued	31 July 2021
Applications Due	30 September 2021

PURPOSE OF THE CALL

The DBSA seeks to support embedded generation projects under the Embedded Generation Investment Programme (EGIP). The selection will be conducted through a competitive process. The DBSA has the sole discretion to respond to multiple agency objectives in making its selection, including climate impact and gender mainstreaming potential of the project.

EGIP SELECTION CRITERIA

A project may be eligible for funding support under the programme if its objectives are climate mitigation related. The projects should also provide co-benefits of a developmental nature. An Environmental and Social Risk Assessment will be performed on eligible projects based on the Environmental and Social Safeguard Standards of the DBSA.

Key Qualifying Criteria include:

- **Applicant:** Independent Power Producers
- **Location of projects:** South Africa
- **Technologies:** Solar PV and Onshore Wind
- **Project Size:** 10MW to 75 MW
- **Grid connection:** Only Grid Connected Projects
- **Eligible Off-takers:** Projects must have entered into take or pay Power Purchase Agreements (PPAs) with commercial, industrial or municipal off-takers for a minimum period of 15 years.
- **Feasibility studies:** Projects must have completed feasibility studies including having obtained all permits and licenses.

EGIP PRODUCT OFFERING

- **Tenure:** EGIP offers long dated tenures of up to 18 years.
- **Subordinated debt:** EGIP offers concessional subordinated debt which serves as a first loss facility.
- **BBBEE funding:** EGIP offers concessional BBBEE equity funding to enable the participation of black persons in the targeted projects.
- **Local community funding:** EGIP offers concessional equity funding to enable the participation of local communities in the targeted project location.

SELECTION PROCESS

Non-Qualifying Applications:

Each proposal will be reviewed against the criteria of the Call. Those developers not selected for further due diligence review will be notified via email. As selection process is very competitive, and DBSA receives Applications from many highly qualified developers. Regrettably, DBSA does not have the capacity to support all eligible developers that apply.

Selection of Finalists:

Subject to the DBSA deal screening process, DBSA will determine which applicants will be selected for further consideration. DBSA may select applicants for further due diligence based solely on their written applications and will conduct final due diligence of finalists.

Recommendations & Approvals:

Upon the completion of due diligence, the DBSA will make its recommendation for selecting one or more projects to DBSA's Investment Committees as appropriate. The DBSA reserves the right to recommend any of the finalists or none of them.

QUESTIONS RELATING TO THIS CALL

Applicants are welcome to submit questions about the Call for Proposals to DBSA. DBSA will respond to each Applicant individually.

DISCLAIMER

- DBSA will not be liable for any costs incurred in connection with the submission of a proposal.
- DBSA reserves the right not to select any of the Applications and to re-initiate the Call, or to suggest that Applications be supplemented or combined with other Applications without reinitiating the selection process. The issuance of the Call does not obligate DBSA to provide support to any proposal.
- Country Eligibility and Policy Compliance: DBSA will only fund investments in South Africa and reserves the right to review, prior to funding, each project investment for compliance with DBSA's investment policy and standards.
- DBSA reserves the right not to consider any proposals submitted or terminate the Call at its discretion.