

**Demo Environment  
2015-2018**

**Information for Applicants**

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## 1 Programme overview

Demo Environment is a programme that aims to promote sustainability and reduce poverty by developing partnerships and knowledge about new and innovative technical solutions.

The programme represents an opportunity for a range of private and public sector organisations to explore partnerships, transfer knowledge and share the risk of investing in new technology that can help to reduce poverty and environmental impact, and to increase climate resilience. It also gives organisations and entrepreneurs opportunities to demonstrate and adapt their products and expertise in new markets.

The programme's emphasis is on new, sustainable, cleantech solutions in the areas of water, sanitation, ecosystem services, energy and urban development. This includes products, systems, processes and services that have clear environmental advantages over existing or alternative solutions.

The programme will run from 2015–2018. It operates as a challenge fund and awards grants on a competitive basis. Two kinds of grants are available: planning grants and grants for demonstration projects. You may apply for one or both types of grant consecutively. Calls for applications are published on the website of the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*).

Demo Environment is able to fund projects in 11 of Sida's partner countries:

- Africa: Kenya, Mozambique, Tanzania, Zambia
- Asia: Bangladesh, Cambodia
- Western Balkans: Bosnia and Hercegovina, Serbia
- Eastern Europe: Georgia, Moldova, Ukraine

Demo Environment is funded by the Swedish International Development Cooperation Agency (Sida) and managed by *Tillväxtverket*.

Demo Environment is part of Sida's Environment and Climate portfolio. You can read more about Sida's priorities in this portfolio [here](#) and [here](#). Find out more about Sida's priorities for each of these 11 countries [here](#).

## 2 Planning Grants

Planning Grants are awarded to support activities aimed at strengthening partnerships, exploring market opportunities, and introducing technology or business models to new markets.

The maximum Planning Grant is SEK 350,000. Budgets are to be submitted in Swedish crowns (SEK).

It must be possible to implement the activity within a maximum of one year.

Examples of activities that can be awarded a grant are:

- Meetings of partners to design, plan or implement joint activities
- Activities to identify new strategic areas of cooperation, including mapping existing collaborations and partnerships
- Joint activities to better understand the rules and requirements in the selected country
- Feasibility studies in preparation for potential collaborations or demonstration projects
- Capacity building and knowledge transfer between the partners.

Examples of the costs that can be covered by a planning grant are:

- Costs for, or directly related to, the implementation of the project
- Travel expenses
- Project auditing and accounting.

Co-financing is not mandatory for Planning Grants, but is considered favourably in the decision process.

### 2.1 Who can apply?

To apply for a Planning Grant, the Applicant (the organisation outside the selected country) must already have signed a partnership agreement with a legally registered organisation in one of the 11 selected countries.

All types of organisations are welcome to apply, including for-profit and not-for-profit organisations, foundations and academic institutions. SMEs are encouraged to apply in particular.

Each partner must have been operating for at least three years. As a guiding principle, we are looking for organisations that have at least 5 and no more than 249 employees if the partner is a private enterprise. Each partner must be financially sound with a reasonable turnover, and no record of recent payment defaults.

*The same partnership cannot be awarded more than one Planning Grant.*

## **3 Grants for Demonstration Projects**

### **3.1 Who can apply?**

One partner must act as the principal partner (the Applicant) when submitting your application. The principal partner must play a key role in the project implementation.

The funds are paid to the Applicant (the buyer of the imported technology). The Applicant must be based and legally registered in one of the 11 selected countries, and have identified a foreign seller of the technology required for the project. The buyer and seller must have signed a partnership agreement *before* submitting the application.

All types of organisations are welcome to apply, including for-profit and not-for-profit organisations, foundations and academic institutions. SMEs are encouraged to apply in particular.

Each partner must have been operating for at least three years. As a guiding principle, we are looking for organisations that have at least 5 and no more than 249 employees if the partner is a private enterprise. Each partner must be financially sound with a reasonable turnover, and no record of recent payment defaults.

### **3.2 How much and what for?**

Projects demonstrating technology that is new to either the country or context for the project, but has been tested and sold in another country, can be awarded a grant for a Demonstration Project ranging from SEK 500,000 to 1,800,000.

Grants for Demonstration Project may include components such as:

- equipment purchases
- capacity building
- services required to get the technology up and running
- activities to communicate the project results and information about the technology used.

The costs of the technology/equipment should account for a substantial proportion of the total project cost.

*Tillväxtverket* can fund up to 50 per cent of your invoiced equipment costs and up to 80 per cent of your invoiced costs for services. The remaining 50 per cent and 20 per cent, respectively, must come from co-financing from the Applicant or other private or public sources such as an international organisation or a public institution.

*The following costs are not eligible for funding and will not be reimbursed:*

- *Wages and salaries for staff*
- *Input materials intended for the continuous production of good or services*
- *Direct investments in inventory, real estate or land intended for use in the continuous production of goods or services*
- *Costs incurred by any partner before the decision to award a grant has been made*
- *Overheads*
- *Financial transaction and foreign exchange fees, interest payments and other financial expenses*
- *Representation*
- *Duties, taxes and statutory charges*
- *Indirect costs.*

## 4 Application process

Applications must be made using the forms you can download from [www.tillvaxtverket.se/demoenvironment](http://www.tillvaxtverket.se/demoenvironment).

For planning grants, you use one application form. For demonstration projects, the application is in two steps. First, you submit a concept note. Successful applicants will then be invited to submit a full application.

For your application to be considered, it must be complete. It must include all the required enclosures, and it must be signed authorised signatories (see more below). All documentation submitted must be in English. If any of your enclosures are in your local language, you must attach an English translation of these.

Before you apply, please read carefully the *General Terms and Conditions for Demonstration Project and Planning Grants* for more details about the programme's rules, available for download from the website.

### *Appendices*

You must append the following documentation to your application:

- Signed partnership agreement between the buyer and seller
- Annual accounts of both partners
- Certificate of registration or equivalent for both partners
- For applications for Demonstration Project grants, proof of co-financing and the Environmental, Social and Governance Issues form are compulsory. The forms are available for download from the website.

Append the following documents if you have them:

- Product fact sheet or brochure
- Business plan
- Additional information about your co-applicants (partners).

### *Signing and submission of your application*

Your application must be signed by authorised signatories of both partners and the Applicant's project manager. Send the signed application form (original) by regular mail to *Tillväxtverket*. Also send a copy of your signed application form electronically to [registraturen@tillvaxtverket.se](mailto:registraturen@tillvaxtverket.se). The submission date for your application is the date the electronic copy was submitted, provided the original form actually reaches *Tillväxtverket*.

## 4.1 How will your project idea be assessed?

A Grant may be awarded to a project that meets the following minimum criteria:

- **Impact:** Your project must be very likely to have a direct or indirect impact on the environment and reduce poverty. It must also be potentially replicable.
- **Location:** Your project is to be implemented in one of the 11 selected countries and you must demonstrate strong local ownership (that the project and technology transfer are based on real needs in the host country).
- **Partnership:** Your project must be developed and implemented in a partnership (minimum two partners, each with a proven capacity to implement the type of project).
- **Funding:** It must be possible to implement your project within the specified budget and time frame (one year for planning grants and no more than two years for Demonstration project grants).
- **Additionality:** You must show that your project is unlikely to be implemented (in the same way, timeframe or scope) without financial aid from Demo Environment.

In addition your project idea will be assessed and scored in five key areas based on the requirements above:

### **1. Development impact**

- How well it addresses an environmental problem and helps to reduce poverty.
- Additional points will be awarded if the project will also help to improve gender equality.

*Note that the outcomes predicted in your application should be measurable and will be monitored throughout the project period.*

### **2. Technical solution**

- How and why the technology offers a different and better solution to a problem than current solutions in the country.
- If possible, to illustrate the benefits, include results of previous studies or projects relevant to the country.

### **3. Market potential and commercial viability**

- How well you have researched the market potential and demand, and the sustainability of the project once funding via *Tillväxtverket* has ended.
- How the project has assessed risks and plans to manage risk.
- Potential for replication and your planned activities for spreading the new knowledge about the technology in your project.

### **4. Partnership**

- Each partner's interest in the project and their capacities.
- Local ownership.
- How your partnership evolved and its potential for the future.

### **5. Project plan and budget**

- Your project plan (the feasibility of its activities, budget and timeframe).
- The project's cost effectiveness.
- Clarity in how the funds will be used.
- Risks related to co-financing.

*Note that no organisation, private or public, can be granted funds if:*

- *They are involved in the manufacture of armaments and/or weapons or their components.*
- *They are involved in the tobacco industry.*

## **4.2 Decision process**

Applications take around two months to process after the deadline for applications. Decisions are made by *Tillväxtverket* in consultation with Sida. Applications may also be circulated for comment to other parties that *Tillväxtverket* cooperates with.

*Decisions cannot be appealed. You will be informed in writing of the decision regarding your application, and a list of grants awarded will be published on *Tillväxtverket*'s website.*

## **5 Payments, monitoring and reporting**

### **5.1 Payments**

*Tillväxtverket* reimburses approved costs retrospectively as follows.

*Planning Grants:*

- The entire approved budget is paid out at the end of the project period.
- Subject to approval from *Tillväxtverket* and under certain conditions, an advance of up to 50% of the approved grant may be paid directly after the decision.

**Grants for Demonstration Projects:**

- 20% of the approved grant after the technology has been ordered from the partner.
- 60% of the approved grant when the technology is in use and an onsite monitoring inspection has been conducted.
- 20% of the approved grant after marketing and communication activities have been carried out in accordance with the agreed project plan.

**Exchange rate**

Payments will be in Swedish crowns (SEK). Exchange rate risks and any related risks are the sole responsibility of the Grant Recipient. The conversion of local currency into SEK must be documented in writing and if deemed necessary, will be subject to *Tillväxtverket's* approval.

## 5.2 Monitoring and evaluation

For both types of grant, the Applicant is ultimately responsible for the project, including all its activities and reports. Projects must be implemented as set out in the plans in your application and the grant must be used in accordance with the budget and conditions agreed.

To ensure that Demonstration projects are implemented according to plan and the approved budget, *Tillväxtverket* will conduct onsite monitoring inspections. The Grant Recipient must assist *Tillväxtverket* or its representative in planning and conducting these inspections.

*Tillväxtverket*, Sida or the Swedish National Audit Office may at any time commission an evaluation of the project. The Grant Recipient must assist with this.

**External auditing**

*Tillväxtverket* will not pay out any funds unless the project costs have been audited by a registered auditor, authorised public accountant or equivalent as stated in the General Terms and Conditions for the Programme (link). The audit certificate must comply with internationally recognised auditing standards.

**Anticorruption policy**

The Demo Environment Programme takes a firm stand against any form of bribery or corruption. Grant Recipients are expected to work actively to prevent bribery and corruption, and to immediately report any suspected instances to *Tillväxtverket*. Where corruption is suspected, *Tillväxtverket* retains the right to cancel and/or revoke all or part of the grant.

**Public procurement**

All purchases of goods and services within the project must comply with national public procurement legislation, and with the fundamental principles of non-discrimination, equal treatment, transparency, proportionality and mutual recognition. These purchases must be certified as such in a written document attached to your financial reports.

## 5.3 Reporting

**Financial reports**

Financial reports must be submitted in Swedish crowns (SEK). The conversion of local currency into SEK must be documented in writing and if deemed necessary, will be subject to *Tillväxtverket's* approval.

Before payments can be made, the Grant Recipient must complete a Request for Payment form, available for download from [www.tillvaxtverket.se/demoenvironment](http://www.tillvaxtverket.se/demoenvironment) . This form must be signed by a registered auditor, authorised public accountant or equivalent. An audit certificate verifying the accuracy of your attached financial statements must also be included.

When you submit a Request for Payment, the following supporting documentation must be attached:

- An income and expenditure statement
- General Ledger Extract Report for the project
- For purchases above SEK 50,000, or the equivalent amount in the selected country's currency, copies of invoices.

**Narrative reports**

One report is required for Planning Grants whereas at least three narrative (progress) reports are required for Demonstration Project Grants.

Your reports must follow the template provided by *Tillväxtverket* and focus on the results achieved in relation to the objectives stated in your application. *Tillväxtverket* must be notified if you make any substantial changes to your project plans or its activities. If you make changes without consulting *Tillväxtverket*, all or part of your grant might be cancelled, and you may have to return (repay) the grant.

**6 Contacts**

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