

## Call for Concepts under Prospero's Sustainable Industries

### Energy Efficiency Relief Support (EERS)

#### 1. ABOUT PROSPERO

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Prospero Limited supports private sector development and facilitates impact investment, transitioning growth-stage businesses across Zambia into viable recipients for impact capital. We focus on companies that will have an impact on the development of Zambia.

#### OUR KEY SERVICES INCLUDE:

- Strengthening innovative, inclusive, and environmentally sustainable business models (e.g., designing and developing climate-smart solutions with agribusinesses and renewable energy solutions for rural entrepreneurship hubs in remote locations).
- Enterprise-led market development in key sectors of the Zambian economy (e.g., facilitating development and coordination of market-led value chains).
- Identifying and building capacity of high-growth potential businesses.
- Developing innovative and impactful financing mechanisms.
- Investment facilitation services (e.g., SME investment readiness preparation and investor linkages).

We rely on a combination of the resources, experience, and expertise of external service providers to support our interventions. Some services are procured with service providers contracted according to specific delivery needs.

#### 2. CONTEXT FOR CALL FOR GRANT FACILITY

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Prospero aims to support Zambian Small and Medium Sized Enterprises by cushioning the impact of Zambia's electricity shortages, which are primarily caused by the country's heavy reliance on hydropower. The shortages have significantly impacted agriculture, water availability, and energy supply, particularly negatively affecting small businesses. To mitigate these effects, Prospero is implementing the **Energy Efficiency Relief Support (ERS)** intervention. This initiative is aimed to assist SMEs upgrade or replace inefficient equipment and adopt energy efficiency solutions to reduce their energy use, thereby improving their energy efficiency and stabilizing energy costs for local businesses



Facility	Facility Description
<p style="text-align: center;"><b>Circular Economy Initiative Energy Efficiency Relief Support (EERS)</b></p>	<p>This co-financing facility is designed to support private sector and non-profit organizations that tackle the challenges posed by the ongoing energy deficits and their impacts on small and medium-sized enterprises (SMEs). The initiative emphasizes the development and provision of affordable, reliable, efficient, and sustainable energy solutions specifically tailored to the needs of SMEs. The facility focuses on two primary areas:</p> <ol style="list-style-type: none"><li><b>1. Access to Energy:</b><ul style="list-style-type: none"><li>• Projects that provide renewable energy solutions such as solar, wind, or bioenergy to SMEs.</li><li>• Innovations that offer off-grid or mini-grid solutions to businesses.</li><li>• Initiatives that develop and distribute affordable energy products or services to SMEs.</li></ul></li><li><b>2. Productive Use of Energy:</b><ul style="list-style-type: none"><li>• Projects aimed at optimizing energy use in SMEs through energy-efficient technologies.</li><li>• Solutions that involve retrofitting existing infrastructure to improve energy performance.</li><li>• Innovations in smart energy management systems for SMEs to monitor and reduce energy consumption.</li><li>• Projects aimed at adopting renewable energy as an alternative or complement to conventional power sources.</li></ul></li></ol>

### 3. KEY BUSINESS ELEMENTS

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The shortlisted businesses selected will be guided by the following key concepts:

- Investments should have a meaningful commercial impact across one or more target landscapes.
- The business concept should be innovative in terms of business model, product or service that address the relevant facility's goals.

- Job creation and preservation potential is key, especially for low-income Zambians, marginalised populations (women, youth, rural, or disabled) and creates growth opportunities for other MSMEs.
- Commercially sustainable, scalable, and impactful business initiatives which are experiencing significant operational disruptions due to energy shortages. Concepts must outline specific energy efficiency solutions or equipment upgrades.
- SMEs have a clear need for upgrading or replacing inefficient equipment. Projects should demonstrate potential for substantial energy savings and improved efficiency.

#### 4. FUNDING STRUCTURE OF FACILITY

Facility	Facility Structure	Prospero Contribution (Indicative range)
<b>Circular Economy Initiative Energy Efficiency Relief Support (EERS)</b>	<p>This facility will be awarded for the following purposes.</p> <ul style="list-style-type: none"> <li>a) Matching grant</li> <li>b) Technical Assistance</li> </ul> <p>The successful projects are expected to be co-finance by the grant awardee or a third-party in a consortium arrangement. Our traditional co-financing threshold is 50% of eligible project costs. However, at our discretion, Prospero may finance 100% of eligible costs where an applicant demonstrates innovation, with consideration of a proportional level of expected impact.</p> <p>A maximum of <b>four successful grant applicants</b> will be awarded the matching or technical assistance grants.</p>	<b>£ 20,000 to £ 40,000</b>

#### 5. ELIGIBILITY OF MSMES

The businesses should meet the following requirements.

- Zambian Registered and tax-compliant for-profit businesses. Individuals are not eligible.
- These businesses should have been in operation for at least 2 years

- Business seeking expansion and/or growth capital
- To be committed to operating in an environmentally and socially responsible manner both during and post the secured investment.

## 6. ADDITIONAL PRINCIPLES FOR COMPETITIVE CONCEPTS

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In addition to the guidance in Section 3, project concepts should be developed within the following principles in mind:

- Prospero is looking for innovative, high-impact projects that meaningfully benefit large numbers of Zambian individuals and/or MSMEs, proportional to the size of the investment. Be advised that only the best value-for-money and high-impact projects will be considered for proposal development. Funding is not guaranteed.
- Concepts from women-owned organisations or those that benefit women-owned MSMEs are encouraged.
- Applicants should display sufficient capacity (technical, management and financial) to implement the proposed project successfully and account for funds provided.
- All other project aspects being equal, projects likely to deliver greater outcomes and in which the partner(s) contribute(s) a larger proportion of the total project budget will be more competitive for funding. This will be assessed and judged internally by the Prospero team.
- Successful concept notes will proceed to a full proposal stage. For successful proposals, returnable grants will be provided to support implementation of eligible costs of investment projects. Further guidance will be provided at proposal development stage, but broadly, eligible costs include reasonable and actual costs related to project setup, capital assets, one-off project operations costs and other one-off costs related to project implementation. Vehicles are only eligible in specific circumstances where need is clearly explained, and no other transportation option is appropriate.

## 7. SUBMISSION GUIDELINES

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**Submission guidelines:**

- Applicants should visit the Prospero Limited website [www.prospero.co.zm](http://www.prospero.co.zm) to review available calls and submit their information, specifying their preferred sector and initiative. After you submit these details, you will receive a concept note template and a self-assessment form.

- Applicants should complete the relevant concept note template with as much succinct clarity as possible.

Please email the following documents to [grants@prospero.co.zm](mailto:grants@prospero.co.zm) the subject line formatted as such: “[Name of submitting Organisation] – Concept note for [ **Circular Economy Initiative; Energy Efficiency Relief Support (EERS)**]”.

- A fully completed concept note template.
- A budget estimate in Zambian kwacha (ZMW) or British Pounds (GBP) only (as accurate as possible).
- A fully completed self-assessment due diligence template.
- All applicants will receive feedback following Prospero's review of concept note documents. Submissions of concept notes that do not contain ALL the relevant documents may be disregarded.
- Concepts will be accepted on a rolling basis until **19<sup>th</sup> July 2024 at 17:00hrs** (or sooner, at the discretion of Prospero). Concept notes will be evaluated in the order in which they are submitted.
- Prospero retains the right to cancel the Call for Concept Notes under circumstances such as insufficient responses, changes in project requirements, legal or regulatory compliance issues, or budgetary constraints, ensuring transparency and adherence to legal obligations.
- Prospero’s decisions on concept note applications are final.