

# **Demo Environment 2016-2018**

## **Information for Applicants** August 2017

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## Financing innovative technology for new markets

**Are you looking to introduce your proven and sold technical solution to a new market? Or, is your organisation looking to import technology that's new to your country?**

The Demo Environment programme funds international technology transfers involving buyers in the following 14 countries:

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

The programme's emphasis is on cleantech products, systems, processes, and services which offer clear advantages over competing solutions in the following focus areas:

- Water
- Sanitation
- Ecosystem services
- Energy
- Urban development

Planning Grants are awarded to help entrepreneurs explore new markets and research their technology's impact on the environment and poverty reduction. In Demonstration Projects, local actors receive financing to help them import technologies which offer solutions to local environmental challenges.

Grants are awarded on a competitive basis. The Seller in a partnership can apply for a Planning Grant, and the Buyer can apply for a Demonstration Project grant. However, a partnership may not submit applications for both grants during a single call for applications.

The Demo Environment programme is financed by The Swedish Agency for Development Cooperation (Sida), and has been managed by The Swedish Agency for Economic and Regional Growth (Tillväxtverket) since 2007.

## Planning Grants

**Could your technology contribute to a better environment and the help reduce poverty? Do you want to explore a new market for your product?**

A Planning Grant can help you strengthen your partnerships and explore new market opportunities for your technology or business model. A new market means a market where you do not have an established presence or a local distributor.

### Eligibility

Applicants must fulfil the following eligibility requirements:

- The main applicant must be a company or organisation based outside one of the 14 countries, and its partner organisation (the potential customer) must be legally registered in the project country.
- The partners must have signed a Memorandum of Understanding or similar agreement before applying.
- As guiding principle companies or private organizations applying and their partners should have at least 3 employees and have been operating for about 3 years. We particularly encourage applications from small and medium-sized enterprises.
- Both partners must exhibit sound finances and a reasonable turnover.

Note that no organisation, private or public, is eligible for funds if it is involved in any of the following:

- The manufacture of arms and/or their components
- The tobacco industry
- The alcohol industry

Projects must fulfil the following eligibility requirements:

- The project's activities involve exploring new market opportunities, understanding local conditions and strengthening partnerships.
- The project involves the introduction of new technology or business models in one of the 14 available countries.
- The technology in question has already been proven and sold in another market.
- The project is at least six months and not longer than one year.

The following are examples of suitable project activities:

- Feasibility studies or market research investigating rules and requirements relevant to the project country
- Meeting with partners and other local stakeholders to draw up business plans or plan joint activities and projects
- Capacity development and sharing of knowledge between the partners

### Funding

Examples of the costs that can be covered by a Planning Grant are:

- External services
- Travel to the project country
- Project auditing and accounting

The maximum amount you can apply for as a Planning Grant is SEK 350,000. Co-financing is not required for Planning Grants, although it may be considered favourable during the selection process.

## Ineligible Costs

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

- Any costs incurred before the decision to award the grant is made
- Wages and salaries for staff
- Input materials intended for the continuous production of goods or services
- Direct investments in inventory, real estate or land intended for the continuous production of goods or services
- Overheads
- Financial transaction fees, foreign exchange fees, interest payments, and other financial expenses
- Representation and per diem for workshop participants
- Duties, taxes, and statutory charges
- Study visits from the project country to the technology provider/applicant
- Indirect costs

## Demonstration Projects

**Are you an organisation in one of the 14 available countries? Are you looking to import technology that would be new to your country? Would this technology have a beneficial impact on the environment, and help reduce poverty?**

Demonstration Projects are international technology and knowledge exchanges involving new and sustainable solutions which positively and measurably impact the environment and poverty reduction.

### Eligibility

Applicants must fulfil the following eligibility requirements:

- The main applicant (the Buyer) must be a company or organisation based in one of the 14 available countries.
- The Buyer must have identified an international partner (the Seller) that offers the technology they want to import.
- The Buyer and Seller should have signed a purchase agreement before the full application is submitted.
- Companies or private organisations applying must have at least 5 employees. We particularly encourage applications from small and medium-sized enterprises.
- Both partners must exhibit sound finances and a reasonable turnover. They must also both have been operating for about three years.

Note that no organisation, private or public, is eligible for funds if it is involved in any of the following:

- The manufacture of arms and/or their components
- The tobacco industry
- The alcohol industry

Projects must fulfil the following eligibility requirements:

- The technology demonstrated must be new to the country (or the specific context of use).
- The technology demonstrated must already have been tested and sold in another country.
- The required co-financing must be in place.
- The project must be at least one year and not more than two years.

### Funding

Examples of the costs that can be covered by Demonstration Projects grants are:

- Equipment purchases
- Training of staff that will operate the equipment
- Services required to transport, install, and get the technology up and running
- Communicating project results and information about the technology in order to awaken interest

Technology or equipment investments should make up a substantial proportion of the total project cost.

The grant can range from SEK 500,000 to 1,800,000. Tillväxtverket can fund up to 50 per cent of your invoiced costs for equipment, and up to 80 per cent of your invoiced costs for services. The remaining costs must be co-financed either by the applicant or by

identified and confirmed private or public sources.

### **How will the grant be paid?**

Tillväxtverket pays the approved costs retrospectively and the Grant Recipient must show that its share has already been paid. The Grant will be disbursed as follows:

**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

### **Ineligible costs**

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

- Any costs incurred before the decision to award the grant is made
- Wages and salaries for staff
- Input materials intended for the continuous production of goods or services
- Direct investments in inventory, real estate or land intended for the continuous production of goods or services
- Overheads
- Financial transaction fees, foreign exchange fees, interest payments, and other financial expenses
- Representation and per diem for workshop participants
- Duties, taxes, and statutory charges
- Indirect costs

## Calls for applications

Calls for applications are announced on Tillväxtverket's website. Two calls will be made each year from 2016 to 2018. Applications are submitted through our online platform. For Demonstration Projects, a project idea should be submitted before the call opens.

### Planning Grants

Applications for Planning Grants are made in one step.

### Demonstration Projects

Applications for Demonstration Project grants are made in two steps. The first step involves submitting a project idea [here](#).

In the second step, applicants whose project ideas have been reviewed and accepted will be invited to submit a full application. We will arrange for the most interesting ideas to be presented to our panel in Skype meetings.

### Preparations

Before applying, please read the General conditions for Demonstration Projects and Planning Grants, that you will find on the website. You can also review the questions that will be asked in the online application platform.

In addition to answering the questions in the applications, you must submit the following enclosures:

#### For Planning Grants:

- Appendix 1. Organisation and Partnership
- Memorandum of Understanding between the partners
- Annual Reports and accounts for both partners
- Certifications of registration for both partners
- Fact sheet or brochure for the technology (optional)

#### For Demonstration Projects:

- Appendix 1. Organisation and Partnership
- Appendix 2. Certification on Procurement Procedures for Public organisations
- Appendix 3. Budget and Financing
- Appendix 4. Certificate of Co-financing
- Appendix 5. Environmental, Social, and Governance Issues and Risks
- Mutual Business plan for the project
- Annual Reports and accounts for both partners
- Certifications of registration for both partners
- Fact sheet or brochure for the technology (optional)



- Contract with an international partner (MOU, Letter of Intent or Purchase Agreement)
- Mutual Business plan for the project

Only complete applications will be considered. Applications must include all the required appendices and enclosures.

English translations of any enclosures in other languages must be attached.

## Assessment of applications

Applications will be reviewed and scored by the Swedish Agency for Economic and Regional Growth (Tillväxtverket) and its partners. Applications are scored based on six key areas:

- Impact
- Technical solution
- Market potential and commercial viability
- Partners
- Project plan, budget and risks
- Additionality

### Impact

Your project must be very likely to have a direct or indirect measurable impact on the environment and the reduction of poverty. It must also be potentially replicable. Further, you must demonstrate that the proposed project and the technology transfer will address genuine needs present in the project country. We will also consider how well the project aligns with national, local, and Sida priorities relevant to the project country. Additional points will be awarded if the project will also help promote gender equality. Note that any outcomes predicted in your application should be measurable, and that project performance will be monitored throughout the project period.

### Technical Solution

The technology should be new to the country or context of use, but previously tested and sold in a different market. We look at how and why the technology differs from and is preferable to any solutions currently in use in the project country. If possible, illustrate the benefits of your solution by including results from previous studies and projects relevant to the project country.

### Market Potential and Commercial Viability

We will assess how well you have researched the technology's market potential and the project's sustainability after the project period. We will also assess the project's potential for replication and scalability, as well as your plan for communicating any new knowledge that is gained during the project.

### Partners

The project must be developed and implemented by a partnership involving at least two partners: A Buyer and a Seller. Both parties must have a proven interest and capacity to see the project through.

### Project Plan, Budget and Risks

We will consider the feasibility of your project plan's activities, budget and timeframe. Other important factors are the project's cost effectiveness and how clearly you have

stated how an awarded grant would be used. We will also review your assessment of internal and external risks and your plans for overcoming them, and estimate any risks related to your co-financing.

### **Additionality**

You must show that your project is unlikely to be carried out in the planned way, timeframe, or scope if you are not awarded a grant from Demo Environment.

### **Decision process**

Submitted applications will be processed within about two months of the application deadline. All grant decisions are made by the Swedish Agency for Economic and Regional Growth (Tillväxtverket) in consultation with Sida and other partners. Applicants will be informed of our decisions regarding their applications, and a list of grants awarded will be published at [www.tillvaxtverket.se](http://www.tillvaxtverket.se). Because of the large number of applications received, we may not be able to provide detailed feedback on your application.

## **Payments and Reports**

### **Requests for Payment**

Payments are made retrospectively, and based on paid, actual costs. All requests for payment must include a narrative progress report which links all costs to performed activities.

Before any payment can be made, a Request for Payment form must be submitted. The form is available for download from [www.tillvaxtverket.se/demoenvironment](http://www.tillvaxtverket.se/demoenvironment). It must be signed by a registered auditor, authorised public accountant, or the equivalent. An audit certificate verifying the accuracy of your attached financial statements must also be included. The audit certificate should be made in accordance with the internationally recognized audit standards issued by IAAS.

Financial reports must be submitted in Swedish krona (SEK). Any conversion of local currency into SEK must be documented in writing, and is subject to Tillväxtverket's approval.

### **Narrative Reports**

One Narrative Report is required for a Planning Grant, while a minimum of three Narrative Reports are required for Demonstration Project grants. These reports are to follow the template provided by Tillväxtverket, and focus on your performance and progress in relation to the objectives stated in your application. Tillväxtverket will also carry out monitoring visits.

### **Changes to your Project**

Tillväxtverket requires advance notice of any substantial changes to your project plan or the activities in it. If you make such changes without first consulting with Tillväxtverket, all or part of your grant may be cancelled. You may also be required to repay the grant.

## Contact

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