GREEN FUND
REQUEST FOR PROPOSALS

1. BACKGROUND

1.1 The Government of South Africa through the Department of Environmental Affairs (DEA) has set up a Green Fund to support the transition to a low carbon, resource efficient and climate resilient development path delivering high impact economic, environmental and social benefits. The allocation of R800m represents the initial resources available for disbursement by the Green Fund. The DEA has appointed the Development Bank of Southern Africa (DBSA) as the implementing agent of the Green Fund.

2. OBJECTIVE OF THE GREEN FUND

2.1 The Green Fund aims to provide catalytic finance to facilitate investment in green initiatives that will support poverty reduction and job creation. Importantly, the Fund will only support initiatives which would not have been implemented without its support. The Green Fund is additional and complementary to existing fiscal allocations supporting the transitioning of the South African economy to a low-carbon, resource efficient and climate resilient growth path. The Green Fund will respond to market weaknesses currently hampering South Africa’s transition to a green economy by:

2.1.1 Promoting innovative and high impact green programmes and projects
2.1.2 Reinforcing climate policy objectives through green interventions
2.1.3 Building an evidence base for the expansion of the green economy, and
2.1.4 Attracting additional resources to support South Africa’s green economy development.

3. WINDOWS OF THE GREEN FUND

3.1 The Green Fund has identified three (3) thematic funding windows which will contribute to the transition to green economy.

3.2 The Green Fund invites applications through these thematic funding windows, namely;

3.2.1 Green Cities and Towns (GCT) – The vision of the GCT window is to strive for well run, compact and efficient cities and towns that deliver essential services to their residents, utilising available natural resources efficiently and sustainably.

3.2.2 Low Carbon Economy (LCE) – The vision of the LCE window is to strive towards a low carbon growth trajectory in line with national climate change policy principles.
3.2.3 *Environmental and Natural Resource Management (NRM)* – The vision of the NRM window is to strive for protected and conserved resources for sustained ecosystem services to support South Africa’s development path.

4. **DESCRIPTION OF THE WINDOWS**

The detail of these three windows in terms of the focus areas and eligible applicant types is provided below.

4.1 **Green Cities and Towns**

**Focus areas:**
- Sustainable transport
- Sustainable Waste management & recycling
- Renewable energy, including off grid and mini grid
- Sustainable water management
- Energy Efficiency & Demand Side Management
- Sustainable human settlements, the built environment and green buildings
- Ecosystem services

Eligible applicants: this window is open to proposals from municipalities, municipal entities, suppliers to municipalities, national and provincial government and SMEs. For private sector applicants, confirmation of support from municipality must be provided in the application.

4.2 **Low Carbon Economy**

**Focus Areas:**
- Energy efficiency
- Renewable energy
- Rural energy including off grid and mini grid
- Biogas and biofuels
- Sustainable transport
- Industrial cleaner production and consumption projects

Eligible applicants: this window is open to proposals from the private sector (including SMEs), research organisations and NGOs. The Fund will not consider proposals from large Renewable Energy Independent Power Producers nor biofuels proposals that utilise invasive plants and food sources as feedstock.

4.3 **Environmental and Natural Resource Management**

**Focus areas:**
- Payment for Ecosystem Services (PES) projects
- Biodiversity Benefiting businesses, including sustainable farming
- Land use management and models
• Rural adaptation projects and plans

Eligible applicants: this window is open to proposals from the public and private sector (including SMEs), NGOs and not for profit organisations, universities and research institutions, and Community Based Organisations. For private sector applicants, cost of conversion from conventional agriculture to sustainable agriculture will not be supported.

5. ELIGIBILITY CRITERIA

5.1 Each application will undergo an initial screening to assess suitability in terms of the Green Fund’s objectives. All applications will be subjected to the following criteria which they must meet:

a) Relevance: match to the thematic funding window and focus areas therein
b) Innovation: the project is new and unique in the green economy space. This innovation can relate to any of the following aspects: technology, business model, institutional arrangements, or financing approach.
c) Additionality: the project would not have happened without the Green Fund’s financial support and a funding gap should be demonstrated.
d) Ability to scale up and/or replicate: the project has the potential to be rolled out to other sites and/or to be implemented at a large scale.

It is important to note that applications may be prioritised against certain criteria within each thematic funding window as identified within the application form.

At the point of application, applicants need to ensure the following (where applicable):

- Registered legal entity or identifiable natural persons (evidence to be attached)
- Established bank account at a registered South African financial institution (evidence to be attached)
- Tax clearance certificate (evidence to be attached)
- No adverse audit findings or disclaimer of audit opinion in last 2 years
- Not barred from participating in government procurement
- Not credit blacklisted through a default judgement or an un-rehabilitated insolvent

6. FINANCIAL INSTRUMENTS

6.1 The Green Fund will provide the following financial instruments:

6.1.1 Project Development Grants (Recoverable and non-Recoverable)
6.1.2 Capital Grants (Recoverable and non-recoverable)
6.1.3 Concessional Project Development Loans

Applicants must motivate for the appropriate instrument. Applicants must consult the documents available on www.sagreenfund.org.za

7. PROJECT PHASES
7.1 The proposed projects must be engaged in one or a combination of the following project development stages:

7.1.1 Project Development Phase (including feasibility studies)
7.1.2 Pilot and Demonstration Projects
7.1.3 Project implementation

8. **SUBMISSION OF THE APPLICATION**

8.1 To be eligible for consideration, the application must be submitted using the prescribed application form available at [www.sagreenfund.org.za](http://www.sagreenfund.org.za) from 12pm on 21 September 2012 and closes on 24 October 2012 at 12pm.

9. **RESERVATIONS**

9.1 The Green Fund expressly reserves the following rights:

a) To reject all or any proposals.
b) To waive any or all irregularities in the proposals submitted.
c) To retain the right not to select any application/s even if meeting all the requirements.

10. **CONTRACT NEGOTIATIONS**

10.1 The successful applicant/s will be required to enter into a written Agreement with the Green Fund.

11. **VALIDITY**

11.1 All applications will be regarded as valid for 180 days from date of closing date, thereafter the Green Fund may request an updated application.

12. **CLOSING DATE**

The Request for Proposals opens at 12pm, on 21 September 2012 and closes on 24 October 2012 at 12pm. Applications must be submitted electronically at [www.sagreenfund.org.za](http://www.sagreenfund.org.za) in the prescribed format.

13. **THE APPLICATION PROCESS**

To apply for assistance from the Fund, the following steps should be taken;

**Step 1:** Request for Proposals is announced
Step 2: Proposals are received and reviewed by the Green Fund Secretariat against the eligibility criteria and checked to ensure that the documents are complete and that all necessary information is included.

Step 3: Eligible and complete applications are then reviewed at which point they are either approved for due diligence or rejected. Applicants are updated on the outcome of the process.

Step 4: Approved applications undergo a due diligence, including subject matter experts where necessary. This process may require additional detailed information from the applicant.

Step 5: A final decision is made on whether the project should be approved for financial support or not and the applicants are informed immediately after this process.

Step 6: Applications can receive one of the following outcomes:

a) Accepted as presented;
Proposal is accepted as is. Disbursements are subject to terms agreed upon in the funding agreement.

b) Accepted with conditions;
Proposal is accepted once conditions have been met and agreed upon with the Green Fund. Disbursements are subject to terms agreed upon in the funding agreement.

c) Rejected;
Proposal is rejected as it does not meet the criteria of the Green Fund.

In addition to the information contained herein, an application guide can be downloaded from www.sagreenfund.org.za. It is recommended that applicants consult this guide before submission.

Please address all Enquiries to

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