



CALL FOR PROPOSAL FOR GRANT COMPETITION

UNDP Georgia	18.03.2025
Support to Rural Development in Georgia/ENPARD4 (SRDG)	REFERENCE: 000111647

Dear Sir / Madam:

We kindly request you to submit **CALL FOR PROPOSALS FOR GRANT COMPETITION**

**FOR Establishment of Renewable Energy Community
in Lagodekhi Municipality**

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Please send filled application materials electronically to all of the following e-mails: 1nodar.kereselidze@undp.org; liliana.gureshidze@undp.org in PDF (signed and stamped) and word formats. **The subject line should read: “CoP Application – Renewable Energy Community in Lagodekhi Municipality”.**

Deadline for submission of applications for grant proposals is April 2, 2025, 18:00 (Tbilisi time and date). In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

A pre-proposal conference will be held via Zoom on March 21, 2025, at 12:00 p.m. (Tbilisi time and date) via Zoom, Meeting ID: <https://undp.zoom.us/j/88606538760>

The UNDP focal point for the arrangement:

Ms. Liliana Gureshidze; E-mail: liliana.gureshidze@undp.org;

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

Nodar Kereselidze

National Project Manager

18/03/2025

CALL FOR PROPOSALS FOR GRANT COMPETITION
For the Establishment of Renewable Energy Community
in Lagodekhi Municipality

Date of Issuance:

18.03.2025

Tbilisi, Georgia

INSTRUCTIONS

1/BACKGROUND

Georgia has high potential for the development of Renewable Energy such as solar, wind, geothermal and various forms of biomass. By 2023 76% of electricity generated (in million kilowatt hours) was from renewable energy sources, including hydropower stations. According to statistics hydropower stations generate a vast majority of electricity generated from renewable energy sources (99%) and only 1% is generated from wind power stations. As for installed renewable energy capacity, by 2021 it was 3391 megawatt and target for 2030 is 6265 megawatt tones.

According to Energy Consumption Survey conducted by the National Statistics Office of Georgia (Geostat), by 2022 4.4% of energy consumed by households was share of biofuel, geothermal and solar energy. Georgia's Integrated National Energy and Climate Plan (NECP) sets targets to increase the share of renewable energy in total final energy consumption by 27.4% by 2030. Georgia nationalized the Sustainable Development Goals (SDG) target 7.2 (By 2030, increase substantially the share of renewable energy in the global energy mix). Renewable energy sources represented 24.5% of EU's final energy use in 2023.

The utilization of the Georgia's local indigenous renewable energy sources such as wind, solar, and geothermal, became one of the major areas of Georgia's energy sector development. Renewable energy represents one of the pillars of the development of Georgian energy sector in this document. The use and integration of variable renewable energy sources, including mainly solar and wind resources, will contribute to the country's energy security and energy independence. According to assessments conducted during the preparation NECP, the solar energy resource was about 1 billion kWh, almost none of which was utilized.

Georgia as a contracting party of the Energy Community (EnC) is actively reforming its energy sector to adopt and adapt the EU Energy Acquis and to streamline its objectives towards EU integration, climate neutrality and development of a modern and reliable energy system. Adoption and implementation of the EU Renewable Energy Directive is one of the steps in this direction that the Government of Georgia is undertaking currently. The draft amendment to the Law on the Support of Energy Production and Use from Renewable Sources has been prepared and submitted for adoption. Implementation of the EU Renewable Energy Directive necessitates a strategic framework that extends beyond conventional measures. This framework is essential for ensuring coherence, alignment, and coordination across various stakeholders, thereby enabling the effective deployment of resources and enhancing the achievement of renewable energy objectives.

In general, all topics related to energy communities in EU are covered in the three directives, the recasts of which Member States approved and are currently being transposed by the member states.

Energy Efficiency Directive (recast 13 September 2023)¹

Renewable Energy Directive (recast 18 October 2023)²

Energy Performance of Buildings Directive (recast 24 April 2024)³

According to current legislation of Georgia, an owner of solar, wind, hydro and/or other renewable energy micro generator with the capacity below 500 kW⁴ can apply for the connection to the electricity

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL_2023_231_R_0001&qid=1695186598766

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023L2413&qid=1699364355105>

³ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401275&pk_keyword=Energy&pk_content=Directive

⁴ As discussed with the representatives of Georgian National Energy and Water Supply Regulatory Commission, it is expected to decrease the limit to 100 kW.

distribution network and provide the excess electricity to the distribution company. This will allow the owner to satisfy own consumption needs, save utility bills and even get reimbursement from the distribution company. Moreover, an owner will generate clean energy without adverse environmental impact. Net metering is a process of reverse metering of outflows of excess electricity generated by micro generator and the electricity received from the network, whereby the generated and consumed electricity offset each other.

The EU-financed and UNDP-implemented project “Support to the Rural Development in Georgia (ENPARD4)” is addressing the challenges of rural areas in Georgia by taking actions to achieve: (Outcome 1) Improved rural development governance system for integrated and effective policy development and implementation; (Outcome 2) Improved rural services, infrastructure, empowered rural women and inclusive rural development; (Outcome 3) Sustainable Use of Forest Resources and Improved Environmental Protection and Climate Action.

Under Outcome 3, the project should support establishment of Renewable Energy Communities in target regions with the cooperation with the Estonian Center for International Development (ESTDEV). Renewable Energy Communities are a growing and extraordinarily multifaceted phenomenon which involves a range of possible activities around renewable energy (notably, production, supply, distribution, sharing and consumption) collectively carried out by citizens, often in partnership with small and medium enterprises and local public authorities. The project will support establishment of Renewable Energy Communities in one of the target regions and ensure the capacity development of RES community members through trainings on skills development, advisory services on technology application/improvement, maintenance of production and delivery systems. The introduction of the concept of “Renewable Energy Community”, the project will contribute to reducing the widespread use of fuelwood in rural areas, thus decreasing pressure on forests which eventually will have a long-lasting positive environmental impact. The project targets to establish at least one Renewable Energy Community by 2025.

Under “Improving Rural Development in Georgia (ENPARD III)” Project, a total of 190 rural households across the eight target municipalities were selected to receive Solar Photo-Voltaic (PV) technologies. These installations provided clean and renewable energy solutions to the beneficiaries, improving their access to reliable electricity and reducing their dependency on traditional energy sources. Lagodekhi was among eight beneficiary municipalities where 20 households from 14 villages benefited from the Solar PV installation.

2/ PURPOSE

The **primary objective** of the call is to respond to rural energy needs in **Lagodekhi Municipality** and for this purpose select local community-based organization which for the purpose of establishment of Renewable Energy Community in pre-selected populated area of the municipality. More specifically:

To select local community-based organization for the implementation of Renewable Energy Community project, which will:

- 1) Purchase, install Solar Panel in pre-selected area of Lagodekhi Municipality and develop and implement Renewable energy solutions for rural **households or private sector**. Maximum generation should not exceed **100 kw**.
- 2) create awareness of the **local population and private sector** on Renewable Energy with focus on Solar PV systems.

The grants should be implemented by selected community-based organization **in partnership with the UNDP project team**.

3/FINANCING SCHEME AND INELIGIBLE COSTS

Any funds requested for the grant(s) under this Call for Proposals must fall between the following minimum and maximum amounts.

- minimum amount: USD 50,000.
- maximum amount: USD 70,000.

Applicant organizations should submit proposals with justified and realistic budgets.

Ineligible costs are:

1. debts and debt service charges (interest).
2. provisions for losses or potential future liabilities.
3. costs financed by another action or work programme receiving EU and UNDP funding.
4. purchases of land or buildings.
5. purchase of luxury goods and gambling equipment.
6. purchase of agriculture commodities, motor vehicles or pharmaceuticals.
7. purchase of used equipment.
8. currency exchange losses.
9. related to any type of maintenance.
10. daily allowances (per diem).
11. utilities and office rent.
12. overheads.
13. credit to third parties.
14. salary costs of the GoG personnel.
15. salary costs for personnel (including administrative costs), if such costs exceed 30% of total project costs.
16. related to participation in workshops, seminars, conferences and congresses.
17. scholarships for studies or training courses.
18. related to the infrastructure improvement and equipment, which are directly related to this Call for Proposal, if they exceed 50% of the total budget.
19. any indirect costs,

Note: Successful applicant may be subject to receive guidance from the SRDG project team on implementation modalities of their projects that might affect the scope, timeline and budget of the applications – subject to further negotiations.

Note: Other restrictions may apply, specified before selection of successful projects

4/WHO CAN APPLY

LEADER/CLLD and non-LEADER/CLLD entities are invited to apply for this Call for Proposals. For the purposes of this Call for Proposals:

- LEADER/CLLD entities (non-profit (non-commercial) legal entities) are: Local Action Group (LAG) established with support of ENPARD program in SRDG project target Lagodekhi Municipality.
- Non-LEADER/CLLD entities are non-profit (non-commercial) legal entities (NGOs), **except:** (1) Local Action Group (LAG) and established with support of ENPARD program in SRDG project target municipalities (for the purposes of this call in Lagodekhi); (2) Religious and Political organizations; (3) Government owned entities.

LEADER/CLLD and non-LEADER/CLLD entities should be registered in accordance with the legal requirements of the Government of Georgia, must be able to provide organization's statute and the debt certificate.

All applicant organizations must demonstrate proven experience and capabilities in carrying out rural development interventions, including but not limited to: needs appraisal, community mobilization, socio-economic development actions, measures related to social inclusion and support of disadvantaged groups (youth, women, PWDs, IDPs, ethnic, religious, sexual and other minorities). Community-based organisations should demonstrate potential for growth in the area of Renewable Energy and readiness to provide support and expertise to local communities on Renewable Energy technologies.

Considering that local CSO capacity building is one of the side objectives of the Call, Coalitions (based on co-application) with experienced NGOs and private sector is encouraged.

5/IMPLEMENTATION LOCATION(S) AND DURATION

Activities of Renewable Energy Community grant should be implemented within administrative boundaries of **Lagodekhi Municipality**.

Duration of the Rural Renewable Energy grant activities within the grant application **shall not exceed 6 months**, counted from the date of the agreement signature to the date when all relevant activities have been successfully completed, reported and accepted by the UNDP/SRDG Project (Note: grant agreement 1 month (on top of the 6 months of grants' implementation) should be allocated for final reporting to the UNDP/SRDG Project).

Only successful grant proposal will be awarded with the funding. It is anticipated that only 1 grant proposal will be financed under this Call of the Proposals.

6/PROCEDURES OF GRANT PROPOSAL SUBMISSION

Those willing to participate:

- Must submit filled Grant Application form (See Annex 1) in line with the goals and directions determined in this Call of Proposals and provide as an attachment of the application additional documents:
 - Partnership Memorandums with partner organization(s) (if applicable);
 - Note from Revenue Service on tax obligations;
 - Extract from the public register for primary and (if applicable) for co-applicants;
 - Separate account requisites which will be used only for grant project operations.

Please send filled application materials electronically to all of the following e-mails: nodar.kereselidze@undp.org; liliana.gureshidze@undp.org in PDF (signed and stamped) and word formats. **The subject line should read: "CoP Application – Renewable Energy Community in Lagodekhi Municipality"**.

Deadline for submission of applications for grant proposals is April 2 2025, 18:00 (Tbilisi time and date). The grant proposals after the deadline will not be admitted and considered. **Applicant(s) are strongly advised not to wait until the last day to submit** application, since heavy Internet traffic or a fault with the Internet connection (including electricity failure, etc.) could lead to difficulties in submission. **If additional clarifications required, questions can be sent to the same email addresses indicated above (all of them**

together) no later than 7 days before the deadline for the submission of applications. Answers to questions will be provided within 3 working days no later than 3 days before the deadline for the submission of applications. The subject line should read: “Question(s) for CoP –Renewable Energy Community in Lagodekhi Municipality”. All questions and answers related to this CfP will be anonymized and published on March 26 2025.

Note: Consultation meeting with interested applicants on the preparation of the applications for grant proposal idea will be held on **March 21 2025, at 12:00 p.m. (GMT+4)** via **Zoom**. Meeting ID: <https://undp.zoom.us/j/88606538760>

7/SELECTION PROCESS

All grant proposals will be reviewed by the Evaluation Committee comprised of the representatives of relevant UNDP representatives. The Evaluation Committee will assess proposals according to the evaluation criteria:

	Selection Criteria	Selection Criteria Description	Score Percentage
1.	Applicant’s Experience and management	The applicant organization(s) of experience in similar interventions and capacity of implementing in Lagodekhi Municipality. Grant management arrangements are sound.	Max. 10%
2.	Relevance of the grant	The grant proposal is relevant to: (1) the objectives and priorities of the call for proposals; (2) needs and constraints of the target territory and groups; (3) proposal design reflects a robust analysis of the problems involved, and the capacities of the relevant stakeholders	Max. 20%
3.	Methodology	<p>The grant proposal is technically accurate and consistent. The grant management has good understanding of grant proposal goals, the grant implementation plan clearly demonstrates how it will support the achievement of the grant goals.</p> <p>Design of the interventions are coherent.</p> <p>The grant makes positive impact on local population in one or more of the following: local economy, social and environmental areas.</p> <p>Action plan (grant timeframe) for implementing the action clear, feasible and time realistic. Grant timeframe should include grant implementation modalities, including:</p> <ul style="list-style-type: none"> - An agreement with beneficiaries - Pre-approval from the gridowner - Procurement and agreements with construction works (PV panels) - Final application and approval from grid owner - Start of the construction works - Timeframe and coverage of awareness raising campaign - End of the project. <p>Methodology should also include:</p> <ul style="list-style-type: none"> - Number of direct and indirect beneficiaries 	Max. 30%

	Selection Criteria	Selection Criteria Description	Score Percentage
		<ul style="list-style-type: none"> - The volume of installed kW total and per beneficiary - Cost-effectiveness calculation of how much PV is installed, their output, resale to the grid, direct benefit to the owners of the cooperative and indirect beneficiaries 	
4.	Sustainability and transferability	The grant proposal is sustainable, and its further development and transferability of the results is possible	Max. 5%
5.	Partnership and cooperation	The grant proposal is designed to be implemented in partnership and close cooperation with stakeholders (households, private companies, CSOs, etc.)	Max. 10%
6.	Risk Management, monitoring and evaluation mechanisms	Risk assessment and management tools, also the grant monitoring and evaluation mechanisms are well defined and demonstrate realistic capabilities of risk management. Logical Framework includes credible baseline, targets and sources of verification.	Max. 5%
7.	Grant budget	The grant budget is relevant and in line with the proposed work plan and set indicators	Max. 20%
TOTAL			Max. 100%

All decisions on the selection of grant proposals will be taken **approximately within 20 working days after closing date for applications**. An applicant is considered as a winner and will be invited to conclude the relevant agreement within 3 weeks after receiving the notification if:

- an applicant received 75% or higher of the total scores;
- and applicant's scores are competitive and higher towards other applicants.

Each organization can be granted with only one grant. UNDP will be signing Low Value Grant (LVG) Agreement with the winning applicant.

Grant Application(s) will not be further considered and will be disqualified if:

- Applicant presents proposal (duplicate) already financed by any other project.
- It is provided by the non-eligible entity.
- It does not comply with primary and specific objectives, priorities, and instructions provided in this announcement.
- It is not consistent with the UNDP/SRDG project document.
- If the proposal includes the ineligible costs.

6/GENERAL METHODOLOGY/APPROACH CONSIDERATIONS

The universal access to affordable, reliable, sustainable and modern energy for all is embedded in the Sustainable Development Goal (SDG) goal 7.

How to prioritize among competing needs?

It is highly recommended to use the guidance presented in: A Guide to linking renewable energy to rural development

<https://www.oecd.org/regional/regional-policy/Renewable-rural-energy-summary.pdf>

7/VISIBILITY

Selected organization(s) must take all necessary steps to publicise the fact that the European Union has financed or co-financed the grant projects and must strictly comply with EU and UNDP Communication and Visibility Guidelines and Standards.

8/ IMPORTANT ADDITIONAL INFORMATION

UNDP implements a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical practices, and obstruction. UNDP is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities. (See

<https://www.undp.org/content/dam/undp/library/corporate/Transparency/UNDPAntiFraudPolicyEnglishFINA%20June2011.pdf>

<https://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions> for full description of the policies).

In responding to this Call for Proposals, UNDP requires all Proposers to conduct themselves in a professional, objective and impartial manner, and they must at all time hold UNDP's interest paramount. Proposers must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. All Proposers found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Proposers, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this solicitation process, if they:

- Are or have been associated in the past, with a firm or any of its affiliates which have been engaged UNDP to provide services for the preparation of the design, Terms of Reference, cost analysis/estimation, and other documents to be used in this competitive selection process;
- Were involved in the preparation and/or design of the programme/project related to the services requested under this Call for Proposals; or
- Are found to be in conflict for any other reason, as may be established by, or at the discretion of, UNDP.

In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, proposers must disclose the condition to UNDP and seek UNDP's confirmation on whether or not such a conflict exists.