**The PACEsetter Fund**

*Early-stage grant funding to accelerate the commercialization of*

*innovative off-grid clean energy products, systems, and business models*

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A fund to support the Promoting Energy Access through Clean Energy (PEACE)

track of the U.S.-India Partnership to Advance Clean Energy (PACE)

**Second Funding Round**

**Call for Expressions of Interest**

August, 2016

**Background**

Energy access is crucial for improving the quality of life for India’s citizens and their economic conditions, and 24/7 energy availability remains an important economic development priority for the Indian government. Off-grid, clean energy technologies, combined with innovative financing models, market-based solutions, and policy alignment, have tremendous potential to become a transformative agent of economic opportunity and rural development.

In 2013, the Governments of the Republic of India and the United States of America launched **Promoting Energy Access through Clean Energy (PEACE)** as a new track under the U.S.-India Partnership to Advance Clean Energy (PACE), alongside the existing research (PACE-R) and deployment (PACE-D) tracks. PEACE aims to harness commercial enterprise to bring clean energy to individuals and communities un-served and underserved by the electricity grid, and to develop best practices and lessons learned.  In June 2015, these governments established the **PACEsetter Fund**, a new joint fund to support the PEACE initiative by providing early-stage grant funding to accelerate the commercialization of innovative off-grid clean energy products, systems, and business models. For more information on PACE, PEACE, and related activities, please visit: <http://www.pace-d.com/about-us-2/>.

**The PACEsetter Fund**

The PACEsetter Fund is a INR 50 crore (USD 7.9 million) fund jointly capitalized by the Governments of the Republic of India and the United States of America. The mission of the PACEsetter Fund is to accelerate the commercialization of innovative off-grid clean energy solutions by providing the early-stage grant funding that would allow businesses to develop and test innovative products, systems, and business models. The Fund’s main purpose is to improve the viability of off grid renewable energy businesses that sell small scale (under 1 megawatt) clean energy systems to individuals and communities without access to grid connected power or with limited or intermittent access of less than 8 hours per day.

The Fund will award grants for direct support of innovative technology, business models, and programs including but not limited to: rural energy services companies (full scale integrated operators); rural distribution companies/franchisees; operations/maintenance companies; technology implementers/ system integrators; and enterprises.

The Fund will also consider awarding grants for product development, studies, research, capacity building and technical assistance, as long as this support will provide clearly significant support to the companies and non-governmental organizations that sell small scale (under 1 MW) clean energy systems to individuals and communities with no or limited access to grid connected power.

Decisions on PACEsetter Fund grant making criteria and grant funding are made by a Steering Committee Board composed of representatives from the Governments of India and the United States. The Steering Committee will be advised by an Executive Committee comprising of governmental and non-governmental experts from both countries. The Indo-U.S. Science and Technology Foundation is currently serving as the Administrator of the Fund.

Information about the fund, including this Call for Expressions of Interest, can be found on the PACEsetter Fund’s website: [PACEsetterFund.org](http://pacesetterfund.org/).

**Overview of Second Funding Round**

This Call for Expressions of Interest launches the second funding round of the PACEsetter Fund. Up to $2 million will be made available for this round, with grant sizes ranging from $50,000 to $300,000. Larger grant sizes may be considered in exceptional circumstances. The application process will have two stages:

* Stage 1: All interested applicants are invited to submit an Expression of Interest, following the guidelines outlined below.
* Stage 2: From these initial submissions, the PACEsetter Fund Steering Committee will identify a short list of applicants who are invited to submit a detailed proposal. Guidelines for the detailed proposal will be provided at that time.

The planned timeline for this process is as follows:

* Call for Expressions of Interest (EOIs) August 2016
* Last date for submission of EOIs 12 October 2016

Note: Further timeline and process will be updated in due course of time.

**Project Eligibility**

To be eligible, projects must be focused on improving the viability of off grid renewable energy businesses and/or not-for-profit organizations that provide energy services to individuals and communities in India without access to grid connected power or with limited or intermittent access of less than 8 hours per day using small scale (under 1 megawatt) clean energy systems.

The Fund will award grants for direct support of innovative technology, business models, and programs including but not limited to: rural energy services companies (full scale integrated operators); rural distribution companies/franchisees; operations/maintenance companies; technology implementers/ system integrators; and enterprises.

The Fund will also consider awarding grants for product development, studies, research, capacity building and technical assistance, as long as this support will provide clearly significant support to the companies and/or not-for-profit organizations that sell small scale (under 1 MW) clean energy systems to individuals and communities with no or limited access to grid connected power.

Projects on general public awareness, stand-alone seminars and workshops, research and development projects without a clear path towards implementation, will not be considered for funding through the PACEsetter Fund.

**Funding Priorities**

The following priorities will receive strong consideration in grantmaking decisions:

* **Innovation:** ThePACEsetter Fund prioritizes innovative technologies, business models, and programs.
* **Early-stage funding:** The PACEsetter Fund is focused on accelerating the commercialization of innovative off-grid clean energy solutions by providingearly-stage grant funding that allow for the development and testing of innovative solutions.

**How to Apply**

To apply for funding in this second round, submit an Expression of Interest (EOI) by the deadline stated above. All EOIs must be submitted on the PACEsetter Fund EOI form, available at [PACEsetterFund.org](file:///\\esocoeentap101.washdc.state.sbu\oesdrlpublic$\OES\Private\EGC\Bilateral_Regional_Geographical\SCA\India\_Bilateral%20Initiatives\Energy%20-%20PEACE\PACEsetter%20fund\PACEsetterFund.org). An example of this form is attached to this document for reference.

**General Guidance on Proposals**

The below guidance is not exhaustive, but is designed to help interested organizations to develop proposals.

* Proposed projects should be innovative and transformational. Proposals should make clear how they are adding value and not duplicating an existing solution; multiple forms of innovation are eligible and will be considered. Proposals should also clearly illustrate how the work proposes to overcome fundamental economic, social, or technical barriers to off-grid electricity access.
* Proposed projects should be in the early stages of development, defined broadly as the critical transition phase between concept and scale-up, where access to conventional forms of investment is limited and support from the PACEsetter Fund would be most impactful.
* Proposals should demonstrate how they would be replicated and scaled up to have wider impact, if successful. Proposals should also demonstrate that they have considered the long-term sustainability of their proposed intervention.
* Proposals should demonstrate that the project has sufficient buy-in from the necessary stakeholders to deliver the expected outcomes.
* Delivering value for money is essential.
* Proposals should specify if they already have funding available from other sources.
* The maximum life-cycle of a project should not be more than 24 months. Each project is subject to review after at key milestones to continue funding.
* The project administrative costs should be kept to a minimum.
* The Fund places strong emphasis on evidence-based results. Proposals must clearly define the indicators of success in the application form to show incremental gain during the project lifecycle.
* The Fund also places a strong emphasis on sharing the results more widely. Project implementing organizations will be required to submit progress reports on regular intervals or on the achievement of key milestones for the duration of the project, and submit a project completion form within three months of the project conclusion along with the audited fund utilization certificate.
* As noted earlier, all projects must promote clean and renewable energy technologies.

**For More Information**

For more information please contact the PACEsetter Fund Administrator at [pacesetter@indousstf.org](mailto:pacesetter@indousstf.org).

**ANNEX 1: Expression of Interest From**

**PACEsetter Fund – Second Funding Round**

**Expression of Interest Form**

All applicants MUST use this form to apply

**Instructions**

1. Please review the Call for Expressions of Interest carefully before completing this form.
2. Do not exceed the word limit where specified.
3. Use 11 point Calibri font.
4. All questions should be answered clearly. Incomplete applications will be disqualified.
5. Submit the completed EOI to [pacesetter@indousstf.org](mailto:pacesetter@indousstf.org).
6. Application deadline: 12th October 2016.
7. By submitting this EOI, you are certifying that the answers to the questions are accurate to the full extent of your knowledge.

**Section A: General Information**

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| --- | --- |
| **Project Title** |  |
| **Project Type**  *Delivery of energy services/ Technology or product development/ Training & capacity-building/ Business development support/ Research/Other* |  |
| **Project Location/s** *(District/State)* |  |
| **Stage of development** *(initial concept/ proof of concept/ demonstration/scale-up)* |  |
| **Total Funding Request** *(INR or USD)* | * Between $50,000 – $100,000 * Between $100, 000 – $300,000 * Other |
| **Lead Implementing Organization** |  |
| **Other Partnering Organization** |  |

**Section B: Project Information**

|  |  |
| --- | --- |
| **Project Description** *(max 500 words)* |  |
| **Expected Outcomes** *(max 200 words)*  *Describe the short and long-term outcomes and impacts of the project* |  |
| **Expected duration of project activities** | *Years Months* |
| **Unique advantages of the approach** *(max 250 words)*  *What are the existing competing solutions that seek to address the same challenge as your project? What makes your project distinctive and unique in comparison with the competing alternatives? Why is it a game-changing intervention?* |  |
| **Results Indictors**  *List specific results and indicators you will use to measure success of this project towards achievement of impacts and outcomes. Examples are given here, you may develop additional indicators as needed that best reflect project goals and performance.* | * *Increased renewable energy capacity added* * *Increased access to energy services for un- or under-served populations* * *Increased energy savings achieved* * *Increased number of innovative clean energy tools, technologies, and methodologies developed, tested, and/or adopted* * *Increased number of clean energy enterprises with improved business operations* * *Quantity of greenhouse gas emissions reduced, measured in metric tons of CO2e* * *Increased number of beneficiaries with relevant skills in clean energy technologies, business models, etc.* |
| **Monitoring and Evaluation approach** *(max 150 words)* |  |
| **Project sustainability and long-term viability**  *What steps shall be taken to make the project scalable and sustainable in the long-term? (max 200 words)* |  |
| **Project Risks** *(maximum 200 words)*  *What are the main risks and challenges in the execution of the project (market risks, regulatory risks, financial risks, business model risks, etc.)?* |  |
| **Impact on women and other vulnerable populations** *(max 150 words)* |  |

**Section C: Budget**

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| --- | --- |
| **Total Budget** *(INR or USD)* |  |
| **Budget Details**  *Describe specific activities to be supported under this grant, include cost estimates under each task for which PACESetter funding shall be utilized (max 250 words)* |  |
| *Has applicant received PACESetter funding in the past?* | Yes/No |
| *Has the applicant received U.S. Government/Government of India in the past for this or a similar project? (if yes please specify the name of donor, amount and year)* | Yes/No |
| *Other sources of funding for the project, if applicable* |  |

**Section D: Applicant Details**

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| --- | --- |
| **Name of the Organization** |  |
| **Address**  *Please include phone numbers, fax, emails and website* |  |
| **Applicant Type**  *Private/non-governmental entity/ Academic or research institution/ Private individual/ Other* |  |
| **Primary Point of Contact** | Name:  Title:  Email address:  Telephone: |
| **Secondary Point of Contact** | Name:  Title:  Email address:  Telephone: |
| **Information on Lead implementing organization** *(maximum 250 words)*   * *Overview and mission* * *Relevant experience and track record* * *Project team (key personnel, skills & experience)* * *Provide up to 3 past performance references that can speak to ability of applicant to achieve results, successfully implement a project of similar magnitude and complexity* |  |
| **Partner Organizations**  *if applicable, and what skills and experience they will contribute to the implementation and scale of the project:* |  |