



FUNDING WINDOW II

Guide for Applicants



Co-funded by
the European Union



german
cooperation
DEUTSCHE ZUSAMMENARBEIT

Financed by

KfW

Document Details:

Guide for Applicants: SIFA FW2/CFP/2023

Call Identifier: SIFA FW2/CFP/2023

Deadline for Submission of Proposals: 21 March 2023 at
23.59 SAST (GMT +2)

Published by:

Skills Initiative for Africa Financial Cooperation (SIFA FC)

An initiative of the African Union Commission (AUC) and the African
Union Development Agency (AUDA-NEPAD)

Implemented by:

African Union Commission (AUC), Addis Ababa, Ethiopia, www.au.int

African Union Development Agency (AUDA-NEPAD), Johannesburg,
South Africa, www.nepad.org

Financed by:

Germany and the European Union through KfW Development Bank

Prepared by:

SIFA FC Fund Management Team (NIRAS – IP Consult)

230 15th Road, Midrand, South Africa

January 2023

*This Project was made possible through the support of a grant from
Germany and the European Union. Its contents are the sole responsibility
of the Skills Initiative for Africa Programme and do not necessarily
reflect the views of Germany or the European Union.*

Table of Contents

| | |
|---|-----------|
| Abbreviations | v |
| Glossary | vi |
| 1. Introduction | 1 |
| 1.1. Funding Window II | 1 |
| 2. SIFA Objective and Indicators | 5 |
| 3. Call for Proposals Timeline | 6 |
| 3.1. Timeline and Deadlines | 6 |
| 4. Submission of Project Proposals | 7 |
| 4.1. Application Submission Tool – SmartME | 7 |
| 4.2. FW2 Application Form | 7 |
| 4.3. Detailed Budget Form | 8 |
| 4.3. Implementation Plan | 9 |
| 4.4. Declaration of Undertaking and Application Submission Form | 10 |
| 4.5. Questions and Answers | 10 |
| 5. Counterpart Contribution | 12 |
| 6. Evaluation of Project Proposals | 13 |
| 6.1. Eligibility Criteria | 13 |
| 6.2. Assessment Criteria | 13 |
| 6.3. Project Presentation | 16 |
| 7. Due Diligence | 17 |
| 8. Implementation Agreement | 18 |
| 9. Disbursement and Procurement | 19 |
| 9.1. Disbursement Procedures | 19 |
| 9.2. Procurement Procedure | 19 |
| 9.3. Procurement Process with SIFA Funding | 20 |
| 9.4. Available Procurement Methods with SIFA Funding | 20 |
| 10. Import Duties and Taxes | 21 |
| 11. Further Information | 23 |

Abbreviations

| | |
|-------------------|---|
| AUC | African Union Commission |
| AUDA-NEPAD | African Union Development Agency |
| CSO | Civil Society Organisation |
| CV | Curriculum Vitae |
| FAQ | Frequently Asked Questions |
| FC | Financial Cooperation |
| FMT | Fund Management Team |
| FW | Funding Window |
| FW2 | Funding Window II |
| GTC | General Terms and Conditions |
| ICB | International Competitive Bidding |
| ICT | Information and Communications Technology |
| IDP | Internally Displaced People |
| KfW | German Development Bank (<i>Kreditanstalt für Wiederaufbau</i>) |
| LCB | Limited Competitive Bidding |
| MoU | Memorandum of Understanding |
| NCB | National Competitive Bidding |
| NGO | Non-Governmental Organization |
| PP | Project Proposal |
| RfP | Request for Proposal |
| RfQ | Request for Quotations |
| SGTC | Supplement to the General Terms and Conditions |
| SIFA | Skills Initiative for Africa |
| SSS | Single Source Selection |
| TVET | Technical and Vocational Education and Training |
| VAT | Value Added Tax |

Glossary

| | |
|--------------------------------------|--|
| Applicant | Group of partners applying for funding |
| Assessment Criteria | Defined criteria used to assess and rank concept notes and full proposals to identify winning Applicants |
| Conflict of Interest | A situation in which a person or entity is in a position to derive personal benefit from actions or decisions made in their official capacity |
| Consulting Services | Services of an advisory/professional nature to a paying client |
| Corrupt Practice / Corruption | The offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the action(s) of an official improperly in a selection process or the execution of a contract |
| Counterpart Contribution | Applicant's own funds (cash or in-kind) contributing to grant project |
| Direct Award | Procurement method for Goods, Works and Consulting Services, whereby only one pre-selected firm or individual is invited, i.e. a contract is awarded to a contractor without a competition |
| Direct Disbursement Procedure | Disbursement procedure whereby payment will be made by AUDA-NEPAD to the contractor, service provider or supplier, based on a withdrawal application prepared by the SIFA Fund Management Team |
| Domestic Entity | Nationally registered entity |
| Due Diligence | On-site verification exercise to confirm the information submitted by applicants |
| Eligibility Criteria | Defined minimum requirements to be fulfilled by an applicant/application to be considered for funding |
| Eligible Costs | Expenses which can be financed through a SIFA Grant |
| Entity | Institution, company, or organization that has legal rights and obligations |
| Force Account | Procurement method that allows the Grantee to purchase its own equipment or to construct the building with its own resources |
| Force Majeure | Any circumstances or events beyond the reasonable control of a Party which makes the performance of its obligations under a contract impossible or impractical |
| Fraudulent Practice / Fraud | Misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, including collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition |
| Project Proposal | Submitted detailed Project Proposal |

| | |
|--|---|
| Fund Management Team | Consultant in charge of managing the SIFA Financing Facility's day-to-day business |
| Funding Window | Funding category with a specific goal and conditions |
| Goods and Related Services | Goods: Raw material, machinery, equipment, vehicles, etc.; Related services: services directly linked to the supply of goods, such as transportation, insurance, installation, commissioning, training, and initial maintenance, e.g. during the warranty period |
| Grantee | The successful applicant who has signed an implementation agreement with AUDA-NEPAD |
| Implementation Agreement | Grant contract signed between AUDA-NEPAD and the Lead Partner |
| Implementation Partner | Member of a group of partners under a grant contract |
| International Competitive Bidding | Procurement method for large procurements, in particular for goods, addressing the maximum number of potential applicants/bidders |
| International Entity | An entity which is registered abroad |
| Lead Partner | Main entity heading the group of partners |
| Least Cost Based Selection | Procurement selection method for simple consultancies, based on price |
| Legally Autonomous TVET Institution | Training institution/organization operating under its own act |
| Master Bidding Documents | Standard templates for specific procurement methods |
| National Competitive Bidding | Procurement method using the national regulations of the beneficiary's country, in particular for Works which will not be large enough to attract foreign contractors; however, foreign bidders are not excluded from participating |
| Non-eligible Costs | Expenses which cannot be financed through a SIFA Grant |
| No-objection | Approval |
| Price Quotation | Procurement method whereby only pre-selected (at least three) firms are invited |
| Primary Partner | The mandatory associated entity in the group of partners |
| Quality and Cost Based Selection Method | Procurement selection method for technical consultancies, based on quality and price |
| Request for Proposals | Procurement method for selection of consulting firms |
| Secondary Partner | An optionally associated entity in the group of partners |
| Separate Agreement | Agreement between KfW and AUDA-NEPAD |

| | |
|--|--|
| Single Source Selection / Single Sourcing | See Direct Award |
| Works | Rehabilitation / renovation of training infrastructure (e.g., buildings) |

01. Introduction

The Skills Initiative for Africa (SIFA) Financial Cooperation (FC) is a pan-African initiative by the African Union Commission (AUC) with financing from the Federal Republic of Germany through KfW Development Bank and support from national governments in eight SIFA partner countries: Cameroon, Ethiopia, Ghana, Kenya, Nigeria, South Africa, Togo and Tunisia. The overall objective of SIFA is to strengthen the occupational prospects of young people in Africa. The Programme finances skills development projects expected to contribute to employment-oriented skills development for young people in African countries. Grants are allocated on a competitive basis through three different funding windows.

Under the present, **SIFA Call for Proposals for Funding Window II in Ethiopia, Ghana, and Togo**, interested eligible entities are invited to submit project proposals.

This document serves as an Instruction Guide for Applicants to develop their project proposal. Key terms used in this guide are explained in the glossary above.

1.1. Funding Window II

Funding Window II (FW2) supports **skills development investment projects** proposed by international private sector entities in collaboration with national skills training entities.

1.1.1. Thematic Area

Funding Window II is for employment-oriented skills development projects led by international companies in collaboration with national training providers aimed at achieving global quality skills standards to improve youth employability in priority growth sectors. The window supports investment projects that build the capacity of national training institutions to deliver innovative skills programs for youth employment.

1.1.2. Grant Amount

Up to EUR 1.5 million per project

1.1.3. Eligible Applicants

The **Lead Applicant** must be **an international company that is present or plans to be present in the SIFA target country with own business operations, such as services or manufacturing.** This means the company must be operating in or planning to launch operations in Ethiopia, Ghana or Togo. Above all, the company must be competent and interested in promoting know-how and competence transfer through the delivery of practice-oriented and competence-based skills training activities as part of the company strategy.¹

It is an advantage if the Lead Applicant (i.e., an international company) is also an accredited training provider who already offers accredited skills training and/or further training programs. Subsidiaries of international companies that are operating in the respective partner countries are also eligible as Lead Applicants.

Other eligible international entities are International Chambers of Commerce, International Industry Organizations/Associations, or Foundations of International Companies. National Industry Organizations/Associations are also eligible if they can demonstrate that they have a significant/active number of international member companies.

International Non-Governmental Organizations (NGOs) and Civil Society Organisations (CSOs) are not eligible.

The Lead Applicant must form a partnership with a Primary Partner and can, in addition, have a Secondary Partner (optional) in order to apply for SIFA funding.

Eligible **Primary Partners** are:

- National Public TVET Schools
- National Public TVET providers (e.g., TVET centres)
- National Universities/Polytechnics
- National accredited private TVET schools with demonstrable partnerships with the public sector

Eligible **Secondary partners (optional)** are:

- Private TVET providers
- International / National Regulatory Agencies (to facilitate curriculum accreditation and alignment with national TVET qualification framework)

¹ This can be done in an in-house training center where company trainees are trained together with students/trainees from cooperating public TVET schools. The joint private-public training facility can also be operated on the premises of a public TVET school or university. Delivered skills training programs should be recognized by the competent regulatory/supervisory bodies.

- National Chamber of Commerce
- National Industry or Employer Association
- International educational or training institutions

1.1.4. Eligible Interventions

- (A) Supply of Training Equipment
- (B) Rehabilitation and extensions of training infrastructure²
- (C) Training of Trainers
- (D) Curriculum Design, Adaptation and Improvement - new courses may be short courses (one week to three months) or long-term qualification schemes (more than one year). The curricula can be brought in by the Applicant or be jointly developed by the partners.
- (E) Learner scholarships or stipends

The maximum grant amount for project interventions C+D+E (Curriculum design, training of trainers and learner scholarships) is limited to EUR 150.000,00 in total.

1.1.5. Counterpart (Applicant) Contribution

At least 30% of the total project cost/investment³

Possible counterpart contributions:

- Co-financing of invoices
- Implementation of project-related (in-kind) measures that can be quantified in cash terms
- Payment of taxes (e.g., VAT, import duties and other public charges) on works, goods and services rendered to the project
- Recurrent costs, such as salaries for additional project-related staff and utility charges (e.g., water, electricity, heating) for the duration of the project
- Internships for students, jointly organized by the partners
- Business incubation of learners with coaching support from private sector partners
- Training facilities linked to youth accelerator initiatives

² Construction of new TVET facilities is not eligible. Rehabilitation of existing buildings (including architectural services) to accommodate training equipment, if required, should be preferably a counterpart contribution of the Lead or Primary Partner but is in general eligible for SIFA funding.

³ Total project cost = SIFA Grant + Counterpart Contribution

- TVET staff attachments⁴, jointly organized by the partners

The counterpart contribution can also be used to cover taxes and duties that are not eligible for financing through the SIFA Grant.

1.1.6. Project Implementation Period

Up to 28 months

⁴ Organized to gain experience in the world of work in the lead partner's company or other cooperating private companies.

02. SIFA Objective and Indicators

SIFA aims to improve the capacity of public and private training institutions in selected African countries to provide competence-based and practice-oriented skills training, thus strengthening the employability of youth and youth employment.

The achievement of this goal will be measured through the following qualitative indicators:

- Individual grant projects should be designed to support the SIFA goal.
- Individual grant projects should ensure ownership by setting up a proactive cooperation network and a concise implementation strategy.
- Individual grant projects should set up mutual cooperation with international private-sector companies.
- Individual grant projects should foresee a variety of measures to ensure sustainability after the SIFA project duration is expired.
- Individual grant projects should present a business plan to demonstrate sustainability after the SIFA project duration is expired.

The achievement of this goal will be measured through the following quantitative indicators:

- Annual student intakes, including the number of training courses and duration of each course
- The number of students /trainees that successfully graduate each year
- Percentage of students/trainees that are women
- Percentage of students/trainees that are youth (15-35 years)
- Proportion of female youth (15-35 years)
- Percentage of students that are from low-income groups (where “student from low-income group” is defined as a student that comes from a household with a household income of less than the threshold for Personal Income Tax)
- Percentage of graduates that are employed or self-employed adequately six months after graduation with at least the minimum wage of the country
- Proportion of self-employed female graduates

03. Call for Proposals Timeline

Funding Window II launches on 24 January 2023. The Call for Proposals will be open for project proposals from Ethiopia, Ghana and Togo. The best proposal in each country will receive funding to implement the project.

3.1. Timeline and Deadlines

- Call Open for Project Proposals: 24 January 2023
- Project Proposals Submission Deadline in SmartME⁵ : 21 March 2023 at 23:59 SAST (GMT +2)
- Evaluation of Project Proposals: four (4) weeks after the submission deadline
- Evaluation reports and Ranking of Project Proposals: two (2) weeks after the evaluation of proposals
- Presentation by respective applicants of the three (3) top-ranked Project Proposals for each country: two (2) weeks after evaluation reports and rankings
- Due Diligence: four (4) weeks after the virtual presentation of top-ranked project proposals
- The signing of the Implementation Agreement: four (4) weeks after Due Diligence and approval by AUDA-NEPAD and No-Objection by KfW

⁵ SmartME is the online application system for submission of project applications. See ***Submission of Project Proposals***, below

04. Submission of Project Proposals

4.1. Application Submission Tool – SmartME

Project Proposals for SIFA funding must be submitted via the online application system (SmartME), which can be accessed via the SIFA website at www.skillsafrica.org. Applicants need to register once in order to get access. In SmartME, applicants can create, complete and submit their applications online. Draft applications can be saved at any time if the applicant wishes to continue working on them at a later point in time. Applicants can also invite partners so that they can jointly access and work on the application in SmartME. Once submitted, the application cannot be modified anymore.

Please note: As several calls for proposals for different Funding Windows will be open at the same time, please make sure to select the correct application form (*SIFA FW2/CFP/Ethiopia-Ghana-Togo*).

Applications must be submitted before the submission deadline. After the deadline, the submission will not be possible anymore. In case of technical difficulties in the system, please consult the *SmartME Helpdesk* available in the Support section when logged into the system. Please make sure to complete your application well ahead of time to avoid unexpected problems at the last minute before submission.

Privacy of Applicant Data: All data entered into the SmartME system is secure. All the operations and practices regarding the collection, storage and processing of personal information are in accordance with the EU Data Protection Directive 95/46/EC and the Finnish law 22.4.1999/523 implementing the Directive.

4.2. FW2 Application Form

In the SmartME application form, the requested information must be provided, and the required documents uploaded. The application can be completed in English or French language. All financial information included in the application shall be in EUR (or converted to EUR⁶).

For the following documents, templates are provided via a link in the form; they must be downloaded, completed and then uploaded into the corresponding sections of the application form. Further instructions on how to fill out these forms are provided below.

⁶ For conversion of local currencies to EUR, please use the exchange rate from <https://www.oanda.com/currency-converter/en/> of the week of the application submission.

1. Detailed Budget Form
2. Work Plan
3. Declaration of Undertaking
4. Application Submission Form

Additionally, the following supporting documents should be uploaded as applicable, in the Applicant's own format (no template provided):

- Counterpart Contribution: Commitment letter(s) for Lead and Partner(s)
- CVs of the proposed Management Team for the project
- Proof of ownership or lease hold of the land or building(s) to be equipped, renovated or rehabilitated
- List and specifications of the equipment to be procured (if applicable)
- Further supporting documents for all project components, as applicable

4.3. Detailed Budget Form

Template Name: Detailed Budget Form_EN.xlsx (Excel file)

In the **Detailed Budget Form**, Applicants must provide detailed cost estimates and funding sources for each planned activity/item. In the whole document, only yellow cells should be filled by Applicants. Data in grey cells will be calculated automatically. Examples in yellow cells are included for guidance only and should be replaced or deleted. In case of missing data or errors, this will be indicated in red. Please make sure to fix any errors before submitting the form.

The **Detailed Budget Form** contains the following sheets (see tabs at the bottom of the document):

1. Summary
2. (A) Equipment
3. (B) Rehabilitation / Renovation Works
4. (C,D,E) Other Activities
5. (F) Taxes & Duties
6. (G) Other Costs

In the **Summary** sheet, the grey calculation fields are protected to avoid unintended mistakes. In all other sheets, please be careful not to alter the formulas in the grey cells.

In **Sheets A – G**, please adapt the individual items as needed for your proposed project. Items should

be as specific as possible, like the examples provided. For each item, insert the **Unit, Quantity, and Price/Unit (columns C – E)**. By default, the corresponding **Total Cost (column F)** will automatically appear as **Counterpart Contribution (column H)**. If you want to cover this cost (or part of it) with the SIFA Grant instead, then enter the total amount (or part of it) under **SIFA Grant (column G)**. The Counterpart Contribution will automatically decrease accordingly.

Note: Applicants are encouraged to make use of the full maximum grant amount of EUR 1.5 Mio in their application.

In Sheet **F, Taxes & Duties**, please make sure to include in the description the corresponding Budget Number (e.g., B.2.1) of the item to which the tax/duty belongs. Please refer to the chapter **Duties and Taxes** for further information.

How to insert additional rows (ensuring calculations will function correctly):

1. In a row which contains yellow cells, click on the row number on the very left
2. Right-click on the row number and select Copy
3. Right-click on the row number again and select Insert Copied Cells (a duplicate of the row will appear above the selected row)
4. Enter some data in the yellow cells of the new row to check the calculations are functioning correctly
5. When finished, please correct the numbering in column A (Budget line) manually

How to submit the completed form:

The **Detailed Budget Form** must be uploaded in SmartME both in Excel and PDF format.

- To create a PDF document: Download the free Adobe Acrobat Reader here <https://get.adobe.com/reader>
- To convert all sheets into a single PDF document: Click File > Save as > Browse and select a folder where you want to save the file > Save as type: PDF > Options... > Publish what: Entire workbook > OK > Save

4.3. Implementation Plan

Template Name: Work Plan_EN.xlsx (Excel file)

In the Implementation Plan, Applicants must provide information about the timeline of planned activities for their project proposal. If awarded a SIFA grant, the information provided in the Implementation Plan will be used for monitoring and reporting on the project's progress.

The file is structured in the following sheets (see tabs at the bottom of the document):

1. Introduction
2. (A) Equipment
3. (B) Rehabilitation / Renovation Works
4. (C,D,E) Other Activities

How to fill in the Work Plan:

1. Under each category of activities (**A Equipment, B Works, C Training of Trainers, D Curriculum Design, E Learner Scholarships**) relevant to your project, define your expected outputs and enter these.
2. For each output, specify the activities necessary to achieve it. Use one row per activity. You may add or remove rows to the tables as necessary. The easiest way to do so is to copy and paste an existing row (by right-clicking on the row number). Include all activities regardless of whether they are attributed to the SIFA grant or to the counterpart contribution.
3. In the preliminary time schedule on the right-hand side of each activity and output, specify when you plan to undertake and complete each activity and output. Type x into a cell to indicate an ongoing activity, and type c into a cell to indicate completion of the activity/ final delivery of the output. The cells will be coloured automatically. Consider month one as the start of project implementation. Examples of a time schedule have been included in the first section (A Equipment - A.1) for guidance only and should be replaced/adapted to your project.

4.4. Declaration of Undertaking and Application Submission Form

The **Declaration of Undertaking** and the **Application Submission Form** must be completed as indicated in the documents, signed by the Lead Applicant representative, and a digital version of the signed document (scan) must be uploaded in the corresponding section in SmartME.

If the application is successful, all parties involved (including the Lead, Primary and Secondary Partner) need to sign the Declaration of Undertaking for the final Implementation Agreement between AUDA-NEPAD and the Grantee.

4.5. Questions and Answers

If you have questions regarding the Funding Window II (FW2) application form, please check the Frequently Asked Questions (FAQ) on the SIFA website www.skillsafrica.org. If you can not find the right answer, please send your question via the contact form on the website, indicating that your

question is about FW2. The answers to these questions will be published in the FAQ section of the website. **The deadline for questions regarding the FW2 application is two (2) weeks prior to the submission deadline.**

In case of technical problems in the online application system *SmartME*, please consult the *SmartME Helpdesk* available in the Support section when logged into the system.

05. Counterpart Contribution

Evidence needs to be provided for all counterpart contributions during the course of project implementation. Information on the status of the counterpart contribution needs to be included in all financial reports. With regard to the counterpart contribution, the available options are:

1. Co-financing of invoices
2. Implementation of project-related (in-kind) measures that can be quantified in cash terms
3. Payment of taxes (e.g., VAT, import duties and other public charges) on works, goods and services rendered to the project
4. Recurrent costs, such as salaries for additional project-related staff and utility charges (e.g., water, electricity, heating) for the duration of the project
5. Internships for students, jointly organized by the partners
6. Business incubation of learners with coaching support from private sector partners
7. Training facilities linked to youth accelerator initiatives
8. TVET staff attachments⁷, jointly organized by the partners

For option (2): Implementation of project-related in-kind measures: Applicants must submit evidence (e.g., inventory lists, lease agreements etc., covering the stated project-related in-kind items) for easy verification of the in-kind measures and costs.

For option (3): Payment of taxes: Applicants must submit evidence of the estimated cost of taxes to be paid. During implementation, verification of the payments must be included in the financial reporting.

For claimed counterpart contributions to be accepted by AUDA-NEPAD and KfW, the costs claimed as counterpart contributions must be proven beyond a reasonable doubt in terms of the following:

1. Being additional costs not already covered from other sources,
2. Having actually accrued, and
3. In financial terms, having been paid and/or provided in-kind not later than the end of the project.

If the required minimum counterpart contribution as stipulated is not reached at the end of the SIFA-funded project, the overpaid SIFA Contribution must be reimbursed (paid back) by the **Lead Partner**.

⁷ Organised to gain experience in the world of work in the lead partner's company or other cooperating private companies.

06. Evaluation of Project Proposals

Project Proposals will be screened against the Eligibility Criteria (step 1), and eligible proposals will be evaluated in detail (step 2) based on the Assessment Criteria presented below.

6.1. Eligibility Criteria

| Eligibility Criteria | | Requirements to be Fulfilled (Yes/No) |
|----------------------|---------------------------------------|---|
| 1 | Eligible Entities | Partners are eligible entity types as defined for Funding Window II |
| 2 | Eligible Activities | Proposed activities are eligible as defined for Funding Window II |
| 3 | Registration and Accreditation | Registration documents for Lead and Primary Partner, and accreditation documents for training providers. If the institution has not yet received accreditation, it needs to be explained how and until when accreditation can be ensured. |
| 4 | Financial Capacity | Audited or certified financial statements of the Lead Partner for the last three available years.* The current ratio in the last three years should be, preferably, <i>Current Assets/Current Liabilities</i> > 1.00 |

* If for 2022, certified or audited statements are not yet available, documented estimates shall be provided.

6.2. Assessment Criteria

The selection of project proposals shall be guided by the following assessment criteria and corresponding maximum scores:

Viability and Readiness to Implement (20 points maximum):

It is important that Project Proposals, in particular, if focused on large procurements, are ready-to-be-implemented projects, i.e., a prior concept development/technical planning exists (and is documented).

Hence, Applicants shall demonstrate/document their commitment and readiness to implement the proposed project by submitting a Commitment Letter, referring to the amount of the required counterpart contribution and what it consists of.

Applicants shall also demonstrate their project implementation capacity, e.g., organizational capacity and experience, existing or planned cooperation network for project implementation, and draft project implementation strategy.

Furthermore, Applicants shall demonstrate/document their preparedness to implement the project, e.g., a short project sketch, set of skills/competencies to be trained, basic equipment list, environmental studies and certificates etc.

Digitalization (5 points maximum):

Project Proposals shall present a conceptualization of the selected digitalization approach that is suitable for the skills training approach and that is adapted to the technical capacity of the applicants' training facilities, e.g., stable power supply, stable internet access, and availability of suitable ICT equipment.

Sustainability (20 points maximum):

Project Proposals shall substantiate the economic viability of the project beyond SIFA investment (e.g., by submitting a business plan). In addition, applicants must prove ownership of the project by providing considerable counterpart contributions and by outlining a project implementation strategy, as well as setting up a cooperation network for successful project implementation. Applicants should also indicate cooperation measures with other national private sector companies to strengthen workplace learning and demand-oriented TVET provision.

Moreover, Project Proposals shall substantiate the growth potential of the concerned industry sector in the specific country and justify respective skills/competence needs. The proposal shall present a viable and sustainable financing strategy. Applicants shall enumerate risks and how they will be mitigated as well as measures and strategies to sustain the investment.

Priority Growth Sector (10 points maximum):

Proposals describe how the project is strengthening TVET in national priority sector(s) and/or that it is aligned with a national youth employment promotion or poverty alleviation strategy, and/or that it is aligned with a national strategy to promote the TVET sector, and/or that it is in line with a national strategy to promote skills development and the TVET sector.

Private Sector Involvement (20 points maximum):

Proposed projects must involve the private sector from the start and provide documentation of collaboration with private sector companies, such as:

- **Cooperation network already in place:** (e.g., joint curriculum development, provision of workplace attachments/internships, consultancy work), evidenced by cooperation agreements, Memorandum of Understandings (MoUs),
- **Cooperation network planned** and still to be set up, evidenced by MoUs,
- **Cooperation strategy** in place, documented.

Access For/Impact on Women, Youth, and Vulnerable Groups (15 points maximum):

- Project Proposals must include specific measures to address the specific needs or employment opportunities for women, youth and vulnerable groups, such as:
- Measures targeting women,
- Measures targeting youth from low-income groups,
- Measures targeting Vulnerable Groups (refugees, IDPs, persons with disability, migrants, etc.).

Overall Quality and Relevance of the Proposal (10 points maximum):

The Project Proposal will also be assessed based on the overall quality of the proposal as demonstrated by the coherence and completeness of the documentation provided and relevance in terms of the expected impact on employability. The following quality aspects of the PP will be particularly assessed:

- Quality of TVET staff, e.g., VET teachers and trainers, as well as their formal qualification, industry experience, training experience
- Quality of assigned project management, e.g., position in the company institution, formal qualification, TVET background & experience, experience with previous, similar projects
- Quality of the presented logical framework of the project, e.g., clear objective in line with SIFA criteria, clear output & outcome table with indicators
- Quality and credibility of the applicant's elaboration on how to achieve project goals and meet indicators

The maximum score of the PP evaluation is 100 points. All eligible PP will be ranked according to this scoring scheme. The three (3) top-ranked PP will be **shortlisted for a project presentation**, which constitutes the third stage of the evaluation.

6.3. Project Presentation

Shortlisted Applicants will be invited to virtually present their project, where the partners make a pitch for their project, supported by visuals. The presentation will be limited to 15 minutes and evaluated by a panel of independent evaluators.

6.3.1. Assessment Criteria for the Virtual Presentation

Presenting Applicants are expected to:

- Deliver a clearly structured presentation, i.e., title, objective, partners, beneficiaries, relevant key components
- Substantiate the relevance of their PP, i.e., compliance with SIFA criteria
- Demonstrate their readiness and ownership to implement the project
- Explain how to ensure sustainability as well as the involvement of the private sector
- Use speech and visuals in a well-balanced and mutually supportive manor

The maximum score for the presentation is 25 points, which sums up to a total maximum score of 125 points for the entire evaluation.

Shortlisted Project Proposals will be ranked according to the total score achieved.

07. Due Diligence

Due Diligence is a desk and field assessment against the specific criteria defined to ensure the relevance and sustainability of the project proposals as well as their contribution to the attainment of the overall objectives of the SIFA Financing Facility.

After evaluation and ranking of the Project Proposal but before the final approval of the ranking by AUDA-NEPAD and No-objection by KfW, the SIFA FC Fund Management Team (FMT) will carry out Due Diligence on the projects to verify all information submitted in the application, including the organizational and financial capacity and the technical validity of the proposal. **The Due Diligence will include on-site visits.**

The Due Diligence will also include an assessment of the procurement capacity of the applicant in terms of undertaking major procurements. The Due Diligence will also define the disbursement procedures and includes an environmental and social impact assessment.

The award of a grant and preparation of the project-specific Implementation Agreement with the Grantee is subject to the approval of the Due Diligence Report by AUDA-NEPAD and No-objection by KfW.

08. Implementation Agreement

The winning applicants in each of the three countries will sign Implementation Agreements with AUDA-NEPAD, which specify the conditions of the Grant award and project implementation.

Structure of the Implementation Agreement

The Implementation Agreement consists of the Supplement to the General Terms and Conditions (SGTC), the General Terms and Conditions (GTC) and the annexes. Both SGTC and GTC are non-negotiable, and only the following information will be inserted in these parts of the Implementation Agreement:

- Name of the project
- Expiring date of the contract
- The total value of SIFA contribution (in EUR)
- Domicile indication (postal address) of the Lead Partner
- Name and position of the signatory

The annexes will be adjusted to each project and contain the following additionally required information and conditions:

- Project Description
- Project Budget
- Work Plan
- Disbursement and Payment
- Procurement
- Reporting
- Declaration of Undertaking
- Special conditions precedent to certain activities/milestones

The three parts of the implementation agreement prevail in the following order:

- Annexes (complement/overrule SGTC and GTC)
- SGTC (where SGTC differs from GTC, SGTC complements and overrules GTC)
- GTC

09. Disbursement and Procurement

By signing the Implementation Agreement, successful Applicants agree to apply the defined disbursement and procurement procedures during project implementation. This chapter provides an overview of the procedures.

9.1. Disbursement Procedures

1. Reimbursement Procedure through AUDA-NEPAD

The reimbursement procedure applies to all procurement methods, and this is applicable to works, goods and services. Under the reimbursement procedure, the Lead Partner will pre-finance the respective goods, services or works and will receive payment through reimbursement on completion (or partial completion if approved by AUDA-NEPAD) of the respective goods, services or works. **Based on Lead Partner's performance and complete documentation, verified by FMT, AUDA-NEPAD approves and issues payments to the Lead Partner.**

Or

2. Direct Disbursement Procedure through AUDA-NEPAD

Under the direct disbursement procedure, AUDA-NEPAD disburses funds directly to the companies (contractors or "suppliers") whose goods, works and services are to be financed by SIFA. Payments may be arranged as advance, intermediate, and final instalments. **Based on Lead Partner's performance and complete documentation, verified by FMT, AUDA-NEPAD approves and issues payments to the Lead Partner's Supplier(s).**

9.2. Procurement Procedure

Procurement methods will be determined by:

1. The capacity and procurement experience of the applicant
2. The discussions during the Due Diligence exercise
3. The value of the estimated consulting contract value

9.3. Procurement Process with SIFA Funding

1. Preparation of Bidding Documents
2. Preparation of Tender Notice
3. AUDA-NEPAD no-objection of Tender Documents
4. Bidding Period
5. Evaluation of Bids
6. AUDA-NEPAD no-objection of Evaluation Report
7. Contract Award and Negotiation
8. AUDA-NEPAD no-objection of Contract
9. Contract signing

9.4. Available Procurement Methods with SIFA Funding

1. International Competitive Bidding (ICB)
2. National Competitive Bidding (NCB)
3. Limited Competitive Bidding (LCB)\Request for Quotations (RfQ)
4. Direct Award
 - Sole Sourcing Selection
 - Single Sourcing Selection
5. Force Account
6. Request for Proposal (RfP)
 - with separate prequalification
 - without separate prequalification
7. Single Source Selection (SSS)

Method 1, 2, and 6 can be done with or without separate prequalification.

The final decision as to procurement methods is determined with the prospective Grantee by the FMT and AUDA-NEPAD during the Due Diligence Exercise. Not all procurement methods are applicable to each procurement activity.

10. Import Duties and Taxes

Taxes, including VAT, levies and duties, are in principle not eligible for SIFA funding but can be considered as counterpart contributions.

However, import duties and/or VAT/sales taxes may be considered eligible as a SIFA grant subject that the maximum SIFA contribution of the project is not exceeded. The decision on whether or not to fund duties and/or taxes will be made during the Due Diligence exercise prior to contract preparation. The Lead Partner shall provide AUDA-NEPAD with a tax exemption certificate issued by a valid local authority from the country where the services shall be provided.

In case no tax exemption is provided, taxes (limited to VAT or sales tax) and import duties may be eligible for financing through the SIFA grant only if the Lead Partner provides verifiable evidence that they cannot be recovered/deducted and/or exemptions cannot be obtained. Since most countries make provisions for the exemption of taxes and/or import duties, e.g., for educational projects, the Lead Partner must make every effort to secure exemptions.

Proof of such non-deductibility/recoverability must be provided by the Lead Partner for all:

- VAT to be paid by the Lead Partner/other partners on SIFA-funded equipment, works or services
- Duties for SIFA-funded equipment to be paid by the Lead Partner/other partners

For this purpose, taxes (limited to VAT or sales tax) and import duties according to a) and b) above must be stated separately in the purchase contracts and invoices for local purchases or claims sent to SIFA for imports. All other taxes and levies, whether or not shown separately in the invoices, are assumed for the purpose of the **Implementation Agreement** to be included in the prices for goods, works and/or services and cannot be separately reimbursed with SIFA funding.

As proof of an exemption of import duties and/or taxes according to a) and b) above not being granted, AUDA-NEPAD will require and accept the following documentation from the Lead Partner:

- A formal application for the exemption from the payment of import duties and VAT or sales tax, submitted to the relevant authorities, with a received stamp from that authority, and
- In reply to the aforementioned formal application, a specific declaration/reply from the relevant authorities stating that the Lead Partner/other partners are not entitled to import duty and/or VAT/sales tax exemption or to reclaim taxes incurred for the activities in question, or

- In the absence of a reply from the relevant authorities after two months from the date of application, it will be accepted. However, should an exemption or a refund materialize at any time thereafter, resulting in a repayment of duties and/or VAT/sales tax already paid with SIFA funds, those funds returned by the tax authorities must immediately be reimbursed to AUDA-NEPAD.

If import duties and/or taxes are financed by SIFA, a stamp/note must be placed on the original invoice clearly stating that the import duties and or VAT/sales tax have been financed with donor funds.

All above statements made and documents provided by the Lead Partner, in case taxes and/or import duties were funded by SIFA, will be subject to audits. Audit results may result in requests for reimbursement.

All the above must be clarified before completion and signing of the Contract and, in the case of being included in the Implementation Agreement, will be verified before any payments of duties and taxes from the SIFA Contribution are made.

11. Further Information

Please visit the SIFA website at www.skillsafrica.org for further information about SIFA and the different Funding Windows, the application process, and **Frequently Asked Questions (FAQ)**.

Specific FAQ for Funding Window II will be published on the FAQ section of the website. If you do not find an answer to your questions there, you can submit your question through the contact form on the website.

In case of technical problems in the online application system SmartME, please consult the **SmartME Helpdesk**, available in the “Support” section when logged in to the SmartME system.

Disclaimer

This guideline is designed to provide information for applicants of **SIFA Funding Window II**. The information provided in this guideline is for informational purposes only and is not intended to be a source of advice with respect to the material presented. AUDA-NEPAD, KfW and the FMT do not make any guarantee or other promise as to any results that may be obtained from using the content of this guideline. AUDA-NEPA, KfW and the FMT disclaim any and all liability in the event any information, commentary, analysis, opinions, advice and/or recommendations contained in this guideline prove to be inaccurate, incomplete or unreliable or result in any investment or other losses. The use of this guideline implies your acceptance of this disclaimer.