



## **The Inter-American Development Bank (IDB), GDF SUEZ, and the Nordic Development Fund Launch the IV Energy Innovation Competition for Renewable Energy, Energy Efficiency, and Energy Access in Latin America and the Caribbean (IDEAS)**

### **Background**

Simple innovations can dramatically affect how businesses and markets function in developing countries. The nations of Latin America and the Caribbean (LAC) have great potential for developing economically and environmentally sustainable projects in such key areas as renewable energy, energy efficiency, biofuels, and energy access in rural areas. Local innovations and adaptation of existing technologies to local conditions are key to increasing the competitive supply of sustainable energy services to address environmental challenges.

The IDEAS competition seeks to support initiatives in applied scientific research and technology focused on the adoption, innovation, assimilation, development, and transfer of technologies for renewable energy and energy efficiency that have a tangible local or regional impact in promoting the development of sustainable economies and reducing poverty.

### **What is IDEAS?**

The IDEAS competition is an initiative that supports the development of innovative projects that promote renewable energy, energy efficiency, and energy access in rural areas. This year's competition is the fourth in a series that began in 2009. More than 1,800 applications from 28 countries in LAC have been received and 43 winners have been selected to date. For more information on previous competitions see <http://www.iadb.org/ideas>

### **Collaboration between IDEAS and GDF SUEZ**

At the annual meeting of the Clinton Global Initiative in September 2011, GDF SUEZ and the IDB signed a Memorandum of Understanding to closely collaborate on projects to support social entrepreneurs with the aim of providing access to sustainable energy for disadvantaged



populations. The initiative is part of the corporate social responsibility program of the firms GDF SUEZ, GDF SUEZ Rassembleurs de Energies.

The program seeks to promote economic and social development in isolated regions worldwide and provide access to energy for vulnerable populations. It is organized around three initiatives: (i) sponsorship of skills, (ii) technical assistance to entrepreneurs, and (iii) grants and capital investments that can be applied separately or in combination. GDF SUEZ Rassembleurs d'Energies supports social entrepreneurship projects and NGOs that facilitate access to sustainable energy for all and reduce energy deficits. The mission of GDF SUEZ through GDF SUEZ Rassembleurs de Energies is to sponsor a major high-impact social program for 2013 through the IDEAS competition.

### **Collaboration between IDEAS and NDF**

The Nordic Development Fund (NDF) will provide a contribution of 2.1 million euros (U.S. \$ 2.78 million) to support a project of the Inter-American Development Bank (IDB) to implement plans of action on climate change emerging economies and sustainable cities in Latin America and the Caribbean.

NDF resources are used to finance the development of climate change adaptation and mitigation action plans for medium-sized cities in Bolivia, Honduras and Nicaragua.

The agreement was signed at the annual meeting of the IDB in Montevideo, between IDB President Luis Alberto Moreno, and Satu Santala, Chairman of the Board of NDF and NDF Managing Director, Helge Semb.

The project is based on a special program and Multi-Donor Fund for Emerging and Sustainable Cities Initiative IDB, which will help the countries of Latin America and the Caribbean, to address development challenges such as environmental sustainability and climate change, sustainable urban development, governance and fiscal sustainability.

### **Sponsors**

The IV competition will be sponsored jointly by the Inter-American Development Bank (IDB), the Government of South Korea, GDF SUEZ, and the Nordic Development Fund (NDF).





### **The Inter-American Development Bank**

Founded in 1959, the IDB is the largest source of multilateral development financing for LAC's efforts to reduce poverty and inequality. Its objective is to achieve sustainable and climate-friendly development. ( [www.iadb.org](http://www.iadb.org))

### **The Government of South Korea**

The Government of South Korea has a strong track record in promoting innovation and strategic energy policy. The government has worked with the IDEAS program through its Knowledge Partnership Korea Fund for Technology and Innovation since the start of the competition in 2009. (<http://www.korea.net/>).

### **GDF SUEZ**

GDF SUEZ operates on a model based on responsible growth for addressing today's energy and environmental challenges by meeting energy needs, ensuring energy security, combating climate change, and optimizing resource utilization. GDF SUEZ provides highly efficient and innovative solutions to individuals, cities, and businesses based on diversified sources of gas and the flexibility of its low-emissions electricity production of CO<sub>2</sub>, as well as its unique expertise in four key areas: liquid natural gas, energy efficiency services, environmental services, and electric power production. GDF SUEZ works in 70 countries and employs more than 200,000 people worldwide. <http://www.gdfsuez.com/en/group/summary/>

### **The Nordic Development Fund**

The Nordic Development Fund (NDF) is a development finance institution jointly established by the five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden—and funded by the countries' development assistance budgets. NDF provides grant financing for interventions in low-income countries to address the causes and consequences of climate change. Funding support is provided mainly in cooperation with other multilateral development institutions. NDF operations mirror the Nordic countries' priorities in the area of climate change and development. [www.ndf.fi](http://www.ndf.fi)





## The Competition

### Objective

Support the development of innovative projects, scientific research, and applied technology focused on the adoption, innovation, assimilation, development, and transfer of technologies for renewable energy and energy efficiency and access to energy in the region's rural areas.

### How to apply

Participants must complete the IDEAS online form at <http://www.iadb.org/ideas>.

Each participant may submit only one proposal. Proposals must be submitted in English, Spanish, Portuguese, or French.

### Deadline for submission of proposals

Proposals must be submitted upon completion of the IDEAS online application form at <http://www.iadb.org/ideas> between May 1, 2013, and midnight, July 1, 2013, Washington, DC time.

### Selection process

**Initial review:** A team of technical experts and sector specialists of the sponsoring organizations will review proposals in accordance with the eligibility criteria (see below). Proposals that do not meet these criteria will not be considered.

**Intermediate technical evaluation:** Proposals will be evaluated by experts in accordance with the evaluation criteria (see below) to draw up a list of finalists.

**Final judging:** A panel of experts will evaluate the proposals of the finalists. Winners will be announced starting in August 2013.



## Eligibility criteria

Participation in the competition is subject to the criteria below:

**Objectives of proposed projects:** Projects must focus on the adoption, innovation, assimilation, development, and transfer of technologies for renewable energy, energy efficiency, and climate change, including biofuels and energy access in rural areas.

**Entities eligible to participate:** The competition is open to any organization, consortium, or individual based in the IDB member countries in LAC.

**Timeframe:** The proposed activities must be completed within 12 months from the date of the first disbursement.

**Grant funds to be provided:** Requests for funding that will be supported by GDF SUEZ, NDF, and the IDB will not exceed US\$100,000 per project.

**Existing support:** Entities or individuals that are already receiving funding for the same project from GDF SUEZ, NDF, the IDB, or any previous sponsor, are not eligible.

**Eligible items:** All expenses and investments directly related to the execution of the project that are essential for successful implementation are eligible for financing. Full accounting must be made of these expenses and investments.

Proposals must include a counterpart contribution of 20 percent of the total cost of the project; the counterpart contribution can be in financial resources or in kind.

## Evaluation criteria

**Degree of innovation (innovative content):** Extent of incorporation of new methods that extend beyond existing practices in the areas described above. Innovation includes new technologies as well as new ways of combining existing processes or technologies.

**Development impact (economic, social, environmental, and technological benefit):** Potential to contribute to economic and productive efficiency, energy security, environmental sustainability, and social betterment. Innovations should have the potential to generate growth, income, and employment; promote gender equality, create conditions in which indigenous



peoples may develop in harmony with their environment and according to their priorities; encourage the development of Afro-descendant communities; benefit the poorest sectors; facilitate access of the poorest communities to basic services and improve access to energy products and services; benefit the environment and reduce emissions, specifically in relation to climate change mitigation and adaptation; reduce costs; and improve sustainability. The proposal must provide specific indicators for monitoring the project's impact.

**Scale, potential for replicability, sustainability (technical and financial viability):** Potential of the project to be extended, replicated elsewhere, or adapted to meet broader needs within or outside the country where it will be initially implemented. Proposals should consider prospects for the project's medium and long-term technical and financial sustainability.

**Institutional capacity and quality of the proposal:** Experience, institutional, financial, and technical capacity of the applicants, as well as the quality of the proposal and the commitment of the applicant.

**Feasibility for the transfer, implementation, assimilation, and adoption of the project results:** Clearly stated strategy for transferring the technology that explains the efficiency of the implementation mechanism, distribution and/or delivery of products/systems to beneficiaries or clients, including methods of supply or support processes, financing methods, organizational models, and innovative combinations of partners/entities providing services and/or producing goods.

**Projected risks:** Level of risk required to achieve the project's objective.

### **Contractual provisions**

Once the winners are announced and confirmed, a technical cooperation agreement will be signed in accordance with policies and procedures of the IDB and GDF SUEZ. The winners will deliver progress reports on the project in stages, and progress will be monitored by the competition sponsors. Failure to achieve the budgeted targets may result in termination of the contract. A final report will be delivered after all project stages are completed.

The winners will provide progress reports on the technical and financial progress of the project at three stages; this progress will be monitored by the competition sponsors. The progress report must report on results achieved in comparison with the expected results for the reporting period,



information relating to the use of the resources, and a reasonable assessment of the probability that the recipient of financial support will achieve the project's objective.

### **Contractual obligations with the Bank**

In the case of selected proposals that will be financed with IDB resources, which will be provided by the Korean Government and the NDF, the project beneficiary/executing agency will sign a technical cooperation agreement and a Resource Allocation Agreement with the IDB to formalize terms of the provision of technical cooperation to fund the hiring of consultancy services and procurement of goods necessary for carrying out the project presented in the proposal. Pursuant to the policies of the IDB and areas of eligibility, the Bank will grant the beneficiary a free and revocable license, for an indefinite period, for the use of copyrights, patents, and any other industrial or intellectual rights that will result from the final documents that are received to the satisfaction of the IDB, and which are produced by the consultants in developing consulting contracts financed with the resources of the IDB contribution.

**Contracting consultants and procuring goods and services.** For the contracting of consultants and procurement of goods and services for the project, the beneficiary must adhere to the policies of the IDB.

**Monitoring and evaluation reports.** The executing agency will be responsible for presenting the IDB with progress reports on the project within thirty (30) days following the end of each quarter of project execution. This implementation of the project, (ii) compliance with implementation targets, and (iii) project results and their contribution to achieving the objectives set out in the project proposal document. Additionally, these reports will include problems encountered during implementation of the project and proposed solutions. (b) In addition, the executing agency will provide the following:

(1) An independent audit report upon achievement of the final set of project targets or the disbursement of ninety percent (90%) of the resources of the contribution, whichever comes first. This report will include the following: (i) analysis of the results achieved in relation to the objectives of the project, (ii) best practices and lessons learned, (iii) the sustainability of the actions undertaken by the project after the disbursement of IDB support, and (iv) institutional capacity of the executing agency.

(2) A business plan describing future actions related to the continuity and replicability of the project.



**Intellectual Property:** In cases where the funding is provided by the IDB, intellectual property rights belong to the IDB, notwithstanding that the IDB may grant free licenses. In publications of any kind or presentations at public events that take place as a result of the project, credit must be given to the IDB.

For more information visit our website:

<http://www.iadb.org/en/topics/energy/ideas/ideas,3808.html>

Or send your query to: [ideas@iadb.org](mailto:ideas@iadb.org)