Call for Proposals -Establishment and management of an incubation and acceleration tracks for MSME coupled with a subsidy fund to provide financial support to entrepreneurs active in the green mobility sector in Dar-es-Salaam (EU-Transport and Trade Improvement Project - Pillar 3 Green Mobility

Questions and Answers

1. We need to set up new Incubation centre or just provide training?

The call for proposals requires applicants to **design and manage both incubation and acceleration tracks** for e-mobility entrepreneurs. This includes:

- Strategic support to MSMEs
- Business development services
- Investment-readiness preparation

While the guidelines don't mandate the physical establishment of a new incubation centre, we do expect a **comprehensive incubation and acceleration program**. This could be delivered through existing facilities or partnerships, but if a new centre is proposed, it must be justified and aligned with the program's objectives.

2. If new incubation centre, who will provide furniture, IT equipment's etc?

If the proposal includes setting up a new physical centre, the **costs for furniture, IT equipment, and other operational needs** would typically be covered under the grant—provided they are:

- Clearly justified

- Aligned with the eligible cost categories
- Included in the operational budget

These costs must comply with the eligibility rules outlined in the grant agreement and procurement principles. The contracting beneficiary is responsible for procurement, following either public procurement law (if public) or Annex VIII rules (if private).

3. Who will be the contracting authority and or counter-part ministry/authority to take ownership of incubation centre to run in near future?

The **contracting authority** is **Enabel**, the Belgian development agency.

As for future ownership or sustainability, the guidelines emphasize the need for a **capitalisation report** and **medium-term action plans** for each supported MSME.

If a physical centre is proposed, applicants should outline a sustainability and handover strategy, potentially involving local government or institutional partners.

4. Can you clarify whether international NGOs without a registered office in Tanzania but with a strong local partner qualify as lead applicants?

Yes—with conditions.

The lead applicant must:

- Be a legal entity (NGO or foundation)
- Have experience in financial services for MSMEs
- Be able to operate in Tanzania

If the lead applicant is not based in Tanzania, its co-applicant must be. This means an international NGO can apply as lead if partnered with a Tanzanian-based co-applicant who meets the eligibility criteria.

5. What level of documentation is required to prove "at least 5 years' experience in fundraising, financial structuring or investment assignments"?

Applicants must demonstrate:

- At least 5 years of relevant experience
- Completion of **at least three comparable programs** in the last five years

Required documentation includes:

- CVs of the proposed multi-disciplinary team
- Description of past projects (including budgets and scope)

The concept note must clearly articulate this experience, and shortlisted applicants will provide more detailed evidence in the full proposal.

6. For co-applicants: is the maximum of two co-applicants strictly enforced, and are consortium agreements required at the concept note stage?

Maximum of two co-applicants is strictly enforced. The guidelines clearly state that the lead applicant may act individually or in partnership with **a maximum of two (2) co-applicants**. While this is a hard limit, the number of sub-grantees is not limited (each eligible to max 100k€) to implement specific activities to support your consortium objectives.

Consortium agreements are not required at the concept note stage. However, co-applicants must:

- Sign the declaration in Part B, Section 2.6 of the grant application file (only applicable at the full proposal stage)
- Submit their legal entity form and statutes/articles of association with the concept note

So while formal consortium agreements aren't required yet, the relationship and roles should be clearly defined in the concept note.

7. Is proof of tax/social security compliance required at the concept note stage or only if shortlisted?

Only required if shortlisted. At the concept note stage, applicants must declare that they are compliant, but actual documentation (e.g., proof of tax and social security payments) is only requested after shortlisting, during the full proposal phase.

This includes:

- Proof of proper payment of taxes and duties
- Proof of proper payment of social charges
- Certificate of non-bankruptcy
- Criminal record extract of the authorized signatory

8. For co-financing: can in-kind contributions (e.g., office space, expert time, equipment) be considered eligible?

In-kind contributions are encouraged but not eligible for reimbursement. The guidelines define in-kind contributions as **goods or services provided free of charge** by a third party. These:

- Do **not involve actual expenditure**
- Are **not considered eligible costs** under the grant

However, they **strengthen the proposal** and demonstrate commitment. Including them in your concept note will be viewed favorably during evaluation, especially for sustainability and partnership credibility.

9. Can you please elaborate/bifurcate operational and management cost heads (i.e What all key cost heads constitutes the operational and management cost)?

Here's a bifurcation of key cost categories:

Cost Category	Examples

Operational Costs	Incubation & acceleration program delivery, MSME diagnostics, Expert fees for business support, Training sessions, Equipment for MSMEs, Monitoring & evaluation activities
Management Costs	Project coordination, Salaries of project staff, Office rent and utilities, Travel and logistics for team, Communication and reporting activities

These are considered **direct costs** and must be:

- Necessary for the action
- Justified and documented
- Included in the budget submitted at the full proposal stage

10. For structural costs (7% ceiling): will this be calculated on total operational costs before or after sub-grants/financial support to MSMEs?

The 7% ceiling applies to:

- The **operational costs of the initial grant**
- Not to the portion allocated as **financial support to MSMEs or sub-grants**

Structural costs are overheads (e.g., admin, accounting, HR) and:

- Are fixed once the rate is accepted
- Do not require further justification during execution
- Are paid based on actual eligible operational expenses

11. Can contingency reserves (5%) be reallocated without prior approval if not used?

No, prior approval is required. The guidelines clearly state that contingency reserves—up to 5% of eligible direct costs—**may only be used with the prior written authorization of Enabel**.

If unused, they cannot be reallocated freely. Any reallocation must be justified and approved through formal channels.

12. Is there flexibility in defining the structure of incubation vs. acceleration tracks, or is EUR 10,000 / EUR 40,000 per start-up cap fixed?

Structure is flexible, but the caps are fixed. Applicants have room to define the methodology and structure of both tracks, including:

- Selection criteria
- Support mechanisms
- Diagnostic tools

However, the **maximum technical support per startup is capped** at:

- **EUR 10,000** for incubation
- **EUR 40,000** for acceleration

13. What level of detail on the selection process for MSMEs is expected in the concept note versus the full proposal?

Concept Note Stage:

- Outline the **approach** to MSME selection
- Describe the **cohort model** for incubation and **open call** for acceleration
- Mention use of a **selection committee** and inclusive criteria

Full Proposal Stage:

- Provide **detailed methodology** for selection
- Include **tools and scoring systems** for diagnostics
- Clarify **interview processes**, validation steps, and committee composition

The concept note should show strategic intent, while the full proposal must demonstrate operational readiness.

14. Will Enabel provide visibility and outreach support for MSME recruitment, or is this entirely the applicant's responsibility?

Enabel will support major visibility activities, but **MSME recruitment is the applicant's responsibility.**

Enabel will handle:

- Official launch ceremony
- Pitch days and demo events
- Media engagement and final reporting

Applicants must:

- Design and execute the **recruitment strategy**
- Launch and circulate calls for MSMEs
- Ensure inclusive outreach and ecosystem representation

Think of Enabel as amplifying your efforts, not replacing them.

15. Is the 20% variation rule between concept note budget and full proposal budget flexible, if costs are driven by external factors?

No, the 20% variation rule is strict.

This applies regardless of external cost drivers. Applicants must:

- Anticipate potential fluctuations
- Build buffers or contingency within the initial budget
- Justify any adjustments within the allowed margin

Planning conservatively in the concept note is key to staying compliant later.

16. Are electronic submissions (via online portal) acceptable, or proposals must be delivered physically?

Physical submission is mandatory. Concept notes and proposals must be:

- Submitted in **hard copy** (1 original + 1 copy)
- Accompanied by a **USB** containing the identical electronic version
- Delivered via **registered post, private courier, or hand-delivery** to the Enabel office in Dar es Salaam

Submissions via email, fax, or online portals are **not accepted** and will be rejected.

17. Can sub-grants go to for-profit incubators/accelerators, or only non-profit service providers?

Yes, for-profit entities are eligible—with conditions.

Sub-grants may be awarded to:

- Tanzanian or international **service providers**
- Entities that are **natural partners** of the contracting beneficiary
- Organizations whose **primary mandate aligns with the project's objectives**

Profit-maximizing entities are acceptable **if their role is mission-aligned** and they are not acting as intermediaries.

18. If sub-grants up to EUR 100,000 are allowed, are there limits on the number of sub-beneficiaries?

No fixed limit on the number of sub-beneficiaries, but:

- Each sub-grant must not exceed **EUR 100,000**
- Sub-grants must be **justified** and **strategically aligned**
- Only **one level of sub-beneficiaries** is allowed (no onward granting)

The total number should be reasonable and manageable within the grant's scope and budget.

19. For procurement of goods/services under the grant, will Tanzanian procurement rules apply or Enabel rules (Annex VIII)?

It depends on the type of contracting beneficiary:

Awardee Type	Applicable Procurement Rules
Public Entity	Tanzanian or Belgian public procurement law
Private Entity	**Annex VIII** of the Grant Agreement (Enabel rules)

All procurement must follow transparent, competitive procedures and be documented.

20. Can project staff salaries include top-ups for international experts seconded from outside Tanzania?

Yes, top-ups are allowed—if they are:

- Clearly justified
- Included in the budget as **eligible direct costs**
- Related to the technical implementation of the project

Salaries must reflect market rates and be proportionate to the expert's role and contribution.

21. Who will cover project marketing & promotion cost?

The applicant is responsible for MSME recruitment and outreach, but:

Enabel will cover **major visibility and communication events**, including:

- Launch ceremony
- Pitch days
- Demo days
- Closing event

Day-to-day marketing, recruitment campaigns, and local outreach are the **applicant's responsibility** and should be budgeted accordingly.

22. Will Enabel provide visibility and outreach support for MSME recruitment, or is this entirely the applicant's responsibility?

Enabel provides visibility support for key events

Applicants must lead MSME recruitment, including:

1. Designing the call for applications
2. Circulating outreach materials
3. Managing the selection process

Enabel amplifies your efforts but does not replace them.

23. Can consortium have international consortium members?

Yes, consortium members (including the lead applicant) can be international NGOs or foundations, provided they meet all admissibility criteria as given on section 2.1.1.

24. Is it possible to increase the subgrants beyond 100k?

No this is not possible. However, it is possible to offer subgrants of up to 100k for more than one sub grantee.

25. Are there separate budgets for the acceleration and incubation tracks?

No, the minimum and maximum amount as given on page 5 should cover all activities under this call.

26. What differentiates the SMEs from the Startups about Acceleration/incubation?

MSMEs, SMEs and startups are used interchangeably in this call. It was done intentionally since we would like to ensure the majority of the e-mobility companies in Dar es Salaam qualify. However, in terms of eligibility for incubation/acceleration the benefiting companies should be operational for less than 1 year and operational for at least 2 years for incubation and acceleration tracks respectively.

27. What is the difference between management and operational cost?

Operation cost is cost which is linked directly to the implementation of the activities.

Management cost includes monitoring and evaluation or salaries of management overseeing multiple projects.

28. For the Access to Finance, does the program provide for grants or concessional debt or both?

The program provides financial support only in the form of subsidies linked to credit products from existing financial institutions, not as direct grants or concessional debt. Page 13 for additional information.

29. Will Enabel require very detailed justifications when selecting sub-grantees or service providers if we do not run full open procurements? What key documents should we prepare as evidence of fair selection?

Yes, Enabel expects fair and transparent selection. If the sub-grantees and service providers are not identified during the proposal stage, you will be required to

prepare selection criteria and evaluation reports as per Tanzania or Belgium procurement laws to select them.

30. For the logical framework and proposal narrative, can we include additional appendices or is there a strict page count limit (excluding annexes)?

Only the proposal and annexes which need to be completed (budget, logical framework) will be evaluated. It is therefore very important that these documents contain ALL the relevant information regarding the action. No supplementary annex must be sent.

31. Are we allowed to propose our own indicators where these add value, or must everything align tightly with Enabel's standard outcomes and KPIs?

Yes, you may propose additional indicators. Review annex A33.Logical_Framework_EN_TP_RD2019 for reference.

32. Will Enabel provide individualized feedback to all concept notes and proposals not selected, or only upon request?

Yes, feedback is provided upon request.

33. Does the involvement of youth- or women-owned local MSMEs or NGOs offer any scoring advantage, beyond the required minimum targets?

The youth or women-ownership for businesses is a requirement for the beneficiary so applicants are expected to comply in their concept note and full proposal. Regarding scoring criteria, please review Annexes A22 and A23a.

34. Does Enabel have any preference between incubation and acceleration, or should both be balanced equally?

No preference; both should be balanced based on context. You are advised to review the requirements per each track as provided in the call for proposal guidelines.

35. Is there a preferred type of e-mobility solution (e.g., two-wheelers, three-wheelers) or area within Dar es Salaam to focus on?

This Action focuses on the EV sector preferably two- and three-wheelers which offer several compelling benefits for sustainable mobility, in particular as an essential component of the last-mile connectivity. They bridge the gap between public transport systems and final destinations, ensuring efficient and convenient travel.

36. How does Enabel define long-term "success" beyond the beneficiary targets?

Growth in turnover, job creation, and sustained access to finance.

37. What forms of co-financing are most encouraged? Would contributions from MSMEs themselves count?

Contributions (cash/in-kind) are encouraged and viewed favorably. Contributions could be committed to be offered directly to the MSMEs or towards the implementation of the project.

38. Can the MSME fund include financial products beyond grants (e.g., loans, revenue-based finance)?

Yes, blended finance including loans is allowed.

39. Can team members have dual roles or participate across tracks if all expertise is covered?

Yes, if expertise and workload are well managed.

40. Are non-Tanzanian team members permitted if the main team is based locally?

There are no restrictions on nationalities of the main team.

41. Will there be opportunities or expectations to collaborate with other Pillar 3 initiatives?

Yes, collaboration whenever possible is encouraged.

42. Any recommended approaches for supporting sustainability of MSMEs post-grant?

We are unable to offer recommendations because the sustainability approaches will differ for each proposal.

43. Can technical assistance or international benchmarking be included in costs?

Yes, these can be included if justified.

44. Are there pre-defined templates for proposal documents, and how much can these be adapted?

Use provided annexes; extensive adaptation is not expected.

45. Any procurement-related restrictions or guidance for local context?

Refer to ANNEX VI: Public procurement principles (for a private contracting beneficiary).

46. Suppose the NGO is not five years yet as required by the TOR, and the founders have been working on the same space with an international organisation to support early stage advanced MSME, will the CV provided and strong case from co applicant be considered in this case?

The admissibility criteria of 5+ years on Section 2.1.1 applies to the entity. The Minimum requirements for the team members can also be found on the same section. Team and entity qualifications are assessed separately.