

TERMS OF REFERENCE (TOR) CONCEPT NOTE SUBMISSION FOR THE InSPIRE CHALLENGE FUND

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FOUNDATION
FOR TECHNICAL
COOPERATION

We create opportunities

We are a leading organisation for the implementation of international development projects. We promote inclusive economic, social and ecological development to make an effective contribution towards sustainable and widespread prosperity in developing and emerging economies.

Swisscontact - Swiss Foundation for Technical Cooperation, is headquartered in Zurich and was founded in 1959 by leading figures from the Swiss private sector and Swiss universities. It is exclusively involved in international cooperation and since 1961 has carried out its own and mandated projects in 41 countries worldwide.

Swisscontact is registered as an International Non-Governmental Organisation (INGO) in Bangladesh under NGO Affairs Bureau, Government of the People's Republic of Bangladesh.

BACKGROUND OF INSPIRE PROJECT

Initiative to Stimulate Private Investment for Resource Efficiency (InSPIRE) is a challenge fund project that aims to support sustainable energy adoption in Bangladesh's RMG sector by enhancing technical and financial capacity. InSPIRE is a four-year project (January 2025–December 2028) in Bangladesh, funded by the Embassy of Sweden in Dhaka and implemented by Swisscontact.

Despite Bangladesh's RMG sector driving over 10% of the GDP and employing nearly four million workers, its future growth and competitiveness is at risk due to high energy consumption from unsustainable sources such

as fossil fuel. On that background, InSPIRE mobilizes a blended finance instrument, where private investment is matched with a **Challenge fund**, to support RMG sector for investing in energy efficiency and renewable energy initiatives. The challenge fund will provide **pre-grant investment readiness support** and **post-grant technical assistance**. The (a) pre-grant support includes information sessions, accessible online resources (e.g., FAQs and guidelines) on proposals development procedure, and (b) post-grant support entails technical assistance for energy audits and energy transition roadmap, social compliance assessment, gender-responsive and equitable planning, strategic and operational support to best utilize the fund.

InSPIRE Grant Size

- Small Grants: BDT 1,200,000 to 6,000,000 (approximately).
- Medium Grants: BDT 6,000,001 to 15,600,000 (approximately).
- Contribution by the applicant: a minimum of 60% of the project cost should be contributed by the applicant.

SCOPE OF WORK

InSPIRE invites eligible RMG factories and Energy Service Companies (ESCOs)¹ to apply individually and/or, in consortium with subcontracting factories, financial institutions, international brands etc to submit **concept notes** proposing innovative, impactful, and scalable ideas for implementation of **energy efficiency or renewable energy projects** at their facilities. Concept note is the first of the two-staged selection process for InSPIRE challenge fund grant, which is followed by a full proposal (comprising of technical and financial).

LOCATION OF THE PROJECT

Project implementation is permissible throughout Bangladesh, with strategic emphasis on the RMG sector.

ELIGIBILITY

A. Eligible Applicants:

- Exporting RMG factories, in and outside EPZ.
- Subcontractor and suppliers to exporting factories (textile, knitting, spinning).
- National or international ESCOs working with RMG factories.
- Consortia involving RMG factories, their subcontractors, ESCOs, international brands, financial institutions, and any energy solution providers.

Applicants must:

- Be legally registered and compliant with labor laws and minimum wage standards in Bangladesh.
- Not be listed in any exclusion categories (refer to the [link](#)).
- Commit to co-finance at least 60% of the total project cost.
- Not receive any other donor funding for the same project.

B. Eligible projects must:

- Offer new or innovative **sustainable energy solutions** in Bangladesh's RMG sector.
- Address **systemic barriers** (technical, financial, or operational).
- Be **technically sound, financially viable, and replicable**.
- Integrate **Gender Equality and Social Inclusion (GESI)** considerations.
- The project structure, funding mechanism, and contribution modality will vary based on the timeline. The minimum timeline for implementation being 6 months and the maximum timeline being 24 months.

C. Eligible Costs Include:

- Development/testing of technology in energy efficiency and renewable energy at RMG factory.
- Cost of acquisition and installation of the technology essential to energy solutions.
- Energy audit, carbon accounting, feasibility study, climate action roadmap.
- Staff orientation and training on new technology operation, GESI assessment.

Non-eligible Cost: Utility bills, non-essential fixed assets, general operational cost, maintenance of existing systems, cost unjustified to the proposed project scale and duration, or any other cost indirect to the innovation.

SELECTION PROCESS

Swisscontact will establish an independent Investment Committee (IC) to oversee the evaluation and shortlisting of both the concept notes and proposals. The evaluation process will operate on a rolling basis; earlier submissions of concept notes will therefore receive expedited review and subsequent progression to the next stage. The evaluation process will unfold in the following stages:

- Review of **concept notes** by independent IC comprising of thematic experts. Shortlisted applicants are invited to submit full proposals.
- Assessment of technical and financial proposal by the IC and primary selection for the grant.
- Due diligence conducted by InSPIRE project team at Swisscontact for final partnership.

Monitoring and Reporting

Selected grantees must participate in conducting the baseline energy audits, Gender Equality and Social Inclusion (GESI) risk assessments, energy transition roadmaps, and final impact assessments (external). Grantees must also actively cooperate with Swisscontact's Monitoring and Results Measurement (MRM) team to submit progress reports aligned with defined deliverables and indicators. The frequency of MRM data collection and reporting should be proposed in the grant proposal and agreed in the grant contract. The final disbursement of funds will be contingent upon successful verification of milestone completion maintaining compliance and reporting requirements.

Indicative Financial Proposal

Swisscontact requests an indicative financial proposal from the applicant, itemizing costs according to the major budget line items. The financial proposal should present the complete budget, including both the grant amount and the grantee's contribution. Applicants are

¹ An Energy Service Company helps clients reduce energy costs and consumption by designing, supplying, implementing, and often

financing energy-efficiency and renewable energy solution and technology.

expected to substantiate the proposed costs with at least three competitive quotations from potential providers, which Swisscontact may verify for shortlisted applicants.

All proposals must be submitted in BDT (Bangladeshi Taka). - While preparing the financial proposal, applicants should take into account applicable VAT and tax regulations as per the laws of the Government of Bangladesh.

CONFIDENTIALITY

All verbal and written communications, documents, and materials related to the grant application and subsequent project activities, whether in full or in part, between the applicants and the InSPIRE team shall be treated as confidential. These materials must not be disclosed to any third party not directly involved in the InSPIRE programme, nor used for any purpose without InSPIRE's and applicant's prior approval.

CONCEPT NOTE EVALUATION AND SCORING CRITERIA

The following criteria will be used to evaluate the concept notes. Although the weighting of each criterion will not be disclosed at this stage, applicants are strongly encouraged to address all areas thoroughly in their submissions.

- **Innovation and Feasibility:** This criterion assesses the novelty of the proposed project, its potential to bring about positive change, and practicality of its implementation within the given context, including significance of the change in terms of solving energy constraint.
- **Technical and Financial Viability:** This criterion evaluates the technical soundness of the proposed project design, methodology, and the applicant's plan for financial management, including the justification of the requested budget and the capacity to secure necessary resources.
- **Value for Money (ROI):** This criterion assesses the extent to which the project will efficiently utilize resources to achieve its intended outcomes and deliver positive return on investment.
- **Impact and Sustainability:** This criterion evaluates the potential of the proposed project to achieve significant and lasting impact, including its contribution to relevant development goals, scalability, and the strategies for long-term sustainability of the impact.
- **Applicant's Capacity:** This criterion assesses the applicant's technical, resource, and financial capacity to successfully implement the proposed project, including external technical support.
- **Gender Equality and Social Inclusion (GESI):** This criterion evaluates the extent to which the

proposed project integrates gender equality and social inclusion considerations into its design and implementation.

APPLICATION PROCEDURE AND SUBMISSION DETAILS

Interested bidders should submit concept notes for the InSPIRE grant following the prescribed format [Annex 1], along with a forwarding letter signed by the authorized signatory of the applicant company to bgd.inspire@swisscontact.org no later than **July 15, 2025, on or before 5:00 PM (Bangladesh Standard Time)**. The subject line should be- **“Concept note for the InSPIRE grant”**.

The application package will include the documents as categorized as follows:

a) Mandatory Documents (Must be submitted with the Concept Note):

- Company's legal registration documents (e.g., Certificate of Incorporation, Trade License etc.).
- Feasibility study of the proposed innovation conducted within the last 2 years, clearly outlining the technical aspects, resource requirements, and preliminary financial projections.
- Proof of operational status (e.g., recent utility bill or bank statement).
- Proof of a document demonstrating gender-sensitive or inclusive policies.
- Letters of support from the partners (applicable for a consortium only).

b) Additional Supporting Documents (Will add value to the Concept Note):

- Recent (in last 2 years) energy audit report of the applicant's facilities.
- Energy transition roadmap or sustainability plan of the company.
- Certifications or documents demonstrating socially responsible production practices (e.g., SA8000, Fair Trade certification, environmental certifications).
- Proof (e.g., reports) of any previous projects implemented on renewable energy or energy efficiency.

FAQ CLARIFICATION SESSION

Applicants are requested to notify their interest to apply and submit any procedural queries to bgd.inspire@swisscontact.org by **June 18, 2025**. InSPIRE will host a virtual FAQ session on June 22, 2025; the meeting schedule and link will be shared only with interested parties.

ATTACHMENT:

Please find the attachment below for application:

- [Annex 1 - Concept note form.docx](#)
- [Annex 2 - Eligibility Criteria for Grantees.pdf](#)
- [Annex 3 - Frequently Asked Questions.pdf](#)

** Only shortlisted applicants shall be contacted for the next procedure.*

** No late submission will be accepted.*

** Swisscontact reserves the right to reject any proposal that does not meet the required criteria or lacks sufficient documentation.*