

No. 44226  
22 October  
2021

**Order of the Minister for Foreign Trade and Development Cooperation of 14 October 2021, MINBUZA.2021.813544, amending the policy rules and a ceiling for grants awarded under the Ministry of Foreign Affairs (Grants) Regulations 2006 (*Subsidieregeling Ministerie van Buitenlandse Zaken 2006*) (second round of and amendments to the SDG Results Facility Scheme: Access to renewable energy)**

The Minister for Foreign Trade and Development Cooperation,  
Having regard to Sections 6 and 7 of the Ministry of Foreign Affairs (Grants) Decree;  
Having regard to Section 5.1 of the Ministry of Foreign Affairs (Grants) Regulations 2006;  
Orders:

**Article 1**

1. Applications for grants in connection with the second round of the SDG Results Facility Scheme: Access to renewable energy<sup>1</sup> may be submitted from 3 January 2022 until 12 noon CET on 14 February 2022.
2. With regard to grants awarded in the second round of the SDG Results Facility Scheme: Access to renewable energy, the following grant ceilings shall apply during the period from the entry into force of this decision up to and including 31 December 2026:
  - a. €4,000,000 for the theme of 'access to clean cooking solutions using renewable energy';
  - b. €4,000,000 for the theme of 'access to decentralised renewable energy'. Any leftover amount of the funds available for applications aimed at either of these 2 themes will become available for applications relating to the other theme, insofar as these applications comply with the standards laid down in the SDG Results Facility Scheme: Access to renewable energy.

**Article 2**

The Order of the Minister of Foreign Trade and Development Cooperation of 29 March 2019, Min-BuZa.2019.3184-25, on setting policy rules and a ceiling for grants awarded under the Ministry of Foreign Affairs (Grants) Regulations 2006 (SDG Results Facility Scheme: Access to renewable energy) will be amended as follows:

A

In Article 1, '31 December 2024' will be replaced by '31 December 2026'.

B

In Article 3, paragraph 1, '31 December 2024' will be replaced by '31 December 2026'.

C

In Article 5, '1 January 2025' will be replaced by '1 January 2027'.

D

The Appendix to the decision is amended as follows:

1. In **Chapter 1: 'Background'**, in the *section entitled 'Access to renewable energy'*, the first 2 sentences of the second paragraph will be replaced by:

Over 750 million people still lack access to electricity, and 2.6 billion people continue to cook using highly polluting combinations of inefficient technologies and fuels such as manure, firewood and charcoal.
2. In **Chapter 1: 'Background'**, in the *section entitled 'Innovative approach: results-oriented financing'*, in the second paragraph, the words 'additional costs' will be replaced by 'project costs'.
3. The text under the heading **Chapter 3: 'Terms'** will be amended to read:

For the purposes of this grant programme, the terms are defined as follows:

  - *Connection*: technical facility by which a single household gains access to electrical power at minimum service level 1 (tier 1) and/or access to clean cooking solutions using renewable energy

---

<sup>1</sup> Government Gazette 2019, no. 18610; amended by an Order of the Minister of Foreign Trade and Development Cooperation of 24 March 2020, no. Min-BuZa.2020.5080-12, amending the decision of the Minister of Foreign Trade and Development Cooperation of 29 March 2019, Min-BuZa.2019.3184-25, on setting policy rules and a ceiling for grants awarded under the Ministry of Foreign Affairs (Grants) Regulations 2006 (Amendment of grant ceilings under the SDG Results Facility Scheme: Access to renewable energy), Government Gazette 2020, no. 19115.

at minimum service level 2 (tier 2). For clean cooking solutions, an exception will be made for the carbon monoxide emissions of charcoal-burning stoves; these must at minimum meet service level 1 (tier 1).

- *Poor households*: households with an income of less than USD 3.20 per person per day according to the World Bank poverty index.<sup>2</sup>
- *Baseline*: tier or service level of the intended target group prior to the start of the activity.
- *Bid*: the grant amount (in euros) per connection requested by an applicant.
- *Decentralised renewable electricity*: electricity generated from renewable sources and in a decentralised fashion.
- *Target market*: the relevant market in a country on the list of countries corresponding to this grant programme (see Annex 1).
- *Area*: portion of a country or contiguous portions of 2 countries.
- *Market*: demand for and supply of technology in a geographically coherent area on behalf of a specific consumer segment.
- *Minister*: the Minister for Foreign Trade and Development Cooperation.
- *Non-governmental organisation (NGO)*: a not-for-profit organisation, neither established by nor linked to a public authority either de facto or under its constitution, which possesses a legal personality under civil law in the country where it has its registered office; this organisation must also be registered as such.
- *OECD Guidelines for Multinational Enterprises*: general principles for international entrepreneurship that serve as the basis for the IRBC policy of the Dutch government; the connecting theme is to observe the rules of the country in which a company is active and to practice responsible supply chain management. The OECD guidelines contain recommendations for how companies can deal with issues such as supply chain responsibility, human rights, child labour, the environment and corruption. These and other concepts are further defined and elaborated on in the OECD guidelines.<sup>3</sup>
- *Company*: any legal entity that engages in an economic activity and is not a foundation, association or NGO.
- *Region*: 1 or more countries with cultural and economic similarities, such as the East African community or the UEMOA.<sup>4</sup>
- *Clean cooking solutions using renewable energy*: more energy-efficient and therefore less polluting methods of food preparation that rely as much as possible on renewable energy sources and in any case do not consume fossil fuels.
- *Service level or tier*: level of energy services provided with regard to access to electricity and/or access to clean cooking solutions using renewable energy, according to the classification system applied by ESMAP.

4. In **Chapter 4: 'Grant programme'**, under *Section 4.1 'Purpose'*, in the third sentence of the first paragraph, the words 'the corresponding costs of innovation, being additional costs' will be replaced with 'the corresponding project costs'.

5. In **Chapter 4: 'Grant programme'**, under *Section 4.3 'Parties that may be eligible for a grant'*, the third bullet point in the third paragraph will be amended to read:

- have a track record of at least 2 years in the region where the country or countries referred to in the application is/are located;

And in the sixth bullet point, the word 'additional costs' will be replaced with 'costs'.

6. In **Chapter 4: 'Grant programme'**, under *Section 4.3 'Parties that may be eligible for a grant'*, '€181,000' in part A will be replaced with '€199,000'; in part B, '2019' will be replaced with '2022'; and part C will be amended to read:

C. In light of the data on purchasing power published by EUROSTAT (comparative price levels 2020), an adjusted standard will apply to the following countries, based on the general income level in the countries in question:

- United Kingdom: GBP 173,881;
- Norway: NOK 2,455,915;
- Switzerland: CHF 311,325;
- Japan: JPY 28,262,996;
- USA/Canada: USD 240,146.

7. The text under the heading **Chapter 4: 'Grant programme'**, under *Section 4.7 'Size of the grant'*, will be amended to read:

---

<sup>2</sup> <https://www.worldbank.org>

<sup>3</sup> <https://www.oecdguidelines.nl/>

<sup>4</sup> Union Economique et Monétaire Ouest Africaine (West African Economic and Monetary Union)

The maximum grant per application is €2,500,000. The requested subsidy amount may not be lower than €250,000. The requested subsidy amount is calculated by multiplying the bid by the number of connections, with a maximum of 35% of the budgeted project costs eligible for a subsidy. Moreover, only 1 bid may be submitted for each service level. Bids for connections at different service levels need not be equal. In their application, the applicant must provide substantiation with regard to the project costs in the intended target market.

8. The text under the heading **Chapter 5: 'Costs eligible for a subsidy'**, under *Section 5.1 'General principle'*, will be amended to read:

Costs eligible for a subsidy comprise the project costs reasonably deemed necessary for the activities and will be divided by and settled based on the number of connections realised (see 4.5).

In their application, the applicant must provide substantiation with regard to the project costs in the intended target market, as compared to the cost of similar connections in their current market.

9. In **Chapter 6: 'Application'**, in *Section 6.1, 'Requirements'*, under the fourth bullet point of the third paragraph, the words 'additional costs' will be replaced by 'project costs', and a new paragraph will be inserted after the final paragraph. This new paragraph will read:

The deadline for submitting applications for grants in connection with the second round of this Facility Scheme is 12 noon (CET) on 14 February 2022. Applications, including all required annexes, must have been received by the Netherlands Enterprise Agency by the aforementioned time and date.

10. In **Chapter 7: 'Assessment and allocation of available funds'**, in *Section 7.3, 'Allocation of available funds'*, the first paragraph will read as follows:

There are 2 application rounds for grants under this Facility Scheme. The amount available in the first round was €14,181,889. The amount available in the second round is €8,000,000. With regard to both rounds, the sum available for that particular round will be divided between 2 themes. For activities aimed at the theme 'access to clean cooking solutions using renewable energy', grant funding in the amount of €10,305,259 was available in the first round, with €4,000,000 available in the second round. For activities aimed at the theme 'access to decentralised renewable electricity', grant funding in the amount of €3,876,630 was available in the first round, with €4,000,000 available in the second round.

11. The text under the heading **Chapter 8: 'Verification of connections, advance payment and determination of the subsidy amount'**, *Section 8.4 'Determination of the subsidy amount'* will be amended to read:

The grant recipient must, once the grant period has ended, submit a request for determination of the subsidy, accompanied by an audit opinion from an independent accountant who has audited the actual costs incurred in the course of the project's activities.

The subsidy amount to be determined is calculated by multiplying the bid by the number of connections, with a maximum of 35% of the realised subsidised project costs.

### **Article 3**

This Order enters into force on the day after the date of the Government Gazette in which it appears and lapses with effect from 1 January 2027, with the proviso that it will continue to apply to grants awarded prior to that date.

This decision and the associated explanatory notes will be published in the Government Gazette.

*The Minister for Foreign Trade and Development Cooperation,  
on whose behalf,  
the Director-General for International Cooperation,  
K. van der Heijden*

## EXPLANATORY NOTES

As announced in Article 3(2) of the Order of the Minister for Foreign Trade and Development Cooperation of 29 March 2019, Min-BuZa.2019.3184-25, laying down administrative rules and a ceiling for grants awarded under the Ministry of Foreign Affairs (Grants) Regulations 2006 (SDG Results Facility Scheme: Access to renewable energy),<sup>5</sup> a second application round will be opened for grants in connection with the SDG7 Results Facility Scheme: Access to renewable energy. A sum of €8,000,000 remains available for the provision of grants in connection with applications submitted during the second round. Based on the experiences from the first round of this Facility Scheme, the criteria which will be applied for the purposes of evaluating and selecting applications in the second round will be largely the same as those applied in the first round. That being said, there are a few points where adjustment is desirable.

During the first round of the grant programme, a considerable portion of the rejected applicants were affected by misunderstandings regarding the criteria for the grant programme or the required minimum of 3 years' experience in a specific country. It is expected that, with better information and a longer advisory process, the applicants in question will be able to submit a more suitable application in a second round. In addition, the required track record of an applicant in a given country will be reduced to 2 years, with the primary purpose of encouraging successful applicants that are expanding into new markets. Lastly, more active communication will be directed at local applicants who were only partly reached during the first round of the grant programme.

In an effort to curb 'free rider behaviour', applications submitted in the first round were evaluated based on a combination of qualitative and quantitative criteria relating to the potential financial value added by the proposed products. In practice, due to the desired level of detail in combination with baseline scenarios (and the unpredictability of those scenarios), a detailed quantitative evaluation of that added value was shown to yield a heavy administrative burden for both the applicants and the project administrator, the Netherlands Enterprise Agency. This led to problems with the justification of the grant. For that reason, a maximum grant percentage of 35% of the project costs was established for all projects in the second round of applications. This percentage is supported by calculations concerning the projects which received grant funding in the first round of the programme. By adopting the amount requested – the desired subsidy per connection – as a selection criteria, evaluation and selection based on price are maintained and grant inflation is avoided. The change is in no way detrimental to the quality of the grant programme.

The Minister for Foreign Trade and Development Cooperation,  
on whose behalf,  
the Director-General for International Cooperation,  
K. van der Heijden

---

<sup>5</sup> Government Gazette 2019, no. 18610; amended by Order of the Minister of Foreign Trade and Development Cooperation of 24 March 2020, no. Min-BuZa.2020.5080-12, amending the Order of the Minister of Foreign Trade and Development Cooperation of 29 March 2019, Min-BuZa.2019.3184-25, on setting policy rules and a ceiling for grants awarded under the Ministry of Foreign Affairs (Grants) Regulations 2006 (Amendment of grant ceilings under the SDG Results Facility Scheme: Access to renewable energy), Government Gazette 2020, no. 19115.