

# PRE-QUALIFICATION QUESTIONS AND ANSWERS

## SECOND BGFA CALL FOR PROPOSALS (BGFA2) *MOZAMBIQUE*

Helsinki, 8 March 2021

These Questions and Answers form an integral part of the BGFA2  
Pre-Qualification Guidelines



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| Q1 <sup>1</sup> | <ol style="list-style-type: none"> <li>1. Do the selection criteria apply only to the Lead Applicant, or to each member of the consortium or to the consortium as a whole? Specifically, market experience requirements can be fulfilled by consortium members?</li> <li>2. Demonstrable Operational Experience: Applicants/Lead Applicants' proven operational off-grid experiences in the Project Country or in other SSA countries Could you provide more information on the experience accepted to meet this criterion?</li> </ol>   |
| A1              | <ol style="list-style-type: none"> <li>1. The Applicant eligibility criteria apply to Applicants/Lead Applicants. A Project Consortium must be represented by a Lead Applicant but may be composed of multiple Consortium members, including non-profit entities. All Consortium Members should be legally registered as either a company or organisation in their home country and be in compliance with all tax regulatory and legal frameworks there.</li> <li>2. The Lead Applicant representing the Project Consortium needs to demonstrate that it fulfils the market experience requirements, i.e. that it has sufficient market experience working in one or more SSA off-grid markets. Applicants/Lead Applicants applying for funding under BGFA2 (regardless of their country of origin or registration) are required to demonstrate the following minimum market experience at the time of submitting their Pre-Qualification application, either in Mozambique or another (specified) SSA country:<br/>In Mozambique: <ul style="list-style-type: none"> <li>- That they have at least 12 months of operational experience</li> <li>- That they have successfully completed a project meeting or exceeding the following metrics: a minimum of one privately operated (and owned if applicable) pilot Micro-grid system with a minimum of 40 ESS</li> </ul> In another (specified) country in SSA: <ul style="list-style-type: none"> <li>- That they have at least 24 months of experience with operations meeting or exceeding the following metrics: a minimum of three privately owned and operated Micro-grid systems with a minimum total of 500 ESS</li> </ul> </li> </ol> |
| Q2              | <ol style="list-style-type: none"> <li>1. Are the projects grid tie or on grid?</li> <li>2. Can a partner join once the project is ongoing?</li> </ol>   |
| A2              | <ol style="list-style-type: none"> <li>1. Only off-grid projects can receive BGFA2 funding.</li> <li>2. It is strongly recommended to identify all relevant Project Partners by the PQ stage, since substantial changes to the proposal later in the application process may lead to the application being rejected at NEFCO's discretion. However, the addition of Project Partners is unlikely to be seen as a substantial or negative change if all the general requirements are met and the quality of the application/project is seen to have been improved. Project Partners may also be added during the implementation phase of a BGFA2-supported project proposal when appropriate and provided all general requirements for Project Partners are met.</li> </ol>   |
| Q3              | Can our Technical team up with Mozambique technical team?  |
| A3              | There are no limitations on the composition of technical teams.  |
| Q4              | <ol style="list-style-type: none"> <li>1. Can we apply only for mini-grids or also for SHS?</li> <li>2. Is it possible with a partner?</li> <li>3. Please let us know if it has a positive impact to provide solutions for both mini-grid customer and SHS? Or neutral to focus only on mini-grid</li> </ol>   |

<sup>1</sup> Questions presented as submitted.

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|    | <ol style="list-style-type: none"> <li>4. In Annex F, please confirm estimated mini-grid connection doesn't overlap with estimated SHS connections (different households without duplicates). Should we prioritise 2-3 regions for the selection ? (also important for maintenance Opex if we can have 2-3 clusters)</li> <li>5. Economic activity gives a view of B2B/PUE customers. Are you able to provide an estimated number of connections of such category in each village ? Are there any "Anchor tenant" in villages such as telecom towers, small workshops or factories, industrial activities ? (except if it will be answered during Phase 2)</li> <li>6. Can we use the subsidies to help B2B customers to develop their activities ? (i.e help them to swap from diesel engine to electric motor, buy electric equipment and appliances...)*</li> <li>7. "minimise the risk of overlaps with areas with local plans for grid extensions." Can you share a map of existing and planned grid networks to assess potential competition within the 56 villages</li> <li>8. "carrying out a price per weighted energy service calculation" = should we understand that tariff / price will be agreed during Final Application?</li> </ol>   |
| A4 | <ol style="list-style-type: none"> <li>1. BGFA2 Funding is targeted at supporting the deployment and operations of Micro-grids to provide energy services to customers living at specified sites. BGFA2 cannot support project proposals offering energy to customers at those sites using exclusively Standalone solutions. Standalone solutions can be supported only if they are offered in complement to Micro-grid-based solutions and necessary to service customers that will not be connected to and serviced by the Micro-grid(s) at the specified sites. In the application, Applicants/Lead Applicants should describe the project proposal as a whole, i.e. include both the Micro-grids and Standalone solutions proposed.</li> <li>2. Yes, it is possible for Applicants/Lead Applicants to include Project Partners in their application.</li> <li>3. Please see response to Q&amp;A 4.1.</li> <li>4. The estimated number of Micro-grid connections set out in Annex F does not overlap with the estimated number of SHS connections. The estimated potential SHS market includes the total number of households within a 5 km radius of the core sites, excluding Micro-grid connections. Applicants/Lead Applicants may prioritise sites according to criteria deemed most appropriate to their business model. During the Pre-Qualification stage, Applicants/Lead Applicants are asked to indicate possible priority sites and/or clusters of sites and explain the reasons for these preferences/desired clusterings. The preferences of Applicants/Lead Applicants that successfully pass the PQ stage will be considered when preparing the BGFA2 Final Application stage Guidelines, which may address the clustering of sites.</li> <li>5. Annex F includes certain information on the economic activities as well as the numbers and types of public buildings in the communities. More detailed information is currently unavailable. ESPs are expected to perform their own site assessments independently.</li> <li>6. Yes, productive use connections and eligible appliances are incentivised as outlined in Annex D.</li> <li>7. We are not able to share local plans for grid extension. To minimise the risk of overlaps with the grid expansion and other competing activities, the sites have been shortlisted in coordination with FUNAE and EDM and cross-referenced against activities supported by other donor programmes.</li> <li>8. Yes, the subsidy level per connection will be assessed at the Final Application stage, based on an evaluation of ESPs' applications. Tariffs are not directly tied to the requested subsidy level. Only the subsidy level per connection (not</li> </ol> |

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|    | the tariffs) will be assessed at the Final Application stage based on the submitted proposals.   |
| Q5 | <ol style="list-style-type: none"> <li>1. We can choose an IFC lighting member to be our supplier partner in supplying every equipment for our Projects?</li> <li>2. This projects is can be too, for companies who have been only Consultants and maintainer of Substations?</li> <li>3. years of experience in renewable energy source is the main requirement?</li> </ol>   |
| A5 | <ol style="list-style-type: none"> <li>1. Yes.</li> <li>2. Yes, but only if the general eligibility requirements are met. BGFA2 can also support various partnership arrangements, including Project Consortia.</li> <li>3. No. Please refer to Section 3 of the BGFA2 Pre-Qualification Guidelines for a detailed description of the eligibility criteria and minimum requirements, in particular Section 3.2 on eligible Applicants and Section 3.5 on market experience requirements.</li> </ol>  |
| Q6 | <ol style="list-style-type: none"> <li>1. The Lead Applicant has extensive experience in the deployment of SHS in rural Mozambique, on an integrated management basis, with central sales, credit assessment, billing, usage tracking and support functions. This includes both sales/loan and PAYGo based management platforms. Will this qualify the Lead Applicant in terms of the Market Experience requirements in clause 3.5 of the guidelines?</li> <li>2. The Lead Applicant has extensive experience in working with different Project Partners and Significant Sub-Contractors in the renewable energy sector in Mozambique, as the local investor, manager and co-ordinator. As such, the Lead Applicant is not linked to any specific Project Partner or Significant Sub-Contractor, but chooses the right product and service for the relevant sub-sector. In the case of BGFA 2, the Lead Applicant has identified new partners as will be shown in the Pq Form Lot 7 for the Pre-Qualification. Can a Project Partner's experience be used alongside the experience of the Lead Applicant in terms of qualifying under the Market Experience requirements in clause 3.5 of the guidelines?</li> </ol> |
| Q6 | <ol style="list-style-type: none"> <li>1. Please see Q&amp;A 1. Please note that the market experience requirements include the ability of Applicants/Lead Applicants to specifically demonstrate a minimum level of experience within the Mini-/Micro-grids sector.</li> <li>2. No. Please see Q&amp;A 1 and 6.1.</li> </ol>  |