



# PRE-QUALIFICATION GUIDELINES

**THIRD BGFA CALL FOR PROPOSALS (BGFA3)**

***UGANDA***

**Helsinki, 29 April 2021**



Beyond the Grid Fund for Africa (BGFA) is launching its third call for proposals (BGFA3) inviting interested off-grid energy service providers (ESPs) to compete for funding. BGFA3 aims to incentivise ESPs to scale up innovative sustainable businesses and thereby accelerate access to affordable and clean off-grid energy for customers in peri-urban and rural areas of Uganda.

These Pre-Qualification Guidelines:

- (i) Describe the two-stage application process (Pre-Qualification and Final Application stage);
- (ii) Present the Pre-Qualification eligibility criteria and minimum requirements ESPs need to meet to be invited to take part in the Final Application stage; and
- (iii) Include a Pre-Qualification Concept Note Template ([Annex A](#)) to be filled in online by interested ESPs.

The Pre-Qualification stage is expected to be completed by the end of August 2021. Applicants successfully passing the Pre-Qualification stage will be notified by end of August 2021 and asked to submit a full proposal tentatively in November 2021. Guidelines for the Final Application stage are scheduled to be published during early September 2021.

Applicants will be duly informed of their progress and the final results of the BGFA3 will be communicated.

BGFA Uganda is supported by:



**MINISTRY OF  
FOREIGN AFFAIRS  
OF DENMARK**  
*Danida*



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## List of abbreviations and definitions

<b>Applicant</b>	A single for-profit ESP applying for BGFA3 funding
<b>BGFA</b>	Beyond the Grid Fund for Africa (a funding facility set up and managed by Nefco and implemented on the ground in partnership with REEEP)
<b>BGFA3</b>	The first BGFA call for proposals targeted at Uganda only
<b>BGFZ</b>	Beyond the Grid Fund for Zambia (a pilot programme initiated by Sweden with REEEP acting as Sweden's implementing agent)
<b>Concept Note Template</b>	See Annex A - to be filled in online by Applicants/Lead Applicants
<b>Consortium Member</b>	A for-profit or non-profit entity forming part of a Project Consortium
<b>Country Programme</b>	BGFA3 is a single Country Programme
<b>Danida</b>	Danida is the term used for Denmark's development cooperation, which is an area of activity under the Ministry of Foreign Affairs of Denmark
<b>Demonstrable Operational Experience</b>	Applicants'/Lead Applicants' proven operational off-grid experiences in the Project Country or in other SSA countries
<b>DS</b>	Direct to Scale
<b>ESP</b>	An Energy Service Provider
<b>ESS</b>	Energy service subscriptions made by end-customers entering into a contract with an ESP for the provision of energy services

<b>Final Application</b>	BGFA3 is divided into two stages: a Pre-Qualification and a Final Application stage (only ESPs successfully passing the Pre-Qualification stage will be invited to take part in the Final Application stage)
<b>Funding Lot</b>	Amount of BGFA3 funding available to ESPs for the provision of a specific type or mix of off-grid energy solutions under each Funding Window
<b>Funding Window</b>	Amount of BGFA3 funding available to ESPs either in the form of LS or DS funding
<b>Lead Applicant</b>	A for-profit ESP company applying for BGFA3 funding on behalf of a Project Consortium
<b>LS</b>	Launch to Scale
<b>Mini-/Micro-grid</b>	Refers broadly to an isolated or grid-connected power distribution network, including its own renewable generation capacity, load management and control as well as distribution infrastructure, built and operated by a micro ESP utility
<b>Nano-grid</b>	A small solar system that can be deployed on a rent-to-own based model and may be shared between a small number of customers for residential, commercial or institutional use
<b>Nefco</b>	Nordic Environment Finance Corporation, BGFA Facility Manager. Nefco has established the BGFA Programme and manages it as a separate funding facility
<b>Power Africa</b>	A USAID-led initiative launched in 2013, bringing together technical and legal experts, the private sector, and governments from around the world to work in partnership to increase the number of people in Africa with access to power.
<b>Pre-Qualification</b>	BGFA3 is divided into two stages: a Pre-Qualification and a Final Application stage (only ESPs successfully passing the Pre-Qualification stage will be invited to take part in the Final Application stage)
<b>Project Consortium</b>	A group of for-profit or non-profit entities (led and represented by a for-profit ESP Lead Applicant) that have formed or agreed to form a consortium to apply for BGFA3 funding and eventually implement the proposed project

<b>Project Country</b>	BGFA3 funding can only be used to implement projects in Uganda (eligible Project Country)
<b>Project Partner</b>	A for-profit or non-profit entity with a material and meaningful interest in the implementation of the proposed project (e.g. product suppliers; financial service partners; engineering, procurement, and construction service providers; capacity building and training organisations and initiatives; NGOs)
<b>REEEP</b>	Renewable Energy and Energy Efficiency Partnership, BGFA Programme Implementation Manager. The BGFA Programme has been designed and is implemented on the ground in partnership with REEEP. REEEP, together with Sweden, has developed the BGFZ pilot programme and is acting as Sweden's implementation agent for BGFZ.
<b>SHS</b>	A solar home system
<b>Sida</b>	Swedish International Development Cooperation Agency
<b>Significant Sub-Contractor</b>	A company or organisation, sub-contracted by an Applicant/Lead Applicant with direct responsibility for implementing and/or operating one or more components of the proposed project representing a minimum of 15% of the awarded BGFA3 funding
<b>SmartME</b>	BGFA3 is organised as an online, fully paperless application process and handled via an electronic intake system called SmartME
<b>SSA</b>	Sub-Saharan Africa
<b>Standalone</b>	Refers broadly to an isolated renewable energy-powered energy service provided to customers and includes a range of products ranging from an SHS to a powered agricultural device and Nano-grids
<b>Tier</b>	Categorisation used to distinguish different levels of energy services by the amount of generated electrical energy, Wh/day combined with peak capacity (W) and availability (h) (latter only relevant to Mini-grids)
<b>USAID</b>	United States Agency for International Development

## 1 BGFA3 funding and application process

### 1.1. Background

BGFA builds on the experiences of the BGFZ (<https://www.bgfz.org>), which is a Swedish initiative under Power Africa.<sup>1</sup> BGFZ commenced in 2016, and is implemented for Sida by REEEP. Early experiences from the BGFZ pilot programme have shown that rural and peri-urban consumers are interested in buying off-grid energy services. Private capital has been mobilised and social and gender outcomes have been positive. These preliminary results have encouraged Sweden to request that Nefco set up the BGFA as a separate funding facility. The aim is to expand into underserved rural and peri-urban markets in SSA and to launch a new country programme in Uganda.

BGFA aims to bridge a critical gap between early-stage support, traditionally offered by challenge funds and (impact) equity, and concessional/commercial debt needed for transitioning to scale in SSA.

The BGFA approach can provide direct results-based financing to ESPs to unlock early structural challenges in the market, build business and investor confidence and proactively mobilise various types of downstream investment and debt financing.

The Uganda Country Programme is jointly funded by Denmark and Sweden.

Applicants/Lead Applicants taking part in BGFA are expected to provide a substantial amount of their own financing as well as to mobilise co-financing. The amount of results-based BGFA3 financing available to individual projects will be determined during the Final Application stage through a reverse auction approach. Project proposals will be ranked and eventually awarded funding based on the proposals' expected overall value for money to meet BGFA3 targets.

A thorough market scoping process, with extensive outreach to local energy authorities and potentially interested ESPs, concluded that expansion of the BGFA approach is highly relevant and warranted, and is in line with national policies.

In 2020-21, progress towards the energy access objective (Sustainable Development Goal 7) has been jeopardised by the COVID-19 pandemic, which has hit African economies hard, particularly the poorest and most vulnerable communities. BGFA3 seeks to support much-needed connections and the implementation of decentralised energy solutions in order also to mitigate the impact of the pandemic and promote a green recovery in Uganda.

More information on the BGFA programme is available at: <https://beyondthegrid.africa>.

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<sup>1</sup> <https://www.usaid.gov/powerafrica>

## 1.2. Funding opportunities and disbursements

### Funding opportunities

To receive BGFA3 funding, ESPs are required to engage in selling and delivering affordable and renewable off-grid energy services directly to end-consumers in an enduring and sustainable manner.<sup>2</sup>

Project implementation is expected to start in 2022 and end in 2026.

Reflecting the differences between various actors and activities in the market, BGFA3 offers funding under two distinct Funding Windows: (i) Launch to Scale (LS) and (ii) Direct to Scale (DS). LS is funding targeted at ESPs operating in less mature markets or ESPs entering those markets for the first time. DS is funding directed at more mature ESPs and markets. DS funding is aimed at supporting ESPs that, due to their existing position and experience in the market, are expected to be able to go straight to scaled distribution. The purpose of the DS funding is to reduce ESPs' costs of offering and maintaining ESS at scale to low-income end-customers or customers in remote areas.

Each Funding Window is offering a specified amount of funding under one or more Funding Lots for the provision of different types of off-grid solutions (Standalone or Mini-/Micro-grids). Each of these solutions can use different technologies for the generation of electricity.

Due to the higher maturity of the off-grid market for Standalone solar products in Uganda, both LS and DS funding is made available to interested ESPs for their provision of Standalone products and services to low-income customers or customers in remote areas.

The LS Funding Window, Funding Lots #8 (Standalone) and #9 (Mini-/Micro-grids) are targeted at enabling less experienced ESPs to enter into or accelerate their business growth in Uganda.

Applicants/Lead Applicants with more than 50,000 ESS from all group operations (country subsidiaries and associates), applying for funding for a Standalone solution, can only apply for BGFA3 under the DS Funding Window, Funding Lot #10.

In the application, Applicants/Lead Applicants should specify the total amount of BGFA3 funding requested and their foreseen annual BGFA3 funding needs over the four-year project implementation period (2022-2026).

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<sup>2</sup> The ESS will be considered sustainable (i) after a minimum of two years' provision of the energy service in question; and/or (ii) after the ESS have been fully repaid by the end-customer; and/or (iii) as long as the end-customer is not in default by the contract end-date (*i.e.* has made at least one payment within at least the last 90 days)

## **BOX 1: WHAT COSTS ARE ELIGIBLE UNDER THE BGFA?**

BGFA aims to stimulate new sustainable business models which incentivise and accelerate the private sector to offer affordable and clean off-grid energy access at scale in Africa. It provides financial incentives to selected private companies to provide high-quality energy services and products to rural and peri-urban people in participating countries. The funding is a form of 'free equity' which can be used by ESPs to scale their businesses.

BGFA3 funds may be used by contracted ESPs to cover expenditure and investments in relation to legitimate business establishment and operational activities including, but not limited to:

- Business establishment and preparation
- Hardware and software costs
- Inventory and spares
- Personnel costs
- Training and capacity building
- Scale-up activities such as expansion of physical distribution
- Last-mile promotion, sales and service

There are no specific exclusions, but BGFA does not cover sunk costs that have been already been incurred *e.g.* previously deployed systems.

Applicants/Lead Applicants will be required to demonstrate commensurate levels of project co-financing from other parties and to specify this in the application.

BGFA3 does not require contracted ESPs to have secured a minimum amount of co-financing before contract signing. However, ESPs will be required to demonstrate a viable capital structure and credible financial model, as well as a solid fundraising plan, satisfactorily showing expected co-financing equal to or greater than the funding requested from BGFA3, prior to contracting.

Applicants/Lead Applicants may apply for BGFA3 funding for the implementation of project(s) under one or more Funding Windows/Funding Lots.

### **Disbursement**

LS financing can be disbursed flexibly, including (exceptionally) in advance. Advance payments can be made for ESPs to establish their business in a new market (launch component) or to roll out and scale themselves as a company already active in a BGFA3 market and/or launch a new product, service or initiative (scaling component) in that market.

In order to respond to the financial challenges resulting from the current COVID-19 crisis, up to 30% of the requested LS funding can exceptionally be disbursed in advance subject to a maximum of EUR 500,000.

DS disbursements will be made in arrears and against ESPs' proven sales and establishment of an agreed minimum number of ESS with end-customers.

### 1.3. Funding Windows and Funding Lots

BGFA3 is inviting interested off-grid ESPs to compete under the following Funding Windows and Funding Lots<sup>3</sup> (See Table 1) to be disbursed during a four-year period with current funding of up to EUR 20.7 million in total.

**TABLE 1: FUNDING WINDOWS AND FUNDING LOTS**

COUNTRY PROGRAMME	FUNDING WINDOW	FUNDING LOT	INDICATIVE INDIVIDUAL CONTRACT SIZE (EUR million)	NUMBER OF EXPECTED CONTRACTS
Uganda	Launch to Scale (LS)	<b>Funding Lot #8</b> Up to EUR 6.2 million <i>Standalone</i>	1.2 - 2.5	3 - 5
	Launch to Scale (LS)	<b>Funding Lot #9</b> Up to EUR 6.2 million <i>Mini-/Micro-grids</i>	2.0 - 4.0	2 - 3
	Direct to Scale (DS)	<b>Funding Lot #10</b> Up to EUR 8.3 million <i>Standalone</i>	2.0 - 3.0	2 - 3
<b>TOTAL</b>		<b>EUR 20.7 million*</b>		<b>7 - 11</b>

\*This includes a second contribution of DKK 60 million (approximately EUR 8 million), which is expected to be made available by the Danish Ministry of Foreign Affairs (Danida) for the Uganda Country Programme, subject to final parliamentary approval.

BGFA3 aims to incentivise ESPs to accelerate the establishment of new, long-term sustainable ESS at scale. The expectation is that up to 600,000 off-grid ESS will be established during the project implementation period, thus benefiting more than 3 million people in peri-urban and rural areas.<sup>4</sup> The indicative individual contract ticket size per ESP is expected to be between EUR 1.2 – EUR 4 million, depending on the Funding Lot.

During the implementation phase, successful ESPs will be eligible to also receive technical assistance and business support from BGFA including advice, for example, related to monitoring, evaluation and gender as well as the mobilisation of additional funds. Specific technical assistance may be provided in the area of e-waste management.

<sup>3</sup> BGFA uses continuous numbering of Funding Lots offered under various Calls.

<sup>4</sup> ESS sold in the Kampala district are not eligible for BGFA3 and do not count towards the total number of contracted ESS.

## **Funding Lot #8**

This LS Funding Window is targeted at enabling less experienced local and international ESPs (with market experience in Uganda and/or in other SSA countries) to accelerate their business growth in Uganda.

Funding Lot #8 is particularly focused on bridging the gap between the interest in and demand for solar solutions among Ugandan consumers and the present sporadic access to these types of products and services in rural and peri-urban areas. Applicants or Lead Applicants are encouraged to apply and demonstrate innovative and novel strategies to improve the last-mile promotion, sales and service of solar solutions in these remote areas. When implemented, it is expected that these activities will increase customer awareness, accessibility and affordability of high-quality solar solutions, leading to a significant and sustainable boost of ESS sales in these regions.

Partnerships with small or medium-sized Ugandan ESPs and/or locally established marketing and distribution specialists (also potentially operating in other segments) and/or community organisation specialists are encouraged to ensure that the in-depth market knowledge and operational experience of these organisations can help to better penetrate inaccessible market segments or geographic areas. BGFA3 funding is foreseen to support ESPs in last-mile promotion, sales and service activities to encourage Applicants/Lead Applicants to take a geographically focused approach (for example, focusing efforts in several adjoining districts) to effectively catalyse demand for ESS.

## **Funding Lot #9**

Lot#9 is aimed at encouraging ESPs to test the new mini-grid regulation, which has just entered into force. Funding Lot#9 has been developed in close cooperation with the Electricity Regulatory Authority (ERA) and the Rural Electrification Agency (REA) and it is foreseen that the BGFA Programme will be able to provide technical assistance to these authorities to support the implementation of this Funding Lot.

This LS Funding Window is specifically aimed at attracting developers of Micro-grids (with a capacity range of about 10-150 kW) who are able to demonstrate that they can deploy innovative technology and business models to supply energy access services tailored to customer needs and ability to pay, as well as scale generation capacity to match the growth in actual demand.

Applicants/Lead Applicants should demonstrate that the region in which they propose to set up a cluster of Micro-grids is aligned with the electrification zones and targets of relevant Ugandan authorities, including but not limited to the Rural Electrification Masterplan. Applicants/Lead Applicants should ensure that any energy solutions they propose meet all requirements detailed in Ugandan policy frameworks.

Funding Lot#9 also aims to incentivise ESPs offering Micro-grid power for productive use.

## **Funding Lot #10**

Due to the relatively advanced stage of the Standalone off-grid energy market in Uganda, the Uganda Country Programme includes a DS Funding Window with a Funding Lot #10 for the provision of Standalone solutions. This Funding Lot is focused on incentivising experienced ESPs (which have been operational in Uganda for at least 3 years and with more than 50,000 ESS established in Uganda or another SSA country), to further scale up their sales of entry level Standalone systems to customers in remote areas. The purpose of making available this DS Funding Window is to reduce ESPs' costs of offering and maintaining ESS at scale to customers in remote areas.

Productive use technologies will be incentivised through the use of multiplication factors or multipliers and add-ons in conjunction with the core underlying incentives, in particular in Funding Lots #8 and #9, while clean cooking solutions will be incentivised through all three Funding Lots to be detailed in the Final Application Guidelines. Multipliers on the weightings are applied to respective energy service Tiers for the purposes of calculating the final value for money.

Note that for all lots, ESS sold in the Kampala district are not eligible for BGFA3 and do not count towards the total number of contracted ESS.

Whilst the donors are committed to funding these Funding Windows, the ongoing impact of COVID-19 may necessitate adjustments in the allocations outlined above.

## **Energy Service Tier Matrix**

At the Final Application stage, Applicants/Lead Applicants will be asked to provide a detailed business plan. In the plan, they will be required to categorise the different types of ESS they wish to provide to end-customers, including whether they are targeted at residential, commercial and/or institutional customers based on the available daily electrical energy meeting certain thresholds.

BGFA3 funding will be awarded to Applicants/Lead Applicants that, during the Final Application stage, can demonstrate the best value for money, defined as the lowest average weighted cost per ESS, taking into account the viability of the underlying business plan.

Clean cooking solutions (especially electric cooking), productive applications, commercial and institutional connections as identified in the Lots above will be especially incentivised by multipliers on the weightings applied to respective energy service Tiers for the purposes of calculating the final value for money.

The number of expected established ESS set out by the Applicants/Lead Applicants in the business plan will be assessed, stress-tested and undergo a detailed due diligence review before contract signing.

Applicants/Lead Applicants are encouraged already at this stage to familiarise themselves with the parameters set out in the applicable energy service Tier matrices included in [Annex D](#).

## Productive use

Part of the funding made available under Funding Lots # 8 and #9 is set aside to specifically incentivise ESPs' sales of productive energy applications or income-generating energy connections or clean cooking applications and appliances, and especially electric cooking as follows:

Under Funding Lot#8, up to EUR 3.1 million and under Funding Lot#9 up to EUR 1 million are set aside for productive use or higher Tier connections (defined as Tier 3 - 5 connections for commercial and institutional use). Both amounts are pending final approval of the expected second contribution expected to be made available by the Danish Ministry of Foreign Affairs (Danida) for the Uganda Country Programme.

Annex C describes the BGFA3 technology requirements. Productive use equipment eligible for funding under BGFA3 is detailed in Annex D. Any funds set aside for the above purposes, but which cannot be allocated to ESPs' provision of productive use components, will be re-allocated back to the respective Funding Windows and Funding Lots.

Whilst Denmark and Sweden are committed to funding the above-described Funding Windows, Funding Lots and set-asides for productive use, further negative impacts of COVID-19 may necessitate adjustments in these funding opportunities.

### 1.4. Application process

The BGFA3 application process is divided into two stages:

1. A Pre-Qualification stage (described in this document) and
2. A Final Application stage (will be described in detail in a later document)

The purpose of the Pre-Qualification stage is to check Applicants'/Lead Applicants' compliance with the BGFA3 key eligibility criteria and minimum technical and financial capacity requirements. Only Applicants/Lead Applicants and project proposals meeting these eligibility criteria and minimum requirements will be invited to submit applications during the Final Application stage.

The Final Application stage will focus on assessing the quality of Applicants'/Lead Applicants' business plans and carrying out a price per weighted energy service calculation, resulting in an overall evaluation of the proposed project and expected value for money per established ESS. BGFA funding will be awarded to ESPs using a reverse auction approach, where project proposals will be ranked based on their overall expected value for money to reach BGFA targets.

During the Pre-Qualification stage, Applicants/Lead Applicants are merely asked to submit a limited amount of information and documentation to reduce ESPs' time and cost to prepare the application. Applicants/Lead Applicants are required to complete a short online questionnaire and a Concept Note (see template in Annex A) and upload a limited amount of supporting documentation.

Applicants/Lead Applicants that pass the Pre-Qualification stage and are invited to take part in the Final Application stage will take part in a more limited competition for

BGFA3 funds and are therefore presumed to be willing to allocate more time and resources to preparing a comprehensive application.

During the Final Application stage, Applicants/Lead Applicants will be required to submit a full project proposal, including a detailed business plan, financial model(s) and comprehensive supporting documentation.

Prior to contract signing, a thorough due diligence review of each of the highest-scoring project proposals will be carried out. The due diligence will include a review of all technical, social, environmental, financial, institutional and legal aspects which are deemed relevant to the transaction.

A contract template will be made available at the Final Application stage and used as the basis for the negotiations. Applicants/Lead Applicants are kindly requested to note that only minor deviations from the template can be made.

Nefco reserves the right not to start negotiations with any of the Applicants/Lead Applicants. All contracts are subject to a successful due diligence review and individual prior no-objection from the donor(s).

## 2 Pre-Qualification application process

### 2.1. Timing

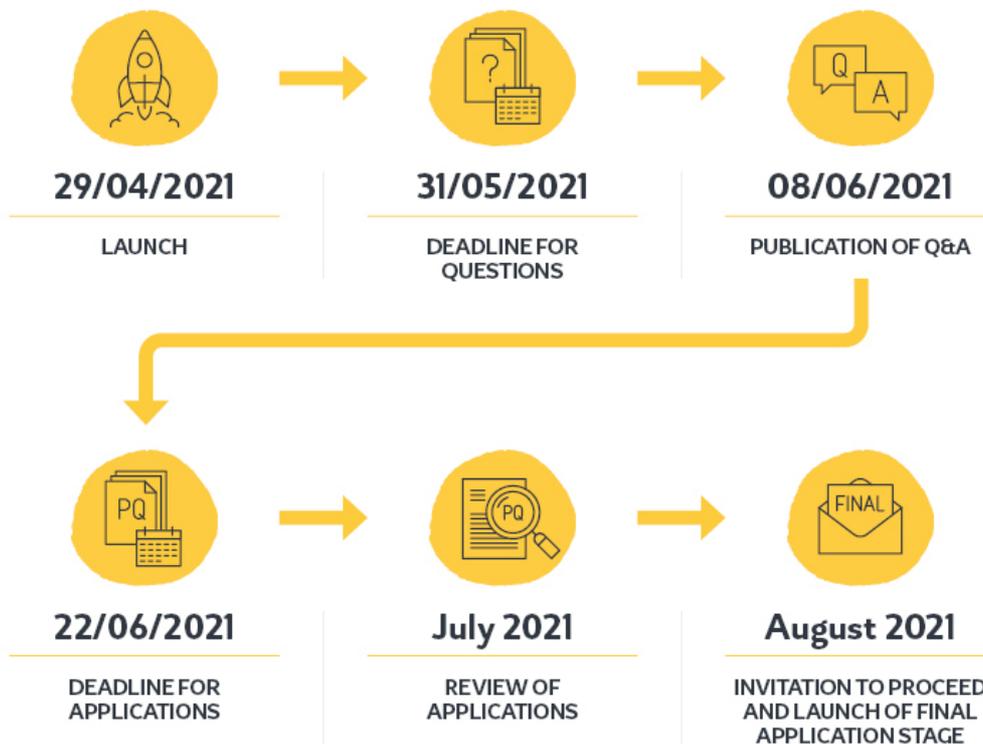
The BGFA3 Pre-Qualification SmartME application intake system will open on 29 April 2021 and remain open until 22 June 2021.

Applicants/Lead Applicants that pass the Pre-Qualification stage will be notified by August 2021 and asked to submit a full proposal tentatively by November 2021. Guidelines for the Final Application stage are scheduled to be published during early September 2021.

Contracts between ESPs and Nefco for BGFA3 financing are expected to be signed by the end of April 2022. Projects must be initiated at the latest by 1 September 2022.

Applicants/Lead Applicants will be duly notified of their progress and the final results of BGFA3 will be communicated.

**FIGURE 1: PRE-QUALIFICATION STAGE TIMELINE**



For more information about the preliminary timeline and stages (Pre-Qualification and Final Application stages) for the entire BGFA3 funding round, please check the [www.beyondthegrid.africa](http://www.beyondthegrid.africa) website.

Kindly note that all deadlines are still subject to possible change, depending on the outcome of the Pre-Qualification process and the COVID-19 situation.

## 2.2. Application intake system – SmartME

BGFA3 is organised as an online, fully paperless application process via an electronic intake system called SmartME.

The SmartME application intake system is specifically tailored for BGFA in order to simplify the Pre-Qualification stage application process as much as possible. We encourage Applicants/Lead Applicants to give us feedback on how the SmartME intake system is working from their perspective, so that we can learn and improve our services.

## 2.3. Registration and submissions

Interested ESPs are encouraged to register and create their user accounts as soon as possible to familiarise themselves with the BGFA3 application requirements. Applicants/Lead Applicants are required to submit their applications and upload documents only via the BGFA SmartME intake system. Registration for the SmartME intake system can be found on the BGFA website.

Applicants/Lead Applicants are required to submit all documentation in English and to denominate all financial information in EUR.

Only for-profit companies can register and submit applications, but non-profit organisations can play a support role in the project implementation as detailed in these Guidelines.

Pre-Qualification applications submitted will be considered to be in their final form and cannot be amended once submitted.

Applications must be submitted by **22 June 2021 at 15:59 hrs Helsinki time (EET)**.

It is Applicants'/Lead Applicants' responsibility to ensure that all documentation is submitted and also uploaded in SmartME on time, taking into account the speed of the internet connections. It is strongly recommended to allow for sufficient time to complete and submit the application well in advance of the submission deadline. SmartME intake system will not accept late submissions/uploads.

#### 2.4. Questions and answers

Applicants/Lead Applicants are invited to post questions via the SmartME intake system's support section only and in order to receive an answer, **at the latest by 31 May 2021 at 15:59 hrs Helsinki time (EET)**.

Questions and answers will be made available to all registered Applicants/Lead Applicants in an anonymised and redacted form on 8 June 2021.

### 3 Pre-Qualification eligibility criteria and minimum requirements

The Pre-Qualification review consists of two elements:

- (i) a completeness check – to confirm that Applicants/Lead Applicants and their project proposals meet the eligibility criteria and minimum requirements set out below; and
- (ii) an evaluation and scoring of the Concept Note.

The completeness check is a pre-screening carried out based on the answers provided in the SmartME intake system.

The evaluation is carried out based on an assessment and scoring of the Concept Note. This evaluation will be carried out by a team of third party, independent evaluators.

To pass the Pre-Qualification stage and be invited to take part in the Final Application stage, Applicants/Lead Applicants and project proposals must meet all of the eligibility criteria and minimum requirements below, and the Concept Note must score a minimum of 60 points (out of 100).

### 3.1. Eligible Project Country

Projects should be implemented in Uganda.

### 3.2. Eligible Applicants

#### **For-profit companies**

Applicants (i.e. single ESP companies applying for BGFA3 funding) or Lead Applicants (i.e. ESP companies, applying for funding on behalf of a Project Consortium) should be for-profit companies.

Applicants/Lead Applicants should be legally incorporated and included in the register of for-profit companies in the Project Country or commit to being incorporated and registered as such before signing a possible contract.

Applicants/Lead Applicants should be in compliance with all tax, regulatory and legal frameworks in both their home country and the Project Country (if different).

Applicants/Lead Applicants are allowed to include non-profit entities, public institutions, community-based organisations or other non-commercial entities to take part in the project implementation as a Significant Sub-Contractor, a Project Partner or a Consortium Member.

Applicants/Lead Applicants are kindly reminded that no governmental entity, public agency, or donor may function as a Consortium Member, a Project Partner or a Significant Sub-Contractor.

#### **Persons**

Individual persons or groups of persons (who are not legally incorporated and registered as a company in the Project Country) are not eligible for BGFA3 funding.

#### **Project Consortium**

Project Consortium refers to a group of companies or organisations that have formed or agree to form a consortium for the purposes of applying for BGFA3 funding and implementing the proposed project.

To be eligible for BGFA funding, a Project Consortium must be represented by a Lead Applicant. The Lead Applicant is required to assume full responsibility for the application and project implementation. The Lead Applicant should also act as Nefco's only direct counterparty (in a possible contract and as regards reporting, etc.). To qualify, the Lead Applicant should be able to demonstrate that it and the Project Consortium possess sufficient management capacity.

The Project Consortium may include different Consortium Members, including non-profit entities. All Consortium Members should be either legally registered as a company or as an organisation in their home country and be in compliance with all tax, regulatory and legal frameworks in their home country.

The Lead Applicant and Consortium Members shall have entered into a satisfactory Consortium Agreement, or be willing to enter into such an agreement. The Consortium Agreement should document the rationale for the Project Consortium, identify the Lead Applicant and describe how the Project Consortium will be managed and work in practice.

The Consortium Agreement should provide for joint and several liability of the Consortium Members. Nefco will have a right to invoke its contractual rights and any claims for liability related to the proposed project as a whole only to the Lead Applicant (as Nefco's only counterpart under a possible contract).

A draft Consortium Agreement must be submitted at the latest during the Final Application stage. The final version of the Consortium Agreement should be satisfactory to Nefco and a signed version of the Consortium Agreement provided to Nefco at the latest before the signing of a possible contract.

### **Project Partner**

Applicants/Lead Applicants may involve more than one Project Partner. Project Partners may be non-commercial in nature (including, but not limited to, associations, NGOs and non-profit organisations).

Applicants/Lead Applicants should be able to demonstrate that Project Partners have a material and meaningful interest in the implementation of the proposed project. Project Partners may be product suppliers; financial service partners; engineering, procurement and/or construction service providers; or similar.

Project Partners will not be required to have a direct commercial or economic interest in the implementation of the proposed project, but Applicants/Lead Applicants should be able to demonstrate that they are needed to provide support and/or facilitate (on a commercial or non-commercial basis) the implementation of the proposed project (including e.g. through the provision of awareness-raising, training, capacity building, services).

Project Partners should be legally registered and be in compliance with all tax, regulatory and legal frameworks in their home country.

### **Significant Sub-Contractor**

A Significant Sub-Contractor can be a for-profit company or non-profit entity which is contracted by an Applicant/Lead Applicant to be responsible for supporting it in directly delivering and/or operating one or more components of the proposed project.

A sub-contractor is considered a Significant Sub-Contractor if the total value of the sub-contractor's services represents 15% or more of the awarded BGFA funding applied for to implement the proposed project.

Equipment suppliers and manufacturers engaged in the general course of Applicants'/Lead Applicants' business will not be considered Significant Sub-Contractors unless they are also contracted to carry out activities directly related to the project implementation or operation (e.g. installation and commissioning and/or

operation of Mini-grid infrastructure).

Significant Sub-Contractors should be legally registered and be in compliance with all tax, regulatory and legal frameworks in their home country.

### **Other partnership arrangements**

Applicants/Lead Applicants may include distribution partnerships for the establishment and distribution of ESS and possible other equipment/appliances.

During the Final Application stage, Applicants/Lead Applicants must demonstrate in the business plan that there is a robust relationship between the Applicant/Lead Applicant and the distribution partner.

#### **BOX 2: ESS PARTNERSHIPS/ESTABLISHMENTS/DELIVERY ARRANGEMENTS NOT ELIGIBLE FOR BGFA FUNDING**

- Wholesale to a third-party retailer or "distribution partner" that is not a Consortium Member;
- Sales of bulk power to a third-party distributor of a Mini- or Micro-grid; and
- Energy services providers who cannot provide automated data regarding the underlying customer relationship and provision of energy services

### **3.3. Financial position requirements**

Applicants/Lead Applicants must demonstrate:

- (i) A current ratio with a minimum value of one or higher; and
- (ii) Equity to total assets of at least 15%.<sup>5</sup>

If the Applicant/Lead Applicant is a subsidiary of a parent company, and the Applicant/Lead Applicant does not meet the above financial requirements, the parent company's financials may be used instead, provided that a parental guarantee can be given, if required, prior to possible contracting.

The sources of data for calculating these ratios shall be clearly referenced and included in the application.

### **3.4. Professional capacity requirements**

Applicants/Lead Applicants should be able to show that they/the Project Consortium have/has sufficient resources, competence and experience to perform projects in the

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<sup>5</sup> The ratio of shareholders' equity (including convertible notes) plus accumulated profit and loss reserves to all total assets on balance sheet (including intangibles) as per the audited accounts submitted in support of the application.

area of expertise proposed.

Applicants/Lead Applicants will also be required to establish a key management team responsible for performing and coordinating the project. The qualification of the team members must be adequate for the implementation of the proposed project activities.

For Funding Lot #8, Applicants/Lead Applicants are encouraged to demonstrate the expertise needed to reach the project's goals, including last-mile promotion, sales and service.

### 3.5. Market experience requirements

Applicants/Lead Applicants should demonstrate that they have sufficient market experience of working in one or more SSA off-grid markets. The market experience requirements vary depending on the type of funding applied for.

#### **Launch to Scale (LS) Funding Windows**

Applicants/Lead Applicants applying for funding under an LS Funding Window (regardless of their country of origin or registration) should demonstrate, by providing exact figures, the following minimum market experience at the time of their submission of the Pre-Qualification application, either in Uganda or in another (specified) SSA country:

##### *In Uganda:*

- That they have at least 24 months of operational experience, and
- That they have successfully completed a project, meeting or exceeding the following metrics, as relevant to the specific technology type applied for under the different Funding Lots:
  - o Standalone: a minimum of 3,000 ESS
  - o Mini-/Micro-grids: a minimum of one privately owned and operated pilot system with a minimum of 40 ESS

##### *Or in another (specified) country in SSA:*

- That they have at least 24 months of operational experience with operations meeting or exceeding the following metrics, as relevant to the specific technology type applied for under the various Funding Lots:
  - o Standalone: a minimum of 20,000 ESS
  - o Mini-/Micro-grids: a minimum of three privately owned and/or operated systems with a total of a minimum of 500 ESS

Applicants/Lead Applicants with more than 50,000 ESS from all group operations (country subsidiaries and associates), applying with a Standalone solution in Uganda may only apply for BGFA3 under the DS Funding Window, Standalone Funding Lot #10.

## Direct to Scale (DS) Funding Window

Applicants/Lead Applicants (regardless of country of origin or registration) applying under the DS Funding Window should demonstrate, by providing the exact figures, the following minimum market experience at the time of Pre-Qualification application, either in Uganda or in another (specified) SSA country:

*In Uganda or in another (specified) SSA country:*

- That they have at least 36 months of operational experience with a minimum of 50,000 ESS that are under payment or have completed payment

For productive use and possible clean cooking solutions, Applicants/Lead Applicants should demonstrate sufficient, proven operational experience.

### 3.6. Compliance requirements

Contracted Applicants/Lead Applicants should follow national law at all times in their operations.

During this Pre-Qualification stage, Applicants/Lead Applicants will be required to confirm that they have familiarised themselves with and are ready to comply with Nefco's general policies and guidelines available at <https://www.nefco.int/about-nefco/legal-framework-and-guidelines/><sup>6</sup> as relevant to the implementation of the proposed project in case of a possible contract.

The highest scoring Applicants/Lead Applicants during the Final Application stage will be required to complete and sign a certificate of compliance before the start of the due diligence review and contract negotiations. A template of the certificate of compliance is attached for information (Annex E).

As part of a possible BGFA contract, Applicants/Lead Applicants and all partners will further be required to sign and submit a letter of social responsibility. A template for this letter and potential other compliance declarations will be provided for information during the Final Application stage.

Applicants/Lead Applicants should demonstrate that they are in good standing in the relevant country of registration and in compliance with all relevant tax, policy, and regulatory frameworks in that country and in Uganda.

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<sup>6</sup> This include the following policies:

- [Nefco's Environmental and Sustainability Guidelines](#)
- [Nefco's Sustainability Policy](#)
- [Nefco's Gender Policy](#)
- [Nefco's Policy on Anticorruption and Compliance](#)
- [Nefco's Policy on Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment \(SEAH\)](#)
- [Nefco's Procurement Guidelines](#)

### 3.7. Eligible projects

#### General requirements

Proposed projects should be planned, implemented and operated in line with relevant nationally established energy plans, other nationally established relevant strategies and local legislation.

It is expected that Applicants/Lead Applicants have obtained or can obtain all relevant permits, certification, licences, endorsements, approvals and similar documents needed for the implementation of the proposed project within a reasonable time frame after contract signing.

#### Technical requirements

To be eligible, project proposals should meet certain technical requirements. Please see below and [Annex C](#) for more detailed information.

BGFA can only support ESPs' provision of renewable energy services and solutions. Energy services based on fossil fuels accordingly cannot receive BGFA funding. Some energy- (only) generating technologies, could also be available for BGFA funding but the focus is on electricity-generating and service distribution technologies/models.

Project proposals using non-renewable technologies such as back-up generation capacity only (e.g. diesel) are eligible for BGFA3 funding. Strong preference will be given to projects with the highest share of renewable energy.

Applicants/Lead Applicants will be required to demonstrate that any proposed biomass, bio-ethanol and/or biogas solutions are not likely to lead to deforestation or other forms of ecological degradation and that they do not have material negative impacts on protected areas and biodiversity.

Cooking solutions can form part of possible productive use services. Cooking solutions based only on the use of dry biomass or non-renewable energy solutions are not eligible.

For the generation of electricity, the proposed project should use one or more of the technologies listed below (as relevant to the specific Funding Lot applied for). Certain technologies for generating renewable sources for energy production (e.g. digesters) are also eligible for BGFA funding, but preference will be given to the projects with the highest share of electricity generation.

- Solar photovoltaic (PV)
- Wind
- Hydroelectric
- Biomass
- Bioethanol
- Biogas

Generally, ESPs are required to employ modern systems, hardware and software complying with relevant industry technical standards and meeting all relevant statutory standards and regulations in Uganda. For more detailed information on the technology-specific requirements, please see [Annex C](#).

### **Consumer protection**

Applicants/Lead Applicants should be willing to apply relevant consumer protection codes or policies such as:

<https://www.gogla.org/consumer-protection> and <https://www.ruralelec.org/consumer-protection-principles-clean-energy-mini-grids-0>.

More specifically:

Prior to the signing of contracts for funding under the Standalone Funding Lots, Applicants/Lead Applicants will be required to commit to GOGLA's consumer protection code (i.e. issue a letter of commitment and a letter of declaration and send them to GOGLA with copies to Nefco) and to submit a filled-in self-assessment tool to Nefco. Contracted ESPs will further be required to renew their commitment to the GOGLA consumer protection code throughout the duration of the contract as per GOGLA's self-assessment policy.

Prior to the signing of contracts for funding under the Mini-grid Funding Lots, Applicants/Lead Applicants will be required to commit to following the consumer protection principles for clean energy Mini-grids established by the Alliance for Rural Electrification (i.e. issue and send a letter of commitment sent to this alliance) and to submit a filled-in self-assessment tool to Nefco.

During the Pre-Qualification stage Applicants/Lead Applicants are only required to warrant that they are willing to undertake such commitments if selected for BGFA3 financing.

### **Reporting and monitoring**

BGFA financing is results based and provided in return for ESPs selling an agreed number of ESS to end-customers in peri-urban and rural areas (defined as milestones in a possible contract). Contracted Applicants/Lead Applicants should allow for online monitoring of the milestones and generally be willing to provide BGFA with detailed information throughout the course of the contract, including but not limited to sales information, energy usage, service calls and results, and development impacts.

BGFA uses an IT platform called Edison for reporting and monitoring purposes. To be able to provide automated data to this system, Applicants/Lead Applicants will be required, in a possible contract, to establish automated data transfer integration with this Edison system. The integration interface should be able to support an automated daily transfer of a range of data points related to customer information, energy service specifications, geography/location, power storage and load data, payments and transactions, consumption, etc. Applicants/Lead Applicants will also be required, in a possible contract, to use modern control, monitoring, metering and customer-relationship management systems in their delivery of energy services. Note that

Applicants/Lead Applicants must possess the internal software systems to automate data transfers of ESS data.

Contracted Applicants/Lead Applicants will further be required to enter into a data-sharing agreement. For ESPs distributing Standalone systems, the data collection and sharing requirements could typically be met using various modern sales/loan or pay-as-you-go (PAYGo) management platforms.

For ESPs operating large Standalone activities, Nano-, Mini- or Micro-grids, the data collection and sharing requirements could typically be met using various modern control and monitoring solutions as well as 'smart' metering solutions.

Contracted Applicants/Lead Applicants will be eligible for up to EUR 5,000 in technical support to cover expenses incurred to establish the IT links necessary for the transfer of information to Edison.

The reporting and monitoring requirements, including those of data collection and sharing, will be described in more detail in the Final Application Guidelines.

### **End of life management and e-waste**

BGFA generally recognises the environmental challenges facing ESPs when dealing with end-of-life off-grid solar products, especially as regards ensuring proper collection and recycling of waste. Effective policies, regulation and the physical infrastructure to manage e-waste are lacking in many countries.

Contracted ESPs will be required to develop a recycling partnership plan within one year of the signing of a possible contract. More stringent requirements will be placed on Applicants/Lead Applicants seeking DS funding. These requirements will be described in more detail in the Final Application Guidelines.

At this Pre-Qualification stage, Applicants/Lead Applicants are only required to confirm that they are ready to prepare and implement an e-waste management plan addressing the minimum BGFA requirements.

At the Final Application stage or, at the latest, prior to a possible contract, Applicants/Lead Applicants will be required to provide a policy and a plan for their e-waste handling, which demonstrates that they can meet the minimum BGFA requirements. The e-waste management policy should be tailored to the local context and include procedures for e-waste handling, transportation and storage.

For companies seeking LS funding, some technical assistance may be provided after contracting to support the implementation of such plans and policies.

## Gender mainstreaming

Applicants/Lead Applicants are required to offer equal opportunities for men and women.

This will be assessed based on the Applicants'/Lead Applicants' present organisational governance (such as gender-balanced representation at all hierarchical levels and equality of pay) as well as the inclusion of gender considerations in applications submitted during the Final Application stage.

Contracted ESPs will be required to develop a company gender policy and a gender action plan, including a marketing/awareness-raising strategy and potential productive use of energy plan for women, as relevant to the proposed project.

In the Final Application stage, the Applicants/Lead Applicants will also be requested to provide information about gender pay gap indicators. This will be described in detail in the Final Application Guidelines.

## 4 Evaluation

Only Pre-Qualification applications, which are complete and fulfil all of the above eligibility criteria and minimum requirements will be evaluated. Evaluation and scoring will be done by an independent, external evaluation committee appointed by Nefco. The Evaluation criteria and score scaling are set out below in Table 2.

Applicants/Lead Applicants passing both the Pre-Qualification completeness check and the evaluation will be invited to take part in the Final Application stage and encouraged to submit a full application for the same Funding Window/Funding Lot.

**TABLE 2: EVALUATION CRITERIA**

EVALUATION CRITERIA	SPECIFICATION	POINTS	MAX POINTS
<b>Technical, governance, operational, delivery &amp; social responsibility capacity</b>	Existing relevant operations / operations capacity	25	<b>45</b>
	General feasibility of technical / technology solution(s) in the context of the Country Programme, Funding Window and Funding Lot in question	5	
	Governance capacity of the Applicant/Lead Applicant together with the Project Consortium (including assessment of track record of other operations, length and maturity)	5	
	Professional capabilities of management team (including assessment of experience, skills and track record)	5	
	Environmental, social and sustainability aspects, existing level of gender mainstreaming (gender policy,	5	

	sexual exploitation, abuse and harassment [SEAH], women's representation at governance and executive level positions, equal pay)		
<b>Development impact potential</b>	Potential of the proposed solution to provide energy access at scale in rural and peri-urban areas	5	<b>25</b>
	Potential for accruing socio-economic, health, education and environmental benefits (particularly income generation opportunities). High share of renewable energy utilised.	5	
	Gender awareness: proactive policy in place to promote and ensure gender equality and women's empowerment, solutions meeting the needs of women and men and avoiding any negative gender bias/discrimination in marketing and operations	5	
	Alignment of target market and demographics with BGFA3 objectives in the context of the Country Programme, Funding Window and Funding Lot in question	5	
	Geographic equity: sensitivity to conflict and security issues; ambition to roll out and operate in conflict and tension zones or in areas of deep social inequality; appropriate security measures in place	5	
<b>Financial capacity</b>	Relationship of shareholder equity (including convertible notes and retained profits / losses) to total assets (including intangibles) on the balance sheet and the relationship of total equity (as defined) to the funding request and total project volume	5	<b>25</b>
	Level of committed co-financing already available from external sources, e.g. other donors / DFI contributions, crowdfunding platforms, commercial sources, supplier finance	10	
	Credibility of fundraising plan, status of discussions / negotiations with finance providers, track record of raising finance in the past	10	
<b>Professionalism &amp; presentation of proposal</b>	Consistent and high-quality organisation of data, concise text and ease of comprehension	5	<b>5</b>
<b>TOTAL MAX. SCORE</b>			<b>100</b>

**TABLE 3: SCORE SCALING**

*(to be calculated proportionally in line with the maximum points for each scoring category / criterion)*

SCORE	CRITERIA
0	The Applicant/Lead Applicant fails to address the criterion or cannot be assessed due to missing or incomplete information (unless the result of an 'obvious clerical error')
1	Poor: the criterion is inadequately addressed or there are serious inherent weaknesses
2	Fair: the Applicant/Lead Applicant broadly addresses the criterion but there are significant weaknesses
3	Good: the Applicant/Lead Applicant addresses the criterion well but with a number of shortcomings
4	Very good: the Applicant/Lead Applicant addresses the criterion very well but with a small number of shortcomings
5	Excellent: the Applicant/Lead Applicant successfully addresses all relevant aspects of the criterion; any shortcomings are minor

Applicants/Lead Applicants and proposed projects will be required to reach a minimum average of 60 points (out of 100) in order to pass the Pre-Qualification stage and be invited to submit a full application during the Final Application stage.

#### 4.1. Final Application stage

Project proposals submitted by Applicants/Lead Applicants in the form of a full application during the Final Application stage will be evaluated according to a number of additional evaluation criteria and requirements. These criteria and requirements are expected to include, but not be limited to, the following:

- Technical feasibility
- Commercial feasibility
- Market comprehension and relevance
- Management capacity and experience
- Financing structure and financial leverage
- Implementation and operational capacity
- Environment, including e-waste management
- Development impact potential
- Gender mainstreaming plan
- Consumer protection level
- Value for money

## 4.2. Proof of compliance

Nefco will require full proof of Applicants'/Lead Applicants' compliance with all set eligibility criteria and requirements during a due diligence review, which will be carried out before contract signing.

Exceptionally, proof can be provided after contract signing, but in such a case in the form of a condition precedent which Applicants/Lead Applicants would need to meet before the entry into force of or first disbursement under any signed contract.

Any substantial changes in applications submitted during the Final Application stage compared with the application submitted during the Pre-Qualification stage may lead to rejection of the application during the Final Application stage at the discretion of Nefco.

## 5 Reservation

Nefco reserves the right to request additional information from Applicants/Lead Applicants at any stage of the application process.

Nefco reserves the right to adjust and/or further supplement the Pre-Qualification eligibility criteria, and minimum requirements, as well as any other guidance related to BGFA3, provided here or otherwise. In case of possible changes, Applicants/Lead Applicants will be informed in a timely manner before the expiry of application deadlines.

The Pre-Qualification Guidelines do not constitute an offer and access to BGFA funding is always subject to funding made available by donors to Nefco.

## 6 GDPR and confidentiality

When registering to the SmartME intake system for the first time, Applicants/Lead Applicants will be required to read and agree to Nefco's [Terms and Conditions](#) and [Privacy Policy](#) as well as Adalia's (the provider of the SmartME intake system) Terms & Conditions and Privacy Policy.

## 7 Miscellaneous

If you wish to report misconduct or make an environmental inquiry or a procurement complaint, please go to the following link:

<https://www.nefco.int/contact-us/>

## Annex A: Pre-Qualification Concept Note Template<sup>7</sup>

To be filled in online by Applicants (covering both the Applicant and possible partners), respectively, Lead Applicants (covering both the Lead Applicant, Consortium Members and possible partners, as applicable)

TECHNICAL CAPACITY	
<p><b>General feasibility of technical / technology solution(s) in the context of the Country Programme/Funding Window/Funding Lot</b></p>	<p><b>Value proposition</b></p> <p>Describe your value proposition (product / service offering) and underlying business rationale. [300 words] Provide an overview of how your business works and explain what the key contractual and commercial relationships are or will be. [300 words]</p> <p><b>Technology and service offer</b></p> <p>Provide an overview of the technology and suppliers you intend to use. Describe briefly the technology providing the energy service(s). [300 words]</p> <p>Outline the advantages of the technology compared with other technologies on the market and/or existing energy use by target customers. [300 words]</p> <p><b>Energy Service offer</b></p> <p>Provide an indicative number and type of energy service connections, as well as the aggregate total indicative number of connections you expect to be able to deploy within the BGFA3 four-year programme timeframe. [300 words]</p>

<sup>7</sup> Please refer to SmartME concerning the final Concept Note form to be submitted

<p><b>Institutional capacity (should include a track record of other operations, length and maturity)</b></p>	<p><b>Profile of the ESP</b></p> <p>In what countries do you have operations? [50 words]</p> <p>Describe briefly the nature and scale of your operations in relevant countries (for similar activities). [300 words] Provide your annual turnover during the last three years (please split into figures for the Project Country and global operations where available, as well as for parent company if applicable). [300 words]</p> <p>Describe your reference projects [up to 10].</p>						
	<b>1</b>	<b>Reference Title</b>					
	<b>Name of legal entity</b>	<b>Country</b>	<b>Overall value (EUR)</b>	<b>Origin of funding</b>	<b>Applicant's/Lead Applicant's <u>exact</u> role in activity</b>	<b>Current status of activity (start &amp; end dates)</b>	<b>Involvement of other stakeholders?</b>  Y/N, if Y pls. provide details in the partnerships table below]
	<b>Description/technology</b>					<b>What are your specific activities?</b>	

	<p><b>Partnerships</b></p> <p>Third parties'/partners' potential material role in the reference projects (if applicable)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #FFD700;"> <th style="width: 25%;">Partner</th> <th style="width: 25%;">Role</th> <th style="width: 25%;">Cooperation since</th> <th style="width: 25%;">Contact details</th> </tr> </thead> <tbody> <tr> <td>[Legal name]</td> <td>[Describe their role]</td> <td>[Year]</td> <td>[E-mail and phone number/skype]</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Partner	Role	Cooperation since	Contact details	[Legal name]	[Describe their role]	[Year]	[E-mail and phone number/skype]								
Partner	Role	Cooperation since	Contact details														
[Legal name]	[Describe their role]	[Year]	[E-mail and phone number/skype]														
<p><b>Status of existing relevant operations / operations capacity</b></p>	<p><b>Status of operations</b></p> <p>What is the current status of your activity in the Project Country? [300 words]</p> <ul style="list-style-type: none"> <li>When did your operations start or when do you plan to start?</li> <li>Justify the relevance of your existing operations for possible BGFA3-funded operations.</li> <li>What have you achieved so far?</li> <li># of ESS deployed so far? Please provide a detailed breakdown of # standalone ESS and # of mini- / microgrids and respective # of ESS (reference is made to market experience requirements in section 3.5 of the Pre-Qualification Guidelines), including ESS which are under payment or have completed payment</li> <li>What is the expected timeframe for scaling up and what are the expected main milestones?</li> </ul> <p>What is the current status of your operations in other relevant countries? [300 words]</p> <ul style="list-style-type: none"> <li>In which countries do you have operations? When did these operations start?</li> <li>Justify the relevance of your prior experiences for possible BGFA3-funded operations.</li> <li>What have you achieved so far?</li> <li># of ESS deployed so far? Please provide a detailed breakdown of # standalone ESS per country and # of mini- / microgrids and respective # of ESS per country (reference is made to market experience requirements in section 3.5 of the Pre-Qualification Guidelines), including ESS which are under payment or have completed</li> </ul>																

	payment																
<p><b>Delivery capability of management team (should include experience, skills and track record).</b></p>	<p><b>Governance, management and organisational structure</b></p> <p>Outline your type of organisation and its governance structure, including possible management systems used. Include information on key shareholder companies and/or individuals. [300 words]</p> <ul style="list-style-type: none"> <li>• Outline your existing key management personnel working in the Project Country, or to be deployed (local management team in the Project Country if already in place, or those to be deployed, as well as the key personnel with ownership).</li> <li>• Describe the management structure of the company. Who will provide management oversight for the rollout of the BGFA3-supported business in the Project Country?</li> </ul> <table border="1" data-bbox="725 639 2094 927"> <thead> <tr> <th data-bbox="725 639 1068 716">Key management person</th> <th data-bbox="1068 639 1411 716">Female/male/prefer not to say</th> <th data-bbox="1411 639 1753 716">Competence and role</th> <th data-bbox="1753 639 2094 716">Contact details</th> </tr> </thead> <tbody> <tr> <td data-bbox="725 716 1068 799">[Name]</td> <td data-bbox="1068 716 1411 799"></td> <td data-bbox="1411 716 1753 799">[Role]</td> <td data-bbox="1753 716 2094 799">[E-mail and phone number/skype]</td> </tr> <tr> <td data-bbox="725 799 1068 866"></td> <td data-bbox="1068 799 1411 866"></td> <td data-bbox="1411 799 1753 866"></td> <td data-bbox="1753 799 2094 866"></td> </tr> <tr> <td data-bbox="725 866 1068 927"></td> <td data-bbox="1068 866 1411 927"></td> <td data-bbox="1411 866 1753 927"></td> <td data-bbox="1753 866 2094 927"></td> </tr> </tbody> </table> <p>Number of members of the Governing Board, disaggregated by sex Number of Executive Managers, disaggregated by sex</p>	Key management person	Female/male/prefer not to say	Competence and role	Contact details	[Name]		[Role]	[E-mail and phone number/skype]								
Key management person	Female/male/prefer not to say	Competence and role	Contact details														
[Name]		[Role]	[E-mail and phone number/skype]														
<p><b>Existing level of gender mainstreaming <u>in the company</u> (gender policy, sexual exploitation, abuse and harassment [SEAH], women’s representation at governance and executive level positions, equal pay)</b></p>	<p><b>Gender</b></p> <p>Describe your gender policy and Policy on Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH). Do you have a policy and mechanism in place to avoid gender discrimination in marketing and advertising materials? [300 words]</p> <p>Do you offer equal opportunities to women and men, including equal pay for same level positions? Please describe. [300 words]</p>																

<p><b>Environment, health &amp; safety, and waste</b></p>	<p><b>Environment, health &amp; safety, and waste</b></p> <p>Provide an outline of your environment, health &amp; safety and waste policies. [300 words]</p>
<p><b>DEVELOPMENT IMPACT POTENTIAL</b></p>	
<p><b>Potential of the proposed project to provide energy access at scale in rural and peri-urban areas</b></p>	<p><b>Impact potential</b></p> <p>Provide an outline of your plans for establishment and/or scaling up of your business. [300 words]</p> <p>Describe your compliance with international and/or national technical standards as indicated in the PQ Guidelines. [300 words]</p> <p>Provide an outline of your after-sales services and the warranty arrangements offered to customers. [300 words] Provide an overview of your suppliers and describe the process/reasons/rationale for choosing them. [300 words]</p>
<p><b>Potential for accruing socio-economic, health and education and environmental benefits (particularly income generation opportunities)</b></p>	<p><b>Socio-economic, health and education and environmental benefits</b></p> <p>What socio-economic, health and education, and/or environmental benefits do you expect to last beyond a possible BGFA3-supported implementation period? [300 words]</p>
<p><b>Gender awareness: proactive policy in place to promote solutions meeting the needs of both women and men and avoiding any negative gender bias/discrimination in marketing and operations</b></p>	<p><b>Gender awareness</b></p> <p>Describe how your products/services meet the needs of women and men (including for possible productive use). Explain the benefits in terms of less unpaid work required by women, such as care giving, cooking, cleaning and other daily activities. [300 words]</p>

**Alignment of target market and demographics with BGFA objectives in the context of the target Country Programme/Funding Window and Funding Lot**

**Geographic risks: sensitivity to conflict and security issues (ambition to roll out and operate in conflict and tension zones or in areas of deep social inequality, appropriate security measures in place)**

**Alignment of target market and demographics**

Identify your main envisaged centres of geographic focus (e.g. marketing and service hubs) for the rollout of the operations. Describe any notable socio-economic characteristics of the region(s) that are of particular relevance to the BGFA development objectives. [300 words]

Identify which customer segments and demographics you expect to address (and if possible the approximate % of connections for each). [300 words]

Does your company have an established security policy and related standard operation procedures already in place for managing your operations and activities in high risk areas? [100 words]

Which security risks are in your view likely to affect your operations and how do you propose to mitigate them? [200 words]

**FINANCIAL CAPACITY**

**Existing equity and Net Tangible Asset levels of Applicant/Lead Applicant – relationship of equity and Net Tangible Assets to total funding request/total project volume**

**Financial position (including parent company if applicable)**

- Outline the overall financial position of your business as well as expected the future finance/investment for your business in the Project Country. [300 words]
- Outline the situation now – i.e. not including the proposed project. [500 words]
  - Paid-up equity (listed by sources)
  - Total debt (listed by sources)
  - Total other grant funding
  - Debt to equity ratio
  - Total Net Tangible Assets

**Level of committed co-financing already available from external sources, and future financing e.g. other donors / DFI contributions, crowdfunding platforms, commercial sources and supplier finance**

**Level of co-financing**

- Outline the presently expected situation for the project proposal; committed and future finance for the project (co- funding letter(s) not obligatory, full evidence for funding to be provided at due diligence). [300 words]
- Committed finance:

Source of finance	Amount (EUR)	Type of finance (debt/equity/grant)	Terms and conditions	Use of the finance	Status (e.g. until when; include termination date if appropriate)

**Credibility of fundraising plan, status of discussions / negotiations with finance providers; track record of raising finance in the past**

**Fundraising plan**

Source of finance	Amount (EUR)	Type of finance (debt/equity/grant)	Status [drop down] Outline Term Sheet (an outline term sheet has been developed and proposed by one or more institutions) In negotiations (substantive discussions with one or more institutions which have formally signalled a tangible interest)

## Annex B: CV template

CVs may be provided in any format Applicants/Lead Applicants prefer, but should as a minimum address the following issues for every member of the proposed management team:<sup>8</sup>

1. Proposed position [only one candidate should be nominated for each position]:
2. Name of firm [insert name of firm proposing the member]:
3. Name of person:
4. Date of birth:
5. Nationality:
6. Education:
7. Membership of professional associations:
8. Other training:
9. Countries of work experience:
10. Languages [for each language indicate proficiency: good, fair or poor in speaking, reading and writing]:
11. Employment record relevant to the project:
12. Adequacy for the project: detailed tasks assigned [list all tasks to be performed in relation to the project] and reference to prior work/assignments that best illustrate capability to handle the assigned tasks:

Expert's contact information: (e-mail ....., phone .....) )

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience, and I am available to undertake the assignment in case of a BGFA3 contract. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by Nefco, and/or sanctions by Nefco.

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<sup>8</sup> Up to three CVs

## Annex C: Technology requirements

### General requirements

Applicants/Lead Applicants are invited to familiarise themselves with the technology requirements described below and, where required, warrant in the SmartME intake system that they are willing to commit to these standards.

Applicants/Lead Applicants should employ technologically modern power systems, i.e. hardware and software subcomponents complying with relevant technical standards (e.g. ISO/IEC, IEC IEEE or equivalent) to ensure quality and reliability.

Applicants/Lead Applicants must offer a minimum warranty of three-years on all systems, products and services. Applicants/Lead Applicants must offer a toll-free end-customer care line to receive and respond to customer service requests.

Systems relying on lead-acid batteries will not be eligible for BGFA3 funding. Generally, BGFA has a strong preference for technologies which maximise the lifetime of applied energy provision systems.

In order to successfully demonstrate eligibility of a proposed product/system for BGFA funding, Applicants/Lead Applicants are required to meet the following technology-specific criteria (as relevant to the proposed project):

### Solar Home Systems (SHS)<sup>9</sup>

To be successful, Applicants/Lead Applicants will, at the Final Application stage, be required to submit proof of the VeraSol certification, warranting that proposed products conform to either: 1) the Lighting Global Quality Standards; or 2) the quality standards in the recently published IEC TS 62257-9-8:2020.

- If selected for contract negotiations compliance will be checked during the due diligence review, where Applicants/Lead Applicants will be asked to provide a Lighting Global verification letter or a VeraSol certification letter for each product. This will be checked against the publicly accessible list of VeraSol/Lighting Global accredited products (<https://data.verasol.org/>)<sup>11</sup>.
- For modular SHS, Applicants/Lead Applicants will, if selected for contract negotiations, be requested to submit proof of the VeraSol certification of the family of products (as described above) as well as provide a VeraSol assessment of the Available Daily Electrical Energy expressed in Wh/day. If a family of

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<sup>9</sup> SHSs are defined as systems which comprise all components required to provide basic energy services as a kit, including (and may consist of interchangeable components from a product family):

- 1) PV module(s), charge control unit(s), battery/batteries;
- 2) Cables, switches, connectors, and protective devices sufficient to connect the PV module(s) and charge control unit(s) and battery/batteries; and
- 3) Loads (optional): lighting and requisite cables, load adapter cables (e.g. for mobile phones) and other appliances (TV, fan, radio, etc.) and their requisite cables.

<sup>10</sup> CSV Excel file available for download at: [https://data.verasol.org/download/all/sek?verified=true&sortBy=qvDate\\_desc](https://data.verasol.org/download/all/sek?verified=true&sortBy=qvDate_desc)

<sup>11</sup> CSV Excel file available for download at: [https://data.verasol.org/download/all/sek?verified=true&sortBy=qvDate\\_desc](https://data.verasol.org/download/all/sek?verified=true&sortBy=qvDate_desc)

products<sup>12</sup> has not been tested as a full kit, and the combination proposed by the Applicant/Lead Applicant in question differs significantly from the one which has been tested (i.e. VeraSol cannot calculate a value for the available daily electrical energy from existing data), the Applicant/Lead Applicant will be required to submit lab test results of the proposed combination of products to VeraSol for assessment.

As regards possible deviations from the combination of components (including all appliances and lights) tested in the Lighting Global/VeraSol certified product: Applicants/Lead Applicants will, if selected for contract negotiations, be requested to submit proof of VeraSol certification for the proposed combination (as described above).

These requirements will also apply to possible new systems proposed included in a BGFA-funded project.

Any costs incurred by Applicants/Lead Applicants while fulfilling these compliance and testing requirements should be covered by Applicants/Lead Applicants and will not be refundable under the programme.

Applicants/Lead Applicants will in a possible BGFA contract be requested to undertake an obligation to provide a three-year warranty on all components forming part of the core SHS, including the PV panel(s), the main battery pack and lights, and a one-year warranty on all other appliances sold with the SHS.

### **Refrigerators, Solar Water Pumps (SWP), Electric Pressure Cookers (EPC)**

Any product included in the 'Global LEAP award database', i.e. already named winner or finalist in a previous Global LEAP awards competition, will automatically be eligible for BGFA funding. Compliance will be checked, during the due diligence review, against the comprehensive 'Global LEAP awards' list (i.e. finalists and winners) available on VeraSol's website (<https://data.verasol.org/>) in several buyers' guides.<sup>13</sup>

Applicants/Lead Applicants selected for contract negotiations offering other products, i.e. products that were not included in the previous Global LEAP award competitions, will be required to provide evidence at the due diligence stage showing that the proposed products are at least equivalent to the lowest performing product currently in the Global LEAP award database in terms of performance and quality. To verify this, the following procedure will apply:

- Provision of two randomly-selected product samples: 1) to an independent third-party test laboratory for testing using the relevant Global LEAP test methods; and 2) to a laboratory which has an active partnership with VeraSol. Costs arising to determine that these requirements are fulfilled should be covered by Applicants/Lead Applicants and will not be refundable.

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<sup>12</sup> As per VeraSol's definition: [https://storage.googleapis.com/verasol-assets/LGFamiliesofProductsPolicy\\_v3-no-performance-reporting-1811203.pdf](https://storage.googleapis.com/verasol-assets/LGFamiliesofProductsPolicy_v3-no-performance-reporting-1811203.pdf)

<sup>13</sup> Buyer's guides for 1) fridges: [2017](#) and [2019](#) rounds, 2) SWP pumps: [2019](#) round, and 3) EPC: upcoming award (expected to be published before the end of 2020).

- Provision of the test result in a standard test report template enabling REEEP to liaise with VeraSol to compare the quality and performance of the offered product against the similar size/form factor category in the Global LEAP award database. The costs of VeraSol's assessment will be covered through BGFA. After evaluation, all product data reviewed by VeraSol will be shared publicly on its dedicated database.

These requirements will also apply to new systems proposed including during the course of the programme.

### **Mini-/Micro-grids<sup>14</sup>**

Mini-grids should meet the general eligibility criteria for technical standards for generation, storage, load control and distribution. Applicants/Lead Applicants should include references to relevant technical (e.g. IEC TS 62257), safety and other standards at the latest in the business plan. As regards Mini-grids, Applicants/Lead Applicants should demonstrate compliance with all relevant statutory regulations and technical standards applicable in the Project Country.

To receive BGFA3 financing, Mini-grids should rely on an AC (single-phase or three-phase) distribution system. DC Mini-grids are not eligible for financing under BGFA3.

Mini-grids should incorporate modern load control, monitoring and management systems, as well as 'smart' metering solutions, so as to enable integration with the Edison monitoring platform.

Applicants/Lead Applicants selected for contract negotiations will be requested to provide detailed technical design documentation for all aspects of the Mini-/Micro-grids and the proposed solution will be checked during the due diligence review according to the international Quality Assurance Framework (QAF) for Mini-/Micro-grids as established by the US Department of Energy (DoE) and National Renewable Energy

### **Nano-grids**

Widely accepted technical standards applicable to Nano-grids are not available at this point in time. Technical requirements for Nano-grids are expected to be established at the due diligence review stage on a case-by-case basis, and may refer to a combination of technical standards applicable to the Standalone and Mini-/Micro-grid Funding Lots, as appropriate, depending on the size and complexity of the technology employed and the overall infrastructure of the proposed project.

### **All other appliances and systems**

For appliances not yet covered by Global LEAP (e.g. solar mills, water filtering units, solar ovens, etc.), Applicants/Lead Applicants selected for contract negotiations will, during the due diligence review, be requested to provide lab testing results from a VeraSol partner lab (<https://verasol.org/test-labs>) to ensure that the technical

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<sup>14</sup> A Mini-/Micro-grid is defined as an aggregation of loads and one or more energy sources operating as a single system providing electric power isolated from a main power grid. A Mini-/Micro-grid will include primarily renewable-based generation, energy storage and load control.

specifications indicated for the appliance(s) are accurate. Any costs incurred by Applicants/Lead Applicants from these tests should be covered by Applicants/Lead Applicants and will not be refundable. If lab testing is not feasible (e.g. large PV-powered cold rooms), Nefco may request the Applicants/Lead Applicants to provide the manufacturer's self-reporting performance data over a period of time.

Applicants/Lead Applicants selected for contract negotiations will be required to demonstrate that any proposed biomass, bioethanol and/or biogas solutions are not likely to lead to deforestation or other forms of ecological degradation and do not have material negative impacts on protected areas and biodiversity. Cooking solutions based on the use of dry biomass only or non-renewable energy solutions are not eligible.

## Annex D: Energy Service Tier Matrix

When filling in the Concept Note, Applicants/Lead Applicants are encouraged to closely study and refer to the parameters set out in tables below, which categorise different types of ESS into five main Tier levels.

Applicants/Lead Applicants invited to take part in the Final Application stage will be required to use the Tier differentiation in the business plan when describing the ESS they expect to be able to establish with BGFA3 funding.

The energy service Tiers included in the proposed project will be weighted in line with the overall objectives of BGFA3. The weighting will reflect the proposed increase in the quality of energy services. Clean cooking (including electric cooking), productive use and delivery of public services, commercial or institutional ESS deployed together with an eligible piece of equipment will be given particular weight. The impact of productive use and the relative cost of appliances will affect the weighting.

The weighting criteria will be described in the Guidelines for the Final Application stage. During the Final Application stage, applications will be evaluated based on their ability to maximise the value for money offered with BGFA3 funding.

### Tier matrix for Standalone Funding Lots

When seeking funding under Funding Lots #8 and 10, Applicants/Lead Applicants should categorise ESS based on available daily electrical energy (in Wh/day), applying the following indicative energy service Tier matrix.

**TABLE 4: ENERGY SERVICE TIER MATRIX FOR STANDALONE SYSTEMS**

TIER LEVEL	1A	1B	2A	2B	2C	3	4	5
Eligible customers	Residential / Commercial / Institutional					Commercial / Institutional		
Available Daily Electrical Energy [Wh/day]	≥ 20	≥ 35	≥ 70	≥ 175	≥ 310	≥ 600	≥ 1000	≥ 2000

Definitions:

- *Residential customer*: an end-customer (person or household) receiving energy services for dwelling purposes.
- *Commercial customer*: an end-customer (businesses, including small and medium-sized enterprises, industries and to some extent also the so-called informal sector) receiving energy services for power appliances, machinery and any type of productive use equipment used in the production of goods or services for the purpose of the end-customer's income-generating activity. Actors within the informal sector may qualify as commercial end-customers as long as the energy service is used solely for an income generating activity (i.e. not serving a residential end-customer).
- *Institutional customer*: an end-customer (in public or private legal entities) receiving energy services to provide public services, for free or at a reasonable cost, to a community (e.g. health, education, drinking water, street lighting, etc.).

For SHS, available daily electrical energy refers to the eponymous indicator in the VeraSol certification (see Technical Standards in [Annex C](#)). For Nano-grids and large Standalone systems that do not use available daily energy as an indicator, the battery storage capacity of the system can be used as a proxy, and the Tier of individual ESS can be defined by the battery capacity allocated to each end-customer.

### Tier matrix for Mini-/Micro-grid Funding Lots

Applicants/Lead Applicants seeking funding to deliver ESS through Micro-/Mini-grids under Funding Lot #9 should be categorised according to the daily service used by or categorised according to the daily service used or subscribed (in Wh/day) by the end-customer, according to the indicative energy service Tier matrix set out below.

**TABLE 5: ENERGY SERVICE TIER MATRIX FOR MINI- /MICRO-GRIDS**

TIER LEVEL	1–2	3	4	5
Daily service (kWh used/day - or upper limit)	< 1	≥ 1		
Peak capacity (W)	NA		≥ 800	≥ 2000
Availability of supply (hours)	≥ 4	≥ 8	≥ 16	≥ 22
of which evening supply (hours)	≥ 2		≥ 4	

Definitions:

- Peak capacity is only applicable to Tier 4 and 5 ESS and refers to the monthly peak capacity, which is defined as the maximum average capacity consumed by an end-customer calculated over a 5-minute period in a calendar month. In order to meet the peak capacity requirements, the monthly peak capacity needs to exceed the applicable threshold at least 50% of the time over two years.
- Availability of supply: electricity should be available to end-customers (if they wish to purchase it) for a minimum amount of time every day for at least 90% of the days in the year.
- Evening supply: end-customers should be able, if they so wish, to purchase the energy service and to draw current for at least two hours between the hours of 18:00 and 06:00 (i.e. it is not a requirement that every end-customer actually consumes power during evening hours).

### Incentives for clean cooking, productive use and the delivery of public services

Clean cooking, productive use equipment and equipment used for the delivery of public services will be incentivised.

Eligibility of equipment/appliances varies between Funding Lots and types of customers according to the following Table 6:

**TABLE 6. INCENTIVE FRAMEWORK**

ELIGIBLE EQUIPMENT/APPLIANCES	Customer			Lot	
	Residential	Commercial	Institutional	Stand-alone	Mini/micro-grid
Clean cooking					
Electric cooking	Eligible			Eligible	
Standalone solutions (e.g. biodigesters, solar ovens, etc.)	Eligible			Eligible	Not eligible
Productive use					
Refrigeration	Not eligible	Eligible		Eligible	
Pumping for irrigation	Not eligible	Eligible		Eligible	
Agricultural processing and multi-functional platforms	Not eligible	Eligible		Eligible	
Artisanal use (e.g. welding, carpentry and woodwork, sawing)	Not eligible	Eligible		Eligible	
Public services					
Drinking water (including pumping and treatment)	Not eligible	Not eligible	Eligible	Eligible	
Electrical medical equipment*	Not eligible	Not eligible	Eligible	Eligible	
Street lighting	Not eligible	Not eligible	Eligible	Eligible	

\*For registered health centres, clinics and hospitals and for investments greater than EUR 1,000

### Reservation

Nefco reserves the right to adjust and/or further supplement the described specification parameters at its full discretion.

## Annex E: Draft Certificate of Compliance Template

*Applicants/Lead Applicants selected for BGFA3 financing will be required to fill in and sign a certificate of compliance before start of the due diligence review and contract negotiations.*

Questions:	Answers:
<p><b>Contractual standing - litigation</b></p> <ol style="list-style-type: none"> <li>1. Can the Applicant/Lead Applicant confirm that it is presently fulfilling all of its significant contractual obligations?</li> <li>2. Have any of the Applicant's/Lead Applicant's significant contracts ever been terminated due to material non-performance?</li> <li>3. If YES, kindly describe the circumstances.</li> <li>4. Can the Applicant/Lead Applicant confirm that no litigation, arbitration or administrative proceeding is currently ongoing or pending that could adversely affect the Applicant's/Lead Applicant's ability to implement the project should it be selected for funding under BGFA3? This includes the confirmation that the Applicant/Lead Applicant is not bankrupt, wound up or ceasing its activities, having its activities administered by courts, having entered into receivership, reorganisation or being in any analogous situation.</li> <li>5. If NOT, kindly describe the type of proceedings and circumstances.</li> </ol>	
<p><b>Sanctions</b></p> <ol style="list-style-type: none"> <li>6. Can the Applicant/Lead Applicant confirm that neither it nor, to the best of its knowledge, any of its officers, employees or sub-contractors intended to implement any part of the proposed project: <ul style="list-style-type: none"> <li>(a) have been convicted in any court of law in any jurisdiction, for an offence involving any Prohibited Practices or SEAH (as defined in NEFCO's policies, see references included below in footnote 2) or any other illegal activity detrimental to the interest of BGFA; or</li> <li>(b) are currently under any form of sanction and/or exclusion decision by a government, an international organisation or other international organ?</li> </ul> </li> <li>7. If the Applicant/Lead Applicant or any of its officers, employees or subcontractors are under any form of sanction, please provide details, including date of reinstatement, as applicable.</li> <li>8. Can the Applicant/Lead Applicant confirm that if it or any of its officers, employees or subcontractors should come under any sanction, the Applicant/Lead Applicant will disclose such sanctions without delay?</li> </ol>	
<p><b>Compliance with NEFCO Policies</b></p> <ol style="list-style-type: none"> <li>9. Can the Applicant/Lead Applicant confirm that it has familiarised itself with and is ready to adhere to NEFCO's policies and guidelines as relevant for the implementation of the proposed project should the Applicant/Lead Applicant be selected for BGFA3 funding during the Final Application stage?<sup>15</sup></li> </ol>	

<sup>15</sup> <https://www.nefco.int/about-nefco/legal-framework-and-guidelines/>

## Prohibited Practices

10. NEFCO requires all counterparties to comply with the highest ethical standards and has zero tolerance of Prohibited Practices<sup>16</sup>.

This include the following policies:

- [NEFCO's Environmental and Sustainability Guidelines](#)
- [NEFCO's Sustainability Policy](#)
- [NEFCO's Gender Policy](#)
- [NEFCO's Policy on Anticorruption and Compliance](#)
- [NEFCO's Policy on Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment \(SEAH\)](#)
- [NEFCO's Procurement Guidelines](#)

<sup>16</sup> **"Prohibited Practices"** as defined in NEFCO's Policy on Anticorruption and Compliance (adopted on 12 December 2019 and in force as of 1 January 2020):

- a) **"Abuse"** meaning theft, misappropriation, waste or improper use of property or assets related to the Project, either committed intentionally or through reckless disregard;
- b) **"Coercion"** meaning the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party for the purpose of improperly influencing the actions of a party;
- c) **"Collusion"** meaning an arrangement between two or more parties designed to achieve an improper purpose, including for the purpose of improperly influencing the actions of another party;
- d) **"Corruption"** meaning the promise, offering, giving, receiving, or soliciting, directly or indirectly, anything of value or any undue advantage, or any act or omission that involves the abuse of authority or functions, for the purpose of influencing or causing to influence improperly the actions of another party, or for the purpose of obtaining an undue advantage for oneself or for another party;
- e) **"Fraud"** meaning any act or omission, including misrepresentation or concealing a material fact, that knowingly or recklessly misleads, or attempts to mislead, a party for the purpose of obtaining a financial or other benefit or undue advantage for oneself or for a third party, or to avoid an obligation;
- f) **"Obstruction"** meaning
  - i. Deliberately destroying, falsifying, altering or concealing evidence material to an investigation;
  - ii. Making false statements to investigators in order to materially impede an investigation;
  - iii. Failing to comply with requests to provide information, documents or records in connection with an investigation;
  - iv. Threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a NEFCO investigation or from pursuing an investigation; or
  - v. Materially impeding NEFCO's contractual rights of audit or access to information;
- g) **"Money Laundering"** meaning
  - i. The conversion or transfer of property, knowing that such property is derived from criminal activity, to conceal and disguise the illicit origin of the property, or assisting any person who is involved in the commission of such activity to evade the legal consequences of this action;
  - ii. The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing such property is derived from criminal activity;
  - iii. The acquisition, possession or use of property knowing, at the time of receipt, that such property was derived from criminal activity; or

<p>Can the Applicant/Lead Applicant confirm that: i) it will take all available measures to adhere to NEFCO’s Policy on Anticorruption and Compliance both at the application and selection stage as well as during project implementation, if selected for BGFA3 funding; and ii) it has not been engaged in any Prohibited Practices in competing for BGFA3 funding, which includes that no public authority officials, representatives of or persons working for BGFA (including personnel at NEFCO and REEEP) has received or will be offered any direct or indirect benefit in connection to the Applicant’s/Lead Applicant’s application and possible selection for BGFA3 funding?</p>	
<p><b>SEAH</b></p> <p>11. Can the Applicant/Lead Applicant confirm that it will take all available measures to adhere to NEFCO’s Policy on the Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH Policy)?</p>	
<p><b>Conflict of Interest</b></p> <p>12. Can the Applicant/Lead Applicant confirm that it is not engaged in any other activity that may cause a conflict of interest with the purpose of BGFA, if the Applicant/Lead Applicant should be selected during the Final Application stage to receive BGFA3 funding? Conflict of interest refers to the following but is not limited to: the Applicant/Lead Applicant having a business or family relationship with NEFCO’s personnel involved in the application process or the supervision of the resulting contract; the Applicant/Lead Applicant being controlled by or controlling another Applicant/Lead Applicant, or being under common control with another Applicant/Lead Applicant, or receiving from or granting subsidies directly or indirectly to another Applicant/Lead Applicant, having the same legal representative as another Applicant/Lead Applicant, maintaining direct or indirect contacts with another Applicant/Lead Applicant which allows the first Applicant/Lead Applicant to have or give access to information contained in the respective Applications or Offers, influencing them or influencing decisions of NEFCO; being engaged in a consulting services activity, which, by its nature, may be in conflict with the assignments that the Applicant/Lead Applicant would carry out for NEFCO.</p>	
<p><b>Environmentally safe practices and social responsibility</b></p> <p>13. Can the Applicant/Lead Applicant confirm that it is in compliance with all applicable environmental, labour, health and safety laws of a jurisdiction relevant for its business?</p> <p>14. Can the Applicant/Lead Applicant confirm that it, if selected for BGFA3 funding, is willing to undertake to seek economic, environmental and social progress with a view to achieving sustainable development?</p> <p>15. Can the Applicant/Lead Applicant confirm that it will use its best efforts to refrain from any act or omission that would be environmentally harmful during implementation of the proposed project, if it should be selected for BGFA3 funding during the Final Application stage?</p>	

iv. Participation or assistance in any of the activities above;

“**Financing of Terrorism**” meaning the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist activities.

“**Terrorist activities**” shall have the same meaning as set out in Article 2 of the International Convention for the Suppression of the Financing of Terrorism.

The Applicant/Lead Applicant acknowledges and confirms that it has examined all instructions, forms, terms, conditions and specifications in the Final Application Guidelines.

The Applicant/Lead Applicant understands and acknowledges that NEFCO reserves the right to verify any information provided by the Applicant/Lead Applicant, and that NEFCO at its sole discretion may decide that any untrue statement may result in the project proposal being rejected.

Before contracting, NEFCO will carry out a thorough integrity due diligence review of highest scoring Applicants/Lead Applicants in accordance with NEFCO's Policy on Integrity Due Diligence (IDD) and request that Applicants/Lead Applicants provide NEFCO with further information relating to the Applicant's/Lead Applicant's legal status, ownership, organization etc. The Applicant/Lead Applicant confirms that it will cooperate with NEFCO and provide such information upon request without delay.

By the signature of a duly authorised representative of the Applicant/Lead Applicant, the Applicant/Lead Applicant hereby certifies that all of the above information and statements are true and correct. The Applicant/Lead Applicant undertakes to bring to the attention of NEFCO any change in situation/or status with regard to the questions here above.

Date and place: \_\_\_\_\_

Authorised signature: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_