

# PRE-QUALIFICATION QUESTIONS AND ANSWERS

**FIRST BGFA CALL FOR PROPOSALS (BGFA1)  
*BURKINA FASO, LIBERIA AND ZAMBIA***

**Helsinki, 13 October 2020**



## These Questions and Answers form an integral part of the BGFA1 Pre-Qualification Guidelines:

Q1	Is a solar cooker system eligible for application for the Standalone clean cooking Liberia round instead of biomass? <sup>1</sup>
A1	<i>BGFA1 is focused on supporting electricity-generating and service-distribution technologies/models. However, standalone cooking solutions (e.g. solar cookers, solar ovens, bio-digesters) are only eligible for BGFA1 funding in the framework of Standalone Lots and not in the context of Mini-/Micro-grid Lots. Cooking solutions based on the use of renewable sources for energy production can be supported as part of possible productive use services.</i>
Q2	Could you please provide more info about how the reverse auction approach works?
A2	<i>During the Final Application stage, project proposals will be evaluated and ranked based on each proposal's expected overall value for money to meet the BGFA1 targets. Projects with the most solid business plans that request the least BGFA funding per ESS (after applying the weighting mechanism) will be ranked highest.</i>
Q3	The application form states that applicants must provide three-year warranties with their systems. We currently offer a two-year warranty for all our systems across multiple countries. Can we simply increase the warranty on the products we sell resulting from this grant to three years?
A3	<i>Yes. The three-year warranty applies to all products and services sold to meet the contracted ESS targets (milestones) set out in a possible contract under BGFA1 financing. This requirement does not extend to other products and services offered by the company in the Project Country or other countries.</i>
Q4	The form states that applicants must offer a toll-free end customer care line to receive and respond to customer service requests. We currently offer a customer care line that is not toll free if clients call us, but we have a system for customers to request a call back which is free. Can we implement a toll-free care line as part of the grant or must it be done beforehand?
A4	<i>This can be implemented only once a possible contract for BGFA1 financing has been signed. In such a case, a condition precedent will be included in the contract requiring you to be in compliance with this requirement before we can make a first disbursement of BGFA1 funds.</i>
Q5	Could you please clarify if the installations described below qualify as nano-grids and if [XXX] is eligible to submit a proposal for the fund: <ul style="list-style-type: none"> <li>• Installation of more than 100 home and commercial systems ranging from 1kW to 100kW</li> <li>• Installation of more than 120 solar water pumping systems</li> <li>• All installations have been on an outright sales/payment basis and the systems are designed to serve mostly single entities.</li> </ul>
A5	<i>For BGFA1, a Nano-grid is a small solar system that is deployed on a rent-to-own-based model and may be shared between a small number of customers (minimum two) for residential, commercial or institutional use.</i>
Q6	Do you plan to organise a session (on site or on line) to present the guide lines and the general policies in french as Burkina Faso is a french speaking country and not every one understand english.

<sup>1</sup> Questions are anonymised and redacted but not otherwise edited for substance.

A6	<i>We require that BGFA1 applications be filled in in English. Certain BGFA1 documentation has also been made available in French on the BGFA website <a href="https://beyondthegrid.africa">https://beyondthegrid.africa</a>. If some submission documentation is not available in English it may be provided in the local official languages. In such a case, we ask for an unofficial English translation, and notarised translations of key documents will be required at the due diligence stage. We require that awarded ESPs have staff who are able to read and speak English or arrange for a translator when the need arises, as the contract and other official communication under the BGFA1 will be in English.</i>
Q7	Together with the high-performance industrial lithium-ion storage systems and a sophisticated battery management system, the [XXX] plants form the mini-grids from which surrounding buildings are supplied with AC or DC energy. Are this [XXX] systems an fundamental exclusion criterion? In addition, we have the ability to offer small off-grid home solar systems, which can be used to connect LED lighting and small charging stations for mobile phones, if this is more suitable.
A7	<i>No. In mini-grid Lots, BGFA1 only supports systems supplying AC (single-phase or three-phase), i.e. Customers must be supplied with AC. DC Mini-grids are not eligible for financing under BGFA1, and DC connections do not count against ESS targets within the Mini-grid Lots.</i>
Q8	In Burkina Faso the experience required is over 3 000 ESS. What happen if we satisfy all the other criteria but our sales are below 3 000? Would it be possible to take into account the size and use of the SHS (ESS)? The range of ESS can be large, as the price elasticity is huge. Then a small 6Wp SHS can be sold to 3 000 household, where a 100Wp SHS enabling productive use, is much more difficult to sell as education to solar product is still required.
A8	<i>The Applicant/Lead Applicant should demonstrate the minimum market experience <u>at the time of its submission of the Pre-Qualification application</u>. These requirements include a minimum of 3,000 ESS in the Project Country <u>or</u> a total of 20,000 ESSs in any other Sub-Saharan African countries (i.e. cumulative portfolio).</i>
Q9	The guidelines state that "Cooking solutions based only on the use of dry biomass or non-renewable energy solutions are not eligible". Please clarify if the following solution would qualify, providing that only certified sustainable biomass is used for the pellets: Advanced gasifying pellet stove using a fan and powered by a battery, which is charged by solar panel.
A9	<i>Yes. Cooking solutions based only on the use of dry biomass or non-renewable energy solutions are not eligible. Hence, from a technological perspective, an advanced gasifying stove using a fan and powered by a battery, which is charged by a solar panel, is eligible under the BGFA1. However, 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 do not have material negative impacts on protected areas and biodiversity.</i>
Q10	Does a fully electric cooking device, such as an [XXX], using grid power in [XXX] qualify (note that grid power in [XXX] largely comes from hydro, i.e. renewable)? Or does the source of the power have to be stand-alone solar panels or something else 100% renewable?
A10	<i>BGFA1 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 Burkina Faso, Liberia and Zambia. ESS deployed together with an eligible piece of equipment (e.g. electric cooking, see Annex D of the BGFA1 PQ Guidelines ("the Guidelines") for more details) can be incentivised.</i>

	<i>Appliances and/or equipment not deployed as a standalone ESS (e.g. standalone cooking solutions) or together with an ESS are not eligible under the BGFA1.</i>
Q11	Stove stacking (use of more than one type cooking technology) is a reality. Different cooking technologies are appropriate for different cooking tasks. Would up-selling of an electric cooking device to an existing BGFZ-customer qualify as a new ESS under BGFA
A11	<i>Appliances and/or equipment not deployed as a standalone ESS (e.g. standalone cooking solutions) or together with an ESS are not eligible under the BGFA1. In Standalone Lots, BGFA1 may support the deployment of an SHS and a standalone cooking solution to the same household, each system counting as one ESS under the BGFA1. In Mini-grid Lots, BGFA1 may only support the deployment of an eligible piece of equipment/appliance together with a BGFA1-funded ESS.</i>
Q12	Can you tell more about the Edis[s]on system?
A12	<i>Edison is the name of proprietary monitoring software used to automatically monitor and audit energy service distribution projects. Edison is designed to capture and reflect data on energy services from energy service providers in near real-time via application programming interfaces (APIs). Some high-level information on how the platform works can be found at <a href="https://edison.bgfz.org/info">https://edison.bgfz.org/info</a>. More detailed information about the specific data requirements for BGFA1 will be made available in the Guidelines for the Final Application stage.</i>
Q13	Could you inform me if Lead-Carbon batteries would be eligible?
A13	<i>Lead-carbon batteries belong to the broad family of lead-acid batteries, which are not eligible under BGFA1.</i>
Q14	I would like to continue supply cooking systems, that uses dry twigs or Wastewood. I am aware dry twigs are excluded, but would they qualify if come from a plantation where the trees are specially grown for the purpose of the cookstoves. Alternatively from sources where the dry biomass would be considered as waste wood
A14	<i>Cookstoves that function <u>only</u> with dry biomass (e.g. dry twigs, pellets, wastewood, etc.) for the sole purpose of heat generation are not eligible under the programme. Improved/advanced stoves that are able to generate electricity and/or improved/advanced stoves that use a complementary source of renewable energy (e.g. gasifier with a small solar panel) are eligible.</i>
Q15	Suppose my firm is newly registered with no parent partners and cannot meet the following financial requirements: "Lead Applicant: Audited financial statements will need to demonstrate that the applicant is in a stable liquidity position and must show a current ratio with a minimum value of one or higher. • The applicant will also be required to present equity to net tangible assets of at least 15%. • Minimum audited annual turnover of USD 1 million for 2019 will be required to access Direct to Scale funding. In terms of meeting the eligibility criteria, the parent company's financials will be decisive if the subsidiary does not meet the eligibility criteria" Do you think its worth applying?
A15	<i>Applicants/Lead Applicants must demonstrate: (i) A current ratio with a minimum value of one or higher; and (ii) Equity to net tangible assets of at least 15%. 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</i>

	<i>company's financials may be used instead, provided that a parental guarantee can be given, if required, prior to possible contracting. Please note, that the reference to minimum audited annual turnover of USD 1 million for 2019 linked Direct to Scale funding is no longer applicable. It was included in the Pre-announcement but is not in the published Guidelines.</i>
Q16	<p>1. Our company [XXX] operate solar charging hubs that charge lithium-ion smart battery packs ([XXX] Batteries) that are rented for 24 hrs for household and micro-business use as a 'battery-as-a-service' model. Presently we have [XXX] hubs in [XXX] and have made [XXX] daily rentals.</p> <p>However we do not fit under the SHS definition and fit best under wireless Nano-grid definition. All of our equipment, from the Solar PV, the Charge Units and [XXX] Batteries is IEC certified.</p> <p>I wanted to check that our business model and technology does fit under the 'Nano Grid' technology and our IEC 62133 certification for our [XXX] Batteries is sufficient for this project?</p> <p>2. Secondly, as we do not sell our equipment, but rent the [XXX] Batteries as a service, we do not give the end users a warranty. We can guarantee the BGFA project that any broken or faulty [XXX] Batteries will be replaced over the life of the project or three years, depending which is longer. Would this be sufficient?</p>
A16	<p><i>1. This model is eligible under the Standalone Lots. The eligibility requirements for hub-/kiosk-based models (e.g. battery/lamp charging, drinking water, etc.) will be those of Nano-grids.</i></p> <p><i>2. BGFA1 awardees will be required to extend a 3-year warranty on all ESS and eligible equipment funded through BGFA1 and sold to end-customers, unless specified otherwise (e.g. appliances sold with the SHS, excluding lights). In the case of hub-/kiosk-based models, faulty equipment shall be replaced over the life of the project and a minimum of 3 years.</i></p>
Q17	Does the market experience requirement apply for productive use and possible clean cooking solutions in Launch to Scale opportunities?
A17	<i>Yes. In order to be eligible, clean cooking and productive use solutions shall be deployed as an ESS, as defined in the Guidelines. Hence, all relevant requirements including market experience apply.</i>
Q18	Est-ce que les critères de sélection s'appliquent uniquement au Lead Applicant ,ou à chaque membre du consortium ou au consortium dans son ensemble? [Do the selection criteria apply only to the Lead Applicant, or to each member of the consortium or to the consortium as a whole?]
A18	<i>The selection criteria refer to the Applicant/Lead Applicant. Consortium Members are required to fulfil certain requirements (related to place of registration, compliance, etc. as defined in the Guidelines).</i>
Q19	Est-ce valable si un soumissionnaire principal ne remplit pas l'un des critères financiers, mais que sa société mère satisfait ce critère (mais pas les autres)? [Is this valid if a lead bidder does not meet one of the financial criteria, but its parent company meets that criterion (but not the others)?]
A19	<i>Yes. If the Applicant/Lead Applicant is a subsidiary of a parent company, and the Applicant/Lead Applicant does not meet the financial requirements, the parent company's financials may be used instead for all requirements, provided that a parental guarantee can be given, if required, prior to possible contracting. The company's financials that are used have to meet all requirements, not only one of them.</i>

Q20	Quelle est la différence entre un membre de consortium, un partenaire du projet et un sous traitant principal? <i>[What is the difference between a consortium member, a project partner and a main subcontractor?]</i>
A20	<i>Please refer to Section 3.2 of the Guidelines for a detailed description.</i>
Q21	Est-ce qu'il peut exister un lien de filiation entre 2 membres d'un consortium, ou entre un soumissionnaire et un partenaire? <i>[Can there be an affiliation between 2 members of a consortium, or between a tenderer and a partner?]</i>
A21	<i>The Lead Applicant and Consortium Members shall have entered into a satisfactory Consortium Agreement or be willing to enter into such an agreement. There are no specific requirements in terms of affiliation between Project Partners, Applicant/Lead Applicants and Consortium Members.</i>
Q22	In the guidelines it was written that Cookstoves which use dry biomass are excluded. Our cooking System uses a very small wood sticks, that should be excluded by this, The wood sticks suitable for the Cookstoves have a diametre of 5-20 mm Is this excluded as well even when wood consumption is waste wood and reduces wood consumption by more than 80 %? Does this apply as well if the twigs originate from a plantation that has been created specially for the purpose of the supply of the Cookstoves.
A22	<i>Please refer to Q&amp;A 14.</i>
Q23	1. Can we include part of funding to productive use assets? We plan to use part of funding for [XXX] and Value Chain Development through a [XXX] processing plant [XXX]. This will help to increase market of products, to create employment, increase income and increase GDP and affordability of the area. - PAYG for appliances: low wattage appliances for domestic subscribers e.g. induction stoves, tvs, fridges, etc and commercial subscribers e.g. fridges for retail (shops), ovens for bakers etc. - Crop value chains: Investment in prepaid irrigation water sales. 2. Can we use Lithium Titanate battery technology? 3. Can our project be solely funded by BGFA funds?
A23	<i>1. Only ESS deployed together with an eligible piece of equipment (see details in Annex D of the Guidelines) will be incentivised. Machinery purchased by the ESP for the purpose of setting up a processing plant in-country cannot count towards the target number of ESS. However, the costs related to setting up a processing plant in-country are eligible under BGFA1 (see Box 1 in the Guidelines for details). 2. Yes. Lithium-titanate batteries are eligible, provided that they meet all other technical requirements (incl. relevant standards). 3. No. Applicants/Lead Applicants taking part in BGFA1 are expected to provide a substantial amount of their own financing as well as to mobilise co-financing. 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 BGFA1, prior to contracting. The amount of results-based BGFA1 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 the BGFA1 targets.</i>
Q24	1. Does the score at the Pre-Qualification stage impact scoring at the Final Application stage other than determining whether an Applicant is eligible to advance to the Final

	<p>Application stage? Meaning - is the score carried forward, or just applicable to determine if the Applicant qualifies?</p> <p>2. Document Upload: states "Applicant's/Lead Applicant's most recent audit reports and financial statements". Should we upload our most recent audit report, or our most recent financial statements, or both? In our case the most recent audit report is less recent than the most recent financial statements.</p> <p>3. Are we able to submit multiple applications to a single window, or be party to multiple applications?</p> <p>4. Is there any reason why a Consortium with a Private Sector Lead Applicant but a government entity as Project Partner (e.g. the REA) would be ineligible? The Guidelines look to indicate this should be OK, but confirming for avoidance of doubt (specifically seeking to confirm the government entity is OK as Project Partner).</p>
A24	<p><i>1. No. The Final Application scoring is an independent process.</i></p> <p><i>2. Yes, both the most recent audit report and the most recent financial statements should be submitted.</i></p> <p><i>3. Yes. Applicants/Lead Applicants can submit more than one application per Lot/Window. However, all applications will be evaluated by an independent, external evaluation committee appointed by NEFCO along the evaluation criteria and score scaling as set out in Tables 2 and 3 of the Guidelines. Applicants/Lead Applicants and proposed projects will be required to reach a minimum 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.</i></p> <p><i>4. No governmental entity, public agency or donor can take part in a Consortium or be associated with a Consortium as a Project Partner.</i></p>
Q25	Can the co-financing requirement be provided by an Applicant's parent company?
A25	Yes.
Q26	Could you give more color on a "viable capital structure"?
A26	<p><i>Applicants/Lead Applicants will be required to demonstrate commensurate levels of project co-financing from other parties and specify this in the application. A viable capital structure entails that, provided that the BGFA1 funding is awarded, commensurate levels of debt and equity can be mobilised, preferably prior to contract signature and as a precondition of any first disbursement. These levels of secured co-funding should enable the ESP to finance the proposed project alongside the requested BGFA1 funding at least during the implementation period. Preference will be given to projects which have secured the highest share of co-funding out of the total proposed investment. Additionally, ESPs will be required to provide a credible fundraising plan, satisfactorily showing expected co-financing equal to or greater than the funding requested from BGFA1, prior to contracting.</i></p>
Q27	How is "current ratio" in Section 3.3 defined?
A27	<p><i>The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It is defined as the ratio of current assets over current liabilities (Current ratio=current assets/current liabilities).</i></p>
Q28	How are "net tangible assets" in Section 3.3 defined?
A28	<p><i>Net tangible assets are listed on a company's balance sheet and indicate its book value based on the amount of its total assets less all liabilities and intangible assets.</i></p>
Q29	Will the more stringent DS e-waste requirements be held to the same 1-yr timeline?
A29	<p><i>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</i></p>

	<i>on Applicants/Lead Applicants seeking DS funding in Zambia. These requirements may have different timelines and will be specified in the Final Application Guidelines.</i>
Q30	Would the definition of a "Commercial Customer" also include a commercial end-customer receiving energy services in the form of lighting or phone charging? Or is it limited to only those appliances / productive use cases listed in Table 6?
A30	<i>Yes, a commercial customer is 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 (e.g. lighting, phone charging, etc.), and/or the use of electrical machinery and/or any type of electrical productive use equipment used in the production of goods or services for the purpose of the end-customer's income-generating activity. Small informal businesses qualify as commercial customers, as long as the energy service is used solely for an income-generating activity (i.e. not serving a residential end-customer).</i>
Q31	What are the main criteria used when assessing a reference project, particularly for SHS providers with thousands of individual customers?
A31	<i>Reference projects will be scored by the external evaluation committee as part of technical, governance, operational, delivery and social responsibility capacity assessment (please see Table 2 of the Guidelines). The Reference Projects that are most relevant to BGFA1 objectives will be preferred, specifically in terms of technology, business model, country of operation, focus on rural and peri-urban communities, deployment of ESS at scale, development impact (gender, income generation, creation of jobs, youth, etc.), positive local footprint, environmental benefits, etc.</i>
Q32	Are Lead-Carbon batteries also excluded from eligibility?
A32	<i>Please see Q&amp;A 13.</i>
Q33	Would it be nevertheless possible to update some part of our application under certain circumstances (i.e. especially if an internal restructuring of our applicant's shareholding occurred after our submission: then we would need to substitute the financials from our prior parent company with the financials of our new parent company)?
A33	<i>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. Non-substantial changes, including those which do not impact the ability of the Applicant/Lead applicant to deliver the proposed project, may therefore be acceptable.</i>
Q34	Could you confirm that two applicants can submit an application to two different lots, even if they belong to the same group?
A34	<i>Yes.</i>
Q35	Demonstration of compliance: "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 the project country": could you provide us with an indication of the documents to be provided at the pre-qualification stage to demonstrate this compliance? And could you also specify if these documents should also be provided by the parent company if the applicant used its parent company's financials?
A35	<i>Applicant/Lead Applicants need to warrant compliance in the PQ Application in the SmartME system, but no documentation for this is required at the PQ stage. NEFCO</i>



	<i>will require full proof of Applicants'/Lead Applicants' compliance with the set eligibility criteria and requirements at the latest during the due diligence review. The same requirements apply to the parent company if the Applicant has used its parent company's financials to meet the eligibility criteria.</i>
Q36	Contract negotiation: "Applicants are kindly requested to note that only minor deviations from the template can be made": could you confirm that negotiations on the contract will be made on a bilateral basis or all the deviations requested by one applicant shall then be make in the contracts for all other applicants?
A36	<i>Justified, minor deviations may be possible on a bilateral basis if considered appropriate by NEFCO.</i>
Q37	Project Partners / Significant Sub-Contractors: would it be possible to add project partners or significant subcontractors at the final application stage or should we add them at the pre-qualification stage already?
A37	<i>It is recommended to add Project Partners and Significant Sub-contractors at the PQ stage. 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. Adding project partners or significant subcontractors in the Final Application stage is unlikely to be seen as substantial negative change if all the PQ requirements are still met and the quality of application can be seen to have improved.</i>
Q38	What is the stage/status towards fundraising plan to be reached / displayed at prequalification stage? Is it possible to include after the prequalification stage finance partners to the project?
A38	<i>The Applicants'/Lead Applicants' fundraising plan will be scored by the external evaluators as part of the PQ evaluation. 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. Adding finance partners to the project during the Final Application stage is unlikely to be seen as substantial negative change if all the PQ requirements are still met and the quality of the application can be seen to have improved.</i>
Q39	Are hybrid technologies accepted (PV + Genset for instance)?
A39	<i>A diesel genset may be used as a backup to ensure grid stability during periods of high loads or low renewable power availability. However, strong preference will be given to the projects with the highest share of electricity generated from renewable energy sources.</i>
Q40	With regards to the Financial Capacity, developers need to provide their Projected investment in the Project country: what is the horizon of development to be provided?
A40	<i>Applicants/Lead Applicants should provide projections on financial capacity and investment plans in the Project Country for at least the period of implementation of the project put forward for BGFA1 funding – i.e. 4-5 years. Business plans and proposals should, however, demonstrate that the overall project investment remains viable/sustainable beyond the BGFA1 programme funding period.</i>
Q41	What will be the nature of the technical assistance (cash or resources) that will be provided to implement end of life assets recycling implementation plan?
A41	<i>For companies seeking LS funding, some technical assistance may be provided after contracting to support the implementation of such plans and policies. Additional</i>

	<i>information will be provided in the Final Application Guidelines.</i>
Q42	<ol style="list-style-type: none"> <li>1. Is it possible to apply to more than one country programme, for example Zambia and Liberia? Also, would it be possible to apply to more than one funding window for the same country?</li> <li>2. Experience requirements: Does this requirement can be met by the team members of the lead applicant or co-applicant? For example, the lead applicant might be a company of recent establishment not complying with this criteria, but individually, its members would have this experience.</li> <li>3. Consortia and criteria: Which applicant has to comply with the criteria? Would it be possible for the lead applicant not to comply with the financial criteria while the co-applicant does and thus the whole consortium is treated as a single entity?</li> <li>4. Regarding the funding: The funding is a form of 'free equity' which can be used by ESPs to scale their businesses. What does the term "free equity" refer to?</li> <li>5. Experience in operations: operations in which field? Necessarily MGs or might be open to non MGs related experience?</li> </ol>
A42	<ol style="list-style-type: none"> <li>1. <i>Yes. It is possible to apply to more than one country programme (e.g. Zambia and Liberia). The same Applicant/Lead Applicant cannot, however, apply to both the LS and DS windows in Zambia.</i></li> <li>2. <i>Market experience requirements shall be met by the Applicant/Lead Applicant.</i></li> <li>3. <i>The Applicant/Lead Applicant must comply with the requirements.</i></li> <li>4. <i>'Free equity' is grant-like funding which is not linked to specific budget line items but with results-based disbursements and strong monitoring requirements attached.</i></li> <li>5. <i>Please see Q&amp;A 31.</i></li> </ol>
Q43	<ol style="list-style-type: none"> <li>1. The use of Nano-grids is encouraged in the Pre-qualification Guidelines (PQG). The BURKINA FASO project is in the Lot 1: standalone systems (ref. Figure 1). Would nano-grids still be an advantage for the proposal in BURKINA FASO (ref p.11/ Country programme)?</li> <li>2. Is generation of energy for agricultural mechanisation eligible? (ref. ProValAB report to Swedish Embassy in May 2019 on requests of Renewable Energy for Small Dams)</li> <li>3. What is the expected duration of the project in the Lot 1B (small dams)? How is it in line with Swedish funded small dams project cycle?</li> <li>4. May staffing cost for toll-free end-customer care line for 3 years be included in the project budget?</li> <li>5. May the cost of operational communication and transport for toll-free end-customer care line be included in the project budget?</li> <li>6. The Pre-Qualification guideline mention minimum criteria of applicants experience in ESS or nano-grid systems. Will the experience of all consortium members count, i.e. including the Lead Applicant, Consortium Member(s), Significant sub-contractor(s), Partner(s)? If not, which partner experience is not counted for?</li> <li>7. We understand that for the Burkina Faso Lot 1B, the indicative number of energy service systems (ESS) can cover the number of direct beneficiaries of standalone system. Is this correct? (ref. PQ Completeness Checklist/Technical Capacity Criteria/ Energy Service Offer)</li> <li>8. May another Swedish funded project be a Consortium member? Would that be both as a significant sub-contractor or as a partner?</li> <li>9. The PQG mention that "high level of security awareness and capabilities, e.g. through the submission of a detailed and robust security plan. The deployment of services to remote and impoverished rural areas may be specifically incentivised". Is it understood that the deployment of services to remote areas in BURKINA FASO will carry an extra cost related to the security situation?</li> </ol>
A43	<ol style="list-style-type: none"> <li>1. <i>Nano-grids can be included in an application to a Standalone Lot (including Burkina Faso).</i></li> </ol>

	<p>2. ESS deployed together with an eligible piece of equipment, including machinery/equipment used in agricultural processing and agricultural value chains (see Annex D of the Guidelines for more details), will be incentivised.</p> <p>3. There is no such Lot. The Burkina Faso Country Programme includes a single LS Funding Window with a Standalone Funding Lot (Funding Lot #1). This Funding Lot is earmarked for Standalone systems, including SHS, clean cooking solutions and systems for productive applications, as well as Nano-grids operating on a rent-to-own/consume-to-own model. Modular technologies that can easily be transported are preferred. Sites for Nano-grids and/or productive use activities can be chosen in, but are not restricted to, areas where Sweden has already financed the rehabilitation of small-scale dams.</p> <p>4. Yes.</p> <p>5. Yes.</p> <p>6. The Applicant/Lead Applicant must fulfil the relevant market experience requirements.</p> <p>7. There is only one Lot in Burkina Faso (Lot 1). For Standalone Lots (e.g. Burkina Faso), the indicative number of ESS corresponds in most cases to the number of standalone systems sold to end-customers: e.g. one household may purchase an eligible standalone cooking solution as well as a SHS, in which case, this is one beneficiary, 2 ESS. For Nano-grids, the number of ESS corresponds to the number of customers (residential, commercial and institutional) connected to the Nano-grid. In the case of hub-/kiosk-based models, the number of ESS corresponds to the expected average number of daily rentals/services sold to end-customers. Applicants/Lead Applicants are expected to be able to disaggregate their figure by types of customers, as per the Tier matrix for Standalone Funding Lots in Annex D of the Guidelines.</p> <p>8. In principle, entities implementing donor-funded projects (including Sida projects) can be Project Partners, noting that the Final Application guidelines may detail additional requirements for BGFA1. However, no governmental entity, public agency, or donor can take part in a Consortium or be associated with a Consortium as a Project Partner. This restriction also applies to BGFA partners at programme level (e.g. GOGLA and Clasp/VeraSol).</p> <p>9. Yes.</p>
Q44	<p>1. Is a Profit Organization can play a support role in the Projets implementation on a Consortium? Is this organisation need to be necessary a ESP ; or can be a ESS ;</p> <p>2. Can we put différentes SSP<sup>2</sup> with different Business model and technology in the same application leading technically by one organization who can be a technical project implementation support to both of these ESP in one Consortium?</p> <p>3.As we underderstand, and as we now the local contexte, Burkina Faso can play on the l[a]unch to scale door(LS); can we get more information about what can be a appreciation on your level about what mean "Maturity Level of Off Grid market ?</p>
A44	<p>1. The Project Consortium may comprise different Consortium Members, including profit and non-profit entities.</p> <p>2. A Consortium may be formed by several ESPs operating under different business models and deploying different types of technology, as long as the Applicant/Lead Applicant meets the applicable criteria.</p> <p>3. The BGFA market scoping has shown that the off-grid Zambian market overall is more mature than the off-grid markets in Liberia, Mozambique and Burkina Faso. For example, more sales (e.g. solar products) are achieved every year and more private companies have achieved scale. As the DS window is better suited to more mature applicants, it is only proposed in Zambia within the framework of BGFA1.</p>

<sup>2</sup> [Different ESP]

Q45	GLOBAL LEAP EPC technology awards have not been announced yet. Would you recommend the applicant to generally cover the business model and technology differences in the application since the products are not known yet?
A45	<i>Applicants are encouraged to describe their business model in detail irrespective of the product manufacturers/suppliers used. The announcement of the GLOBAL LEAP EPC award is expected before the end of the year, and this timeline will enable shortlisted Applicants/Lead Applicants to BGFA1 to incorporate the results of the GLOBAL LEAP EPC award in their BGFA1 final application. At the PQ stage, an Applicant/Lead Applicant which intends to incorporate EPCs in its proposed project may refer to any information it deems relevant as part of its application. NEFCO understands that adjustments in EPC suppliers/technology may be required to accommodate the results of the GLOBAL LEAP EPC award in the Final Application stage.</i>
Q46	Without further testing, can we make use of the EPCs that are used as part of the CLASP EPC RBF as Eligible EPC products?
A46	<i>No, EPCs that participated in the Clasp EPC RBF programme should get tested unless they also participated in the Awards competition. The EPC RBF launched prior to the completion of the Global LEAP EPC Test Method and EPC eligible under the CLASP EPC RBF programme therefore have not been subject to the same level of performance and safety testing.</i>
Q47	1. Is the funding compatible with other type of grants? 2. Grant: Up to what level of percentage of the costs is covered by the grant?
A47	<i>1. Other types of grants may be incorporated as co-funding, as part of the capital structure/financing plan, however, the Applicants/Lead Applicants will have to demonstrate the additionality of BGFA1 funding vis-à-vis the other grants. Other Swedish-funded grants (e.g. AECF) can also, in principle, be considered co-funding as long as the ESS/connections funded under the respective programmes can be accounted for additionally so as to avoid double-dipping/double-funding. 2. Please see Q&amp;A 23.</i>
Q48	Our [XXX] Batteries are rented out for 24 hours. When a customer is onboarded, they receive a [XXX] which keeps the data on their account and they have to agree to the terms and conditions by signing our App. They are then free to rent a battery whenever they want to. Would this fit with the ESS definition?
A48	<i>In the case of hub-/kiosk-based models, customers may not purchase an energy service every day and not all batteries may be rented every day. In this case The number of ESS can be calculated based on the expected average number of daily rentals/services sold to end-customers, provided always that battery charging is based on renewable energy services and solutions (energy services based on fossil fuels cannot receive BGFA1 funding). Each rental customer needs to be registered in Edison and it will be required to be able to track the level of service (frequency of renting) provided to each individual customer in order to determine whether the service provision meets the ESS requirements (e.g. that a given customer rents a battery within the last 90 days). All returning customers (renting a battery at least every 90 days for two years) would count as individual ESS. All others may be grouped in an institutional ESS. If the renting behaviour of each customer cannot be monitored in this manner, the hub/kiosk model as a whole may alternatively be counted / considered as an institutional ESS. If it is not possible to track the service or customer use, it will not be able to be counted towards ESS numbers.</i>
Q49	1. Can we select any location/ village for the SHS deployment?

	2. It is understood that Sweden has a preference for productive use activities in areas where dams have been constructed to explore the productive use model, however, can these be deployed anywhere given a strong business case?
A49	<p>1. Yes, provided that peri-urban and rural areas are selected.</p> <p>2. Yes, in Burkina Faso, sites for Nano-grids and/or productive use activities can be chosen in areas where Sweden has already financed the rehabilitation of small-scale dams. However, Applicants are not restricted to these sites.</p>
Q50	Is it a requirement to form a consortium or can individual ESP apply alone? If it is not a requirement, will consortiums be favoured over individual companies by assessors?
A50	<i>A single Applicant is eligible.</i>
Q51	<p>1. Can standalone SHS and productive use can be combined in one application?</p> <p>2. Can nanogrids also be used as alternative to SHS not just for productive use?</p> <p>3. Burkina: Can we select any location/ village for the SHS &amp; productive use deployment? It is understood that Sweden has a preference for productive use activities in areas where dams have been constructed to explore the productive use model, however, can these be deployed anywhere given a strong business case?</p> <p>4. Do projects need to be registered legal entities at the time of preliminary submission?</p> <p>5. Could a productive use platform be incorporated into the Lot 5 funding application, or would this need to be a separate application?</p> <p>6. We do not have significant sub-contract partners, since contracts are awarded by tender. Is this acceptable?</p> <p>7. Can project partners be confirmed at final proposal stage?</p> <p>8. Are multifunctional platforms considered?</p> <p>9. A fee-for-service model is currently excluded, in favor of rent-to-own. This, in our opinion contradicts the concept of circularity since this does not allow for recycling. Will this be reconsidered with a strong business case?</p>
A51	<p>1. Yes.</p> <p>2. Yes.</p> <p>3. Please see Q&amp;A 49.</p> <p>4. Projects do not need to be registered as legal entities at any point in time unless required by the national regulation. However, Applicants/Lead Applicants should be for-profit companies, i.e. legally incorporated and registered entities with sufficient operational experience (i.e. a minimum of 12 months in the Project country or 24 months in any other SSA country).</p> <p>5. Yes. Productive use can be combined with other proposed activities.</p> <p>6. There is no requirement to have a Significant Sub-Contractor. However, if an Applicant/Lead Applicant plans to make use of a significant sub-contractor during the implementation of the proposed project, this needs to be explicitly mentioned at the PQ stage. 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.</p> <p>7. Please see Q&amp;A 37.</p> <p>8. Yes. Please refer to Annex D of the Guidelines and equipment eligible under productive use.</p> <p>9. In Burkina Faso, business models relying on fee-for-service are not eligible. In Zambia and Liberia, fee-for-service AC Nano-grids can apply as part of the Mini/micro-grid Lots.</p>

Q52	The applicant has already distributed over 12,000 units of PV solar lanterns in [XXX] as part of a larger, ongoing project. Would these units count towards the Market Experience eligibility criteria "Standalone: a minimum of 3,000 ESS"?
A52	<i>Yes. For the purpose of demonstrating relevant market experience, Lighting Global-certified lanterns may be taken into account in the number of ESS, provided these have been deployed through model enabling to track payments and/or repayments made by customers (e.g. PAYG model, MFI, or equivalent). However, solar systems below 20 Wh/day will not be eligible for BGFA1 funding.</i>
Q53	Would SHS distributed in [XXX] on a cash-transaction basis would be eligible on the Launch to Scale BGFA1. In other words, non-Pay as you Go service models are also eligible?
A53	<i>Energy service subscriptions (ESS) are made by end-customers entering into a contract with an ESP for the provision of energy services. Energy products/services sold on a cash basis but governed by a term contract (e.g. for the provision of a warranty or other services) may be considered eligible as ESS provided they can be recorded in Edison. Energy services/products sold on a cash-and-carry basis without an energy service contract are not eligible.</i>
Q54	<ol style="list-style-type: none"> <li>1. How will the energy service or services be calculated in the business plan?</li> <li>2. How will price per weighted energy service be calculated in the business plan?</li> <li>3. The value for money per established energy service subscription (ESS) be determined?</li> <li>4. The reverse auction approach will entail ranking of project proposals based on their overall expected value for money to reach the BGFA 1 targets? Can you explain the meaning of reverse auction approach?</li> <li>5. Can you identify the criteria that will be used to rank the project performance indicators?</li> <li>6. Can you list BGFA 1 key objectives, targets and key performance indicators?</li> <li>7. Can you also explain how and also give example of how the project proposals evaluated the reverse auction approach are expected to provide value for money by ensuring that the outcome contributes to BGFA 1 targets.</li> </ol>
A54	<p><i>1-3. The detailed methodology will be published in the Final Application Guidelines. Please refer to Annexes C and D in the Guidelines for current information.</i></p> <p><i>4. The amount of results-based BGFA1 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 the BGFA1 targets. I.e. the projects seeking less BGFA1 funding per ESS (after applying the weighting mechanism) will score better.</i></p> <p><i>5. The detailed methodology will be published in the Final Application Guidelines</i></p> <p><i>6. BGFA1 aims to incentivise ESPs to accelerate the establishment of new, long-term sustainable ESS at scale. The expectation is that about 700,000 off-grid ESS will be established during the project implementation period, thus benefiting more than 3.5 million people in peri-urban and rural areas. The key performance indicators will be published in the Final Application Guidelines.</i></p> <p><i>7. The detailed methodology will be published in the Final Application Guidelines.</i></p>
Q55	<ol style="list-style-type: none"> <li>1. Can we have more clarity on the RBF mechanism as well as the reverse auction approach?</li> <li>2. Page 7: For the EES sustainability conditions, does this mean 2 years of PAYGO operations or 2 years in the solar industry?</li> <li>3. Our plan is to apply as lead applicant to LS lot 4 but you we are still the distributor of larger ESP who plans to apply for lot 6. If in their proposal we still appear as project partner, would that be an issue in the event that both proposal get awarded? What are</li> </ol>

	<p>the conditions under which BGFA could still issue two contracts? Same question in case the larger supplier is mentioned as a project partner in our Lot 4. ?</p> <p>4. Is there a recommended level of matching contribution?</p> <p>5. Is there an indicative timeline for the additional funding from Germany for lots 4 and 6?</p> <p>6. Will the lessons learned by the initial grantees of BGFZ be shared to other applicants for this round.</p>
A55	<p><i>1. Please see Q&amp;A 54.</i></p> <p><i>2. In reference to the sustainability conditions of a single ESS, an ESS will be considered contractually delivered (sustainable), and hence counted towards contracted ESS delivery, after: (i) a minimum of two years of energy service provision to the customer, (ii) after the ESS is fully paid off by the end-customer or (iii) at the ESP-NEFCO contract end date as long as the customer is not in default at this date (i.e. has made at least one payment within the last 90 days).</i></p> <p><i>3. All scenarios are eligible in principle. Please also see Q&amp;A 24. In the case of the same company being in the role of Lead Applicant under one Lot and partner under another, the additionality needs to be demonstrated and all ESS must be clearly allocated to one of the contracts. ESS distributed by the ESP applying to Lot 4 cannot be counted towards the ESS delivery of the ESP applying under Lot 6. Similarly, the ESP applying under Lot 4 and as a partner for an ESP applying under Lot 6 cannot count the ESS contributing to the Lot 6 contract delivery under the Lot 4 contract.</i></p> <p><i>4. 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 BGFA1, prior to contracting.</i></p> <p><i>5. This is expected to be confirmed in the Final Application Guidelines.</i></p> <p><i>6. Yes, to the extent material is already available publicly on the relevant websites (e.g. <a href="https://www.bgfz.org">https://www.bgfz.org</a> and <a href="https://beyondthegrid.africa">https://beyondthegrid.africa</a>).</i></p>
Q56	<p>Our business model is a lease-to-own or lease-to-use solar powered [XXX]. Users can provide mobile power and transport services. You can picture this as a mobile solar home system. We create business units that lease and maintain these [XXX] in an area of 100km diameter. We can have a solar generating base station for recharging batteries. Would we be qualified as a Stand Alone, Micro-Grid or nano-grid?</p>
A56	<p><i>Solar home systems are eligible under the Standalone Lots and are standalone solutions. We understand lease-to-own as rent-to-own, and lease-to-use as fee-for-service. Accordingly, we would classify this solution as a stand-alone or Nano-grid system. In this context, please see also Q&amp;A 51, point 9.</i></p>
Q57	<p>Regarding standalone systems, are there technical specifications limits differentiating nanogrids from microgrids in terms of system production capacity and/or grid length? For example, would 20 kWp PV system with 1 km distribution line qualify as nanogrid?</p>
A57	<p><i>No. Please see Q&amp;A 5. Nano-grids can supply DC or AC electricity to small clusters of closely grouped end-users.</i></p> <p><i>Mini-grids should rely on an AC (single-phase or three-phase) distribution system.</i></p>
Q58	<p>What is the relative weight of different service types (i.e. Tier 1 residential ESS vs Tier 5 commercial ESS) in the determination of value for money?</p>
A58	<p><i>Please see Q&amp;A 54.</i></p>
Q59	<p>Are "rent-to-own" and "consume-to-own" required business models for standalone nanogrid systems?</p>
A59	<p><i>Yes. Please see Q&amp;A 5.</i></p>
Q60	<p>1. As a new ES[S]P entrant in Zambia, are we allowed to participate in two Funding Lots (Funding Lot # 4 and 5), under the LS Funding Windows?</p>

	<p>2. And what requirements should a new ESP entrant have to participate in both Funding Lots (Funding Lot # 4 &amp; 5), under the LS Funding Windows?</p> <p>3. If the new entrant, as an Applicant/Lead Applicant does not meet Financial position requirements as set-out under 3.3 - Financial position requirements as on page 19 of the new BGFA-PQ Guidelines. - Is it allowed by BGFA for the new entrants to see financial backup or a Letter of Guarantee from the Bank, that the bank agrees or commits to provide financials should the Applicant gets and signs possible contracting with the BGFA?</p> <p>4. Under Annex E: Draft Certificate of Compliance Template. Please clarify on question 5: Is it not supposed to read - "If YES, please describe the types of proceedings and circumstances."</p>
A60	<p>1. Yes, in principle provided that the eligibility requirements can be met.</p> <p>2. Please refer to Section 3 of the Guidelines for a detailed description.</p> <p>3. No. 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.</p> <p>4. If question 4 cannot be confirmed in the Draft Certificate of Compliance Template, then question 5 requires a description of the type of proceedings and circumstances.</p>