



LETTER OF INVITATION

First BGFA Call for Proposals (BGFA1)

Pre-Qualification

Project: Beyond the Grid Fund for Africa

Country: Burkina Faso, Liberia and Zambia

Sector: Access to modern, clean and affordable energy

Funding source: Sida / Sweden and KfW / Germany (latter pending final approval)

Type of contract: Results-based financing contract

Launch date: 15 September 2020 at 14:00 hrs Helsinki Time (UTC +3 hrs)

Closing time: 30 October 2020 at 16:00 hrs Helsinki Time (UTC +2 hrs)

Background

BGFA is a results-based funding facility established to incentivise the private energy sector to provide affordable clean, high quality off-grid energy services to underserved people in rural and peri-urban areas in Sub-Saharan African countries.

BGFA supports, in particular, the objective of Sustainable Development Goal 7, which aims to ensure access to affordable, reliable, sustainable, modern energy for all by 2030, the Paris Agreement on climate change and host country priorities.

The BGFA programme is set up as a separate funding facility which is administered by the Nordic Environment Finance Corporation (NEFCO) as the Facility Manager. The BGFA programme has been designed and is implemented in partnership with the Renewable Energy and Energy Efficiency Partnership (REEEP) as the Programme Implementation Manager.

BGFA is now launching its first Call for Proposals (BGFA1) inviting interested off-grid energy companies to compete for funding with the aim of engaging them to develop new sustainable businesses and thereby accelerate access to affordable and clean off-grid energy at scale for customers in peri-urban and rural areas of Burkina Faso, Liberia and Zambia.

BGFA has been initiated and is presently financed by Sweden. It is expected that Germany (represented by KfW on behalf of the German Federal Ministry of Economic Cooperation and Development [BMZ]) will shortly join and make available additional funding under the BGFA1 Country Programme in Zambia.

Power Africa, an initiative administered by USAID, is providing an in-kind technical assistance contribution to BGFA. Other donors have shown interest in joining the BGFA programme for expansion into new Sub-Saharan African countries.

Eligible Applicants

BGFA1 is targeted at incentivising private energy companies to accelerate access to off-grid modern and affordable energy.

Further information on the Pre-Qualification eligibility criteria and minimum requirements can be found in the attached BGFA1 Pre-Qualification Guidelines.

Nature of Financing

The BGFA1 approach provides direct, results-based financing to energy service providers to unlock early structural challenges in the off-grid market, build business and investor confidence and proactively mobilise various types of downstream investment and debt financing.

To be successful Applicants are expected to provide a substantial amount of their own financing as well as to mobilise co-financing.

In 2020, progress towards addressing the energy access objective (Sustainable Development Goal 7) has been jeopardised by the COVID-19 pandemic, which has hit African economies and, in particular, the poorest and most vulnerable communities hard. BGFA1 seeks to support much-needed connections and the implementation of decentralised energy solutions in order also to mitigate the impact of the virus and promote a green recovery.

Expectations

The expectation is that up to 700,000 off-grid ESSs will be established during the project implementation period, thus benefiting more than 3.5 million people in peri-urban and rural areas. The indicative individual contract ticket size is expected to be EUR 1 – 4 million, depending on the country.

Selection process

Applicants and project proposals will be evaluated in two phases:

- I. Pre-Qualification stage (this phase); and
- II. the Final Application stage.

The current invitation calls for Pre-Qualification applications. Only Applicants of project proposals passing the Pre-Qualification stage will be invited to submit a full application during the Final Application stage.

Final decisions on the financing are expected to be made by May 2021.

Pre-Qualification stage

All documentation submitted for the Pre-Qualification should be provided in English and all financial information shall be denominated in EUR. Submitted Pre-Qualification applications will be considered to be in their final form.

The BGFA1 Pre-Qualification Guidelines, including the Pre-Qualification Concept Note template annexed to them outline the BGFA1 funding opportunities as well as the eligibility criteria and minimum requirements that Applicants and proposed projects need to meet in order to be invited to submit a full proposal and compete for BGFA1 funding.

Pre-Qualification applications should be submitted online at the latest by **30 October 2020 at 16:00 hrs Helsinki Time** (UTC +2 hrs) ('Closing time). The online intake system and related guidance will be accessible via www.beyondthegrid.africa from 15 September 2020 and the application forms in the online system will be open from 14:00 hrs Helsinki Time (UTC +3 hrs).

The online application intake system will be closed after the Closing time. Only online submissions are permitted; any submissions using other methods or submitted or received after the Closing time will be rejected. However, NEFCO, reserves the right to extend the submission deadline.

It is the responsibility of the Applicant to ensure that the Pre-Qualification application complies with the eligibility criteria and minimum requirements and is submitted by the set deadline.

Registration and additional information

All communication relating to the Pre-Qualification process will be made to Applicants via the online application intake system, SmartME. It is strongly recommended that Applicants wishing to submit project proposals for pre-qualification **register** on this application platform **at the earliest opportunity**.

Registration is done by filling in the name of the Applicant, type and place of the project proposal, contact person and contact e-mail address.

Questions relating to the Pre-Qualification phase can be submitted until **5 October 2020 at 16:00 hrs Helsinki Time** (UTC +3 hrs) as set out on the intake system. Applicants will be requested to post questions only via the SmartME intake system. Questions and answers will be made available to all Applicants in a redacted form on 13 October 2020.

The Pre-Qualification stage is expected to be completed by the end of November 2020.

Final Application stage

Applicants successfully passing the Pre-Qualification stage will be invited to submit a full proposal tentatively by end of January 2020. Guidelines for the Final Application

stage are scheduled to be published in December 2020 inviting Applicants to submit full proposals tentatively by the end of January 2021.

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

Applicants will be duly informed of their progress and the final results of the BGFA1 will be communicated.

Reservation

The Pre-Qualification Guidelines do not constitute an offer. All contracts are subject to a successful due diligence review and individual prior no-objection from the donor(s).

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 BGFA1, provided here, in the Pre-Qualification Guidelines or otherwise. In case of possible changes, Applicants will be informed in a timely manner before the expiry of application deadlines.

Any substantial changes to or non-substantiation of information included in the full application submitted during the Final Application stage compared with the Pre-Qualification application may lead to rejection of the full application.

Helsinki, 15 September 2020

Attachment: BGFA1 Pre-Qualification Guidelines