



## **LETTER OF INVITATION**

### **Third BGFA Call for Proposals (BGFA3) Pre-Qualification**

**Project:** Beyond the Grid Fund for Africa

**Country:** Uganda

**Sector:** Access to modern, clean and affordable energy

**Funding source:** Danida/Denmark and Sida/Sweden

**Type of contract:** Results-based financing contract

**Launch date:** 29 April 2021 at 16:00 hrs Helsinki Time (UTC +3 hrs)

**Closing time:** 22 June 2021 at 16:00 hrs Helsinki Time (UTC +3 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 third Call for Proposals (BGFA3) 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 Uganda.

BGFA3 is financed by Denmark and Sweden.

# NEFCO

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 to new Sub-Saharan African countries.

## **Eligible Applicants**

BGFA3 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 BGFA3 Pre-Qualification Guidelines.

## **Nature of the financing**

The BGFA approach provides direct, results-based financing to energy service providers to overcome 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 mobilise co-financing.

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 and, in particular, its poorest and most vulnerable communities hard. BGFA3 seeks to support much-needed connections and the implementation of decentralised energy solutions to mitigate the impact of the virus and promote a green recovery.

## **Expectations**

The expectation is that up to 600,000 off-grid ESSs will be established during the project implementation period, which would benefit more than 3 million people in peri-urban and rural areas. The indicative individual contract ticket size is expected to be EUR 1.2–4 million, depending on the Lot.

## **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 whose project proposals pass the Pre-Qualification stage will be invited to submit a full application during the Final Application stage.

Final decisions on financing are expected to be made by Spring 2022.

## Pre-Qualification stage

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

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

Pre-Qualification applications should be submitted online at the latest by **22 June at 16:00 hrs Helsinki Time** (UTC +3 hrs; Closing time). The online intake system and related guidance will be accessible via [www.beyondthegrid.africa](http://www.beyondthegrid.africa) from 29 April 2021 and the application forms in the online system will be open from 16:00 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 made 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 its 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 conducted 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 location of the proposed project, contact person and contact e-mail address.

Questions relating to the Pre-Qualification phase can be submitted until **31 May 2021 at 16:00 hrs Helsinki Time** (UTC +3 hrs) as set out in the intake system. Applicants are requested to post questions via the SmartME intake system only. Questions and answers will be made available to all Applicants in redacted form on 8 June 2021.

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 in August 2021. Guidelines for the Final Application

stage are scheduled to be published in connection to Applicants being invited to submit full proposals.

A contract template will be made available at the Final Application stage and used as the basis for 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 via SmartME and the final results of the BGFA3 will be widely 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 BGFA3, 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 from the Pre-Qualification application or unsubstantiated information included in the full application submitted during the Final Application may lead to the rejection of the full application.

Helsinki, 29 April 2021

Attachment: BGFA3 Pre-Qualification Guidelines