



# BGFA6 Call in Mozambique

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## Information Session

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Maputo, 30 July 2024



# Introduction to BGFA & BGFA6

Ash Sharma, Head of the Beyond the Grid Fund for Africa, Nefco

# Clean and affordable off-grid energy access in Africa

## About BGFA

- Countries of operations: Burkina Faso, DRC, Liberia, Mozambique, Uganda and Zambia
- Multi-donor programme
- Started 2019; signed first contracts in January 2022
- Results based financing
- Call for Proposals-based funding rounds
- Sustainable high-quality energy services; standalone solutions and mini-grids



## BGFA's objectives

- accelerate access to renewable and clean off-grid energy for customers in peri-urban and rural areas of BGFA countries
- make high quality off-grid products and services affordable for customers;
- unlock early structural challenges in the market;
- build business, customer and investor confidence;
- support the creation of new business and job opportunities;
- mobilise additional climate finance at scale; and
- support sustainable development.



# Portfolio Summary of BGFA as of July 2024



**29**

portfolio companies



**5**

Sub-Saharan countries



**1.8 m**

energy service subscriptions  
contracted



**8.6m**

# of people with access to  
electricity (target)



**€66.7m**

funding committed



**€173-183m**

expected leveraging



**7,900**

full-time jobs to be created







**118,000**

estimated businesses to benefit

# Investees and principal stakeholders

## Investees<sup>1</sup>

<p>Mini-grids</p>	
<p>SHS</p>	
<p>PUE</p>	
<p>Battery rental</p>	

## Donors and partners

		
<h3>Partnerships</h3>		
		



**Burkina Faso**  
Oolu Solar  
ARESS  
Advens Bboxx  
Qotto

**Uganda**  
d.light Design Uganda  
Engie Energy Access Uganda  
Tulima Solar  
Finca Plus (BrightLife)  
POPO Universal Energy  
Sunculture Uganda  
Koolboks Uganda  
Equatorial Power

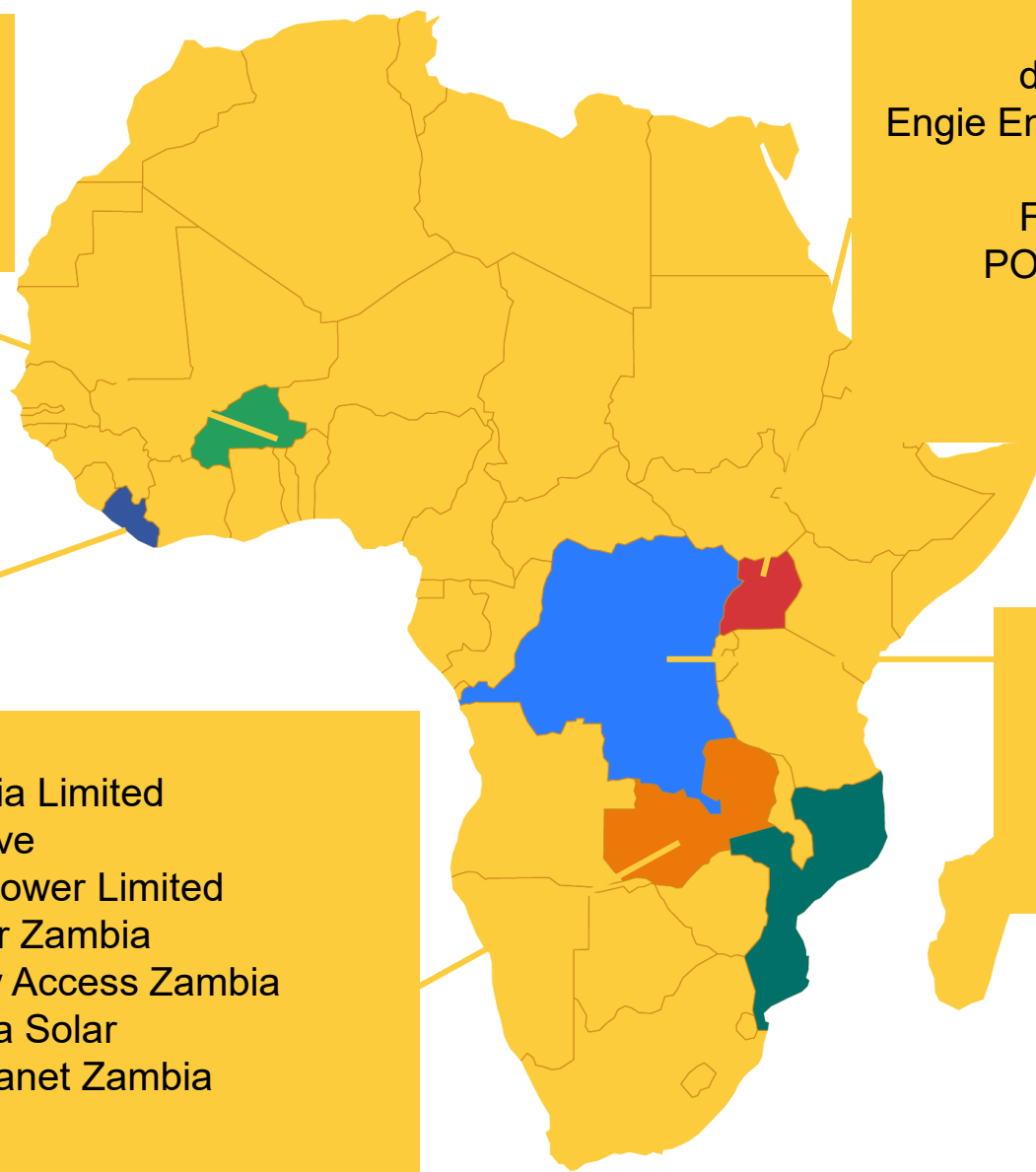
# BGFA portfolio companies

29 signed contracts

**Liberia**  
Lib Solar  
Mobile Power Ltd  
Easy Solar  
Energicity Corp

**Zambia**  
Vitalite Zambia Limited  
RDG Collective  
Zengamina Power Limited  
Power Corner Zambia  
Engie Energy Access Zambia  
d.light Zambia Solar  
Greenlight Planet Zambia  
Solar Village  
WidEnergy  
Zambian Rising Sun Solar Energy

**DR Congo**  
Alternative Energy  
Technologies Group  
(Altech)  
Mobile Power DRC  
Nuru SASU



## Second Funding Round in Mozambique

### **BGFA6**

- Nefco commissioned a PUE study for PUE in 2023, which found it a valuable sector to support, but that the universe of applicants was somewhat limited and needs early-stage support
- This funding round aims to allocate EUR 3.4m to PUE projects which have the opportunity to scale







# PUE projects in BGFA portfolio

## Tulima Solar

### Uganda

- Specialised distributor and provider of customised solar water pumps for supporting irrigation for smallholder agribusinesses and farmers
- With BGFA funding, aims to accelerate sales of its solar powered water pumps using a Pay-As-You-Go business model
- The company will scale up its distribution network by opening new retail hubs and hiring new sales personnel to establish up to 2,760 new energy connections



**2,760**

energy service subscriptions  
to be established



**2,760**

farmers with enhanced  
energy access



**137**

estimated jobs to be created



A farmer in Uganda irrigating his land with a solar powered water pump solution. Photo: Tulima Solar.

## Solar Village

### Zambia

- Scaling up its existing business by selling **50,000** solar powered battery sticks to small holder farmers to power sprayers used for weed, pest, and plant disease management, as well as crop nutrition
- In addition to powering the sprayers, the battery sticks can be used for lighting, phone charging and running other appliances, e.g. TVs



**50,000**

solar-powered battery sticks to be sold



**50,000**

small holder farmers with enhanced energy access



**56**

estimated jobs to be created



## SunCulture

### Uganda

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- Developing and selling solar irrigation systems for smallholder farmers and agribusinesses
- With more than 10 years of experience in solar irrigation and recently started the operations in Uganda
- The company is developing and producing its own solar powered water pumps and provides a holistic product offering, including delivery, installation, monitoring and on-site after-sales services
- Access to irrigation provide the farmers the opportunity to generate income and contribute to global food security



**13,200**

expected energy service  
subscriptions



**13,200**

expected farmers with  
enhanced energy access



**600**

estimated jobs to be created



A farmer using a solar-powered irrigation system in Uganda  
Photo: SunCulture

## Koolboks

### Uganda

- Offering solar powered cooling solutions to small and medium-sized enterprises
- BGFA funding will help to establish business in underserved districts of Ngora and Buyende in the Eastern Region
- Developer of Koolboks freezer than can be used also as a refrigerator, integrated ice battery enables long-term storage
- Freezers can be installed with three different solar panel sizes, have integrated PAYGO technology and LED-bulbs to light up shops, USB-ports to charge phones, and IoT technology to provide temperature and battery level data



**3,300**

expected energy service  
subscriptions



**3,300**

estimated small and  
medium-sized enterprises  
with access to a cooling  
solution



**165**

estimated jobs to be created



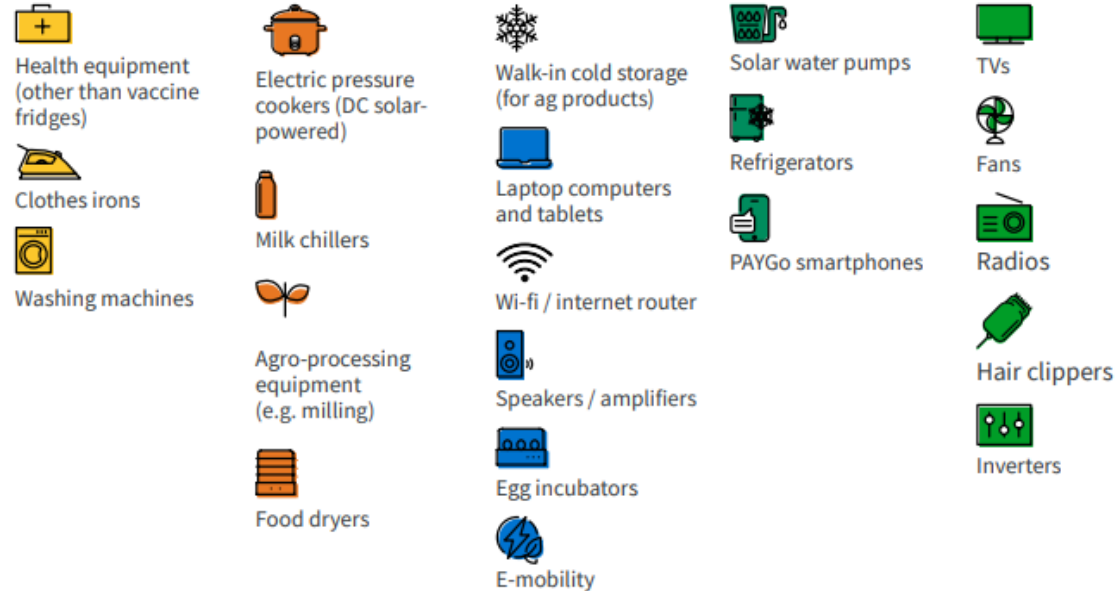


# Understanding PUE

Mayra Pereira, Beyond the Grid Fund for Africa  
representative in Mozambique



<b>Tech level</b>	Product prototype exists	Product being piloted	Minimum viable product exists	High rates of design and manufacturing innovation and cost reduction	Incremental changes in cost, performance, and efficiency
<b>Market level</b>	Nascent	Business model being piloted	First sales from a few early adopters	Growing sales and new entrants in the market	Products sold at volume by many players. Market 'ecosystem' of supporting inputs and services exists



Enabling platforms / components – PAYGo technology (IoT sensors, comms networks, firmware, software, etc.). Smart batteries. Permanent Magnet Motors. Phase Change Materials.

Emerging qualities of technology – Digital. Customisable. Interoperable. Modular. Circular.

Source: ESMAP Off-grid Solar Market Trends Report 2022: Classification of PUE Appliances. From World Bank. [Off-Grid Solar Market Trends Report 2022](#), (p. 137)

## Understanding PUE

# What is Productive Use of Energy and why is it important?

- PUE involves using electrical energy for activities that enhance income, productivity, or quality of life
- PUE has broad socio-economic benefits for the population, including economic growth, income generation, job creation, and often reduced workloads that allow time for additional productive activities
- PUE improves access to essential services





# Understanding PUE

## Examples of eligible technologies

- Cold storage
- Agricultural
- Irrigation pumps
- Drinking water
- Artisanal use
- Electric mobility
- Fridges/freezers
- Other



## Understanding PUE

# Benefits and challenges

- As the off-grid sector continues to grow and evolve beyond basic household lighting, and as utilities strive to stimulate additional demand, attention by government, donors, and the private sector has turned toward boosting PUE to consumers
- Awareness raising is a key issue for PUE companies
- Providing technical assistance to the PUE customers is important and provides a competitive edge
- Successful PUE providers have a holistic approach, customized products, include financing and are able to provide sufficient technical assistance to the customers





# BGFA6 Eligibility Criteria and Application Process

## Eligibility criteria

# Eligible applicants

- For-profit ESP companies/entities selling PUE services to end consumers and businesses
- Must be legally incorporated and validly existing in Mozambique, or commit to being incorporated before contract signing
- Individual persons or groups of persons not legally incorporated and registered in the Project Country are not eligible



## Eligibility criteria

# Partnerships and compliance

- Project implementation partnerships are allowed with for-profit and non-profit entities, community-based organizations, and other non-commercial entities
- Government entities, public agencies, and/or donors cannot be project implementation partners
- All partners must comply with tax, regulatory, and legal frameworks in Mozambique or their home country



## Eligibility criteria

# Financial position requirements

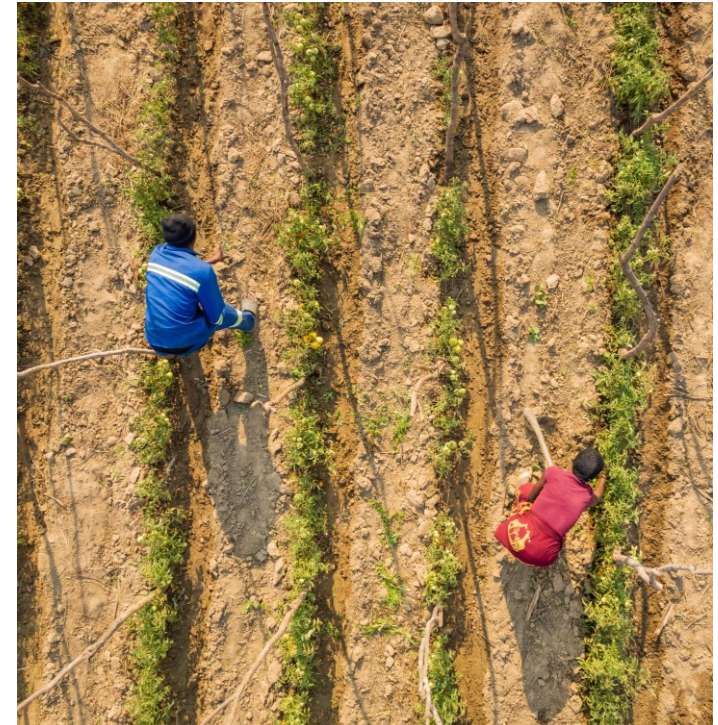
- Turnover: Minimum of EUR 300,000 during the last fiscal year or existing equity matching the requested BGFA6 funding
- Financial Ratio
  - Current ratio: Minimum value of 1 or higher
  - Equity ratio: At least 15%
- If the applicant does not meet financial criteria, parent company's financials may be used with a required financial guarantee



## Eligibility criteria

### Market experience requirements

- Sufficient resources and competence in PUE off-grid markets in Mozambique or SSA countries
- Project Experience:
  - 200 pumps/irrigation systems/fridges/freezers/artisanal tools OR
  - 2 cold rooms/storage facilities/logistics projects OR
  - 1 renewable energy pilot project
- Corporate Group Reliance: Experience within a corporate group (majority-owned >51%) can be leveraged



## Eligibility criteria

# Project and co-financing requirements

- General compliance: Adherence to Nefco's general policies and guidelines
- Co-financing:
  - Demonstrate commensurate levels of own financing and other sources
  - Minimum co-financing of 60% matching the requested BGFA6 funding
  - Committed co-financing: Minimum 50% of the total co-financing, with plausible demonstration at contracting stage
- Additionality: Demonstrate that the project would not happen without BGFA6 funding

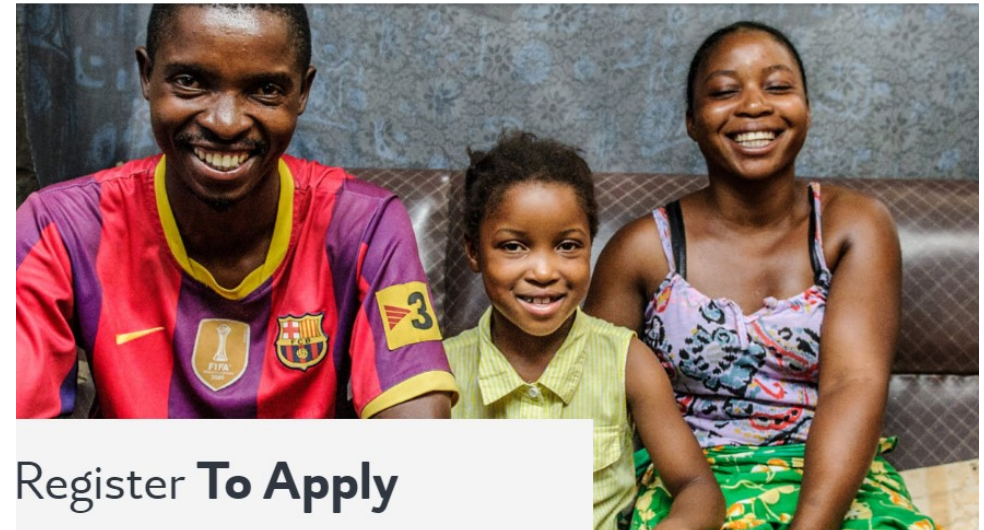




# Application process

## Overview

- One-stage process via SmartME electronic platform
- Registration requirement: create a user account on SmartME to familiarise with BGFA6 requirements
- Access registration page on <https://beyondthegrid.africa/register/>



**Register for the SmartME intake system to start filling in your online application**

## Application process

# Application submission guidelines

- Single application rule: Only one application per applicant allowed
- Required Documents:
  - Completed application form/business plan.
  - Financial model (Excel file with visible formulae)
  - Energy Subscription Services offer (Excel and signed PDF)
  - Recent audited financial statements (2021, 2022, 2023)
  - Commitment letter
  - Additional information on structure and eligibility as per the application form



The screenshot shows the SmartME application portal interface. The top navigation bar is dark blue with the SmartME logo on the left, a notification bell icon with '0' in the center, and a 'Change program' button on the right. The left sidebar contains four menu items: 'Home' (yellow background), 'My applications' (white background), 'Account information' (yellow background), and 'Support' (dark blue background). The main content area displays the title 'BGFA6 - Application/Business Plan' and the subtitle 'BGFA6 - Mozambique - Funding Lot #13'. Below this, there is a paragraph of text: 'Please save the form regularly when filling it in. If fields are le errors in field information, a link to a detailed list of those ins after saving. Please refer to the BGFA6 Application Guidelines Guidance for detailed instructions and guidance.' At the bottom of the main content area, there is another paragraph: 'Guidelines and templates can be found in the SmartME Supp that depending on the browser and/or settings, linked files n downloaded first.'

# Application process

## Documentation

- Language: All submissions in English; Portuguese allowed with unofficial English translations
- Financial information: Must be in EUR
- Notarised translations: May be required at due diligence/contracting stage

### Link to the template

[Financial Model template](#)

### Financial Model of the Applicant \*

0 / 1 files

Drag & drop a file here or click to browse

Accepted formats: MS Excel (.xlsx, .xls), OpenOffice Calc (.ods)

### Financial Model of the Project Company (if applicable)

0 / 1 files

Drag & drop a file here or click to browse

Accepted formats: MS Excel (.xlsx, .xls), OpenOffice Calc (.ods)

## Application process

# Application submission details

- Final form: Applications cannot be amended once submitted
- Nefco may request clarifications/additional documentation
- Cost responsibility: Applicants bear all costs for application preparation and submission



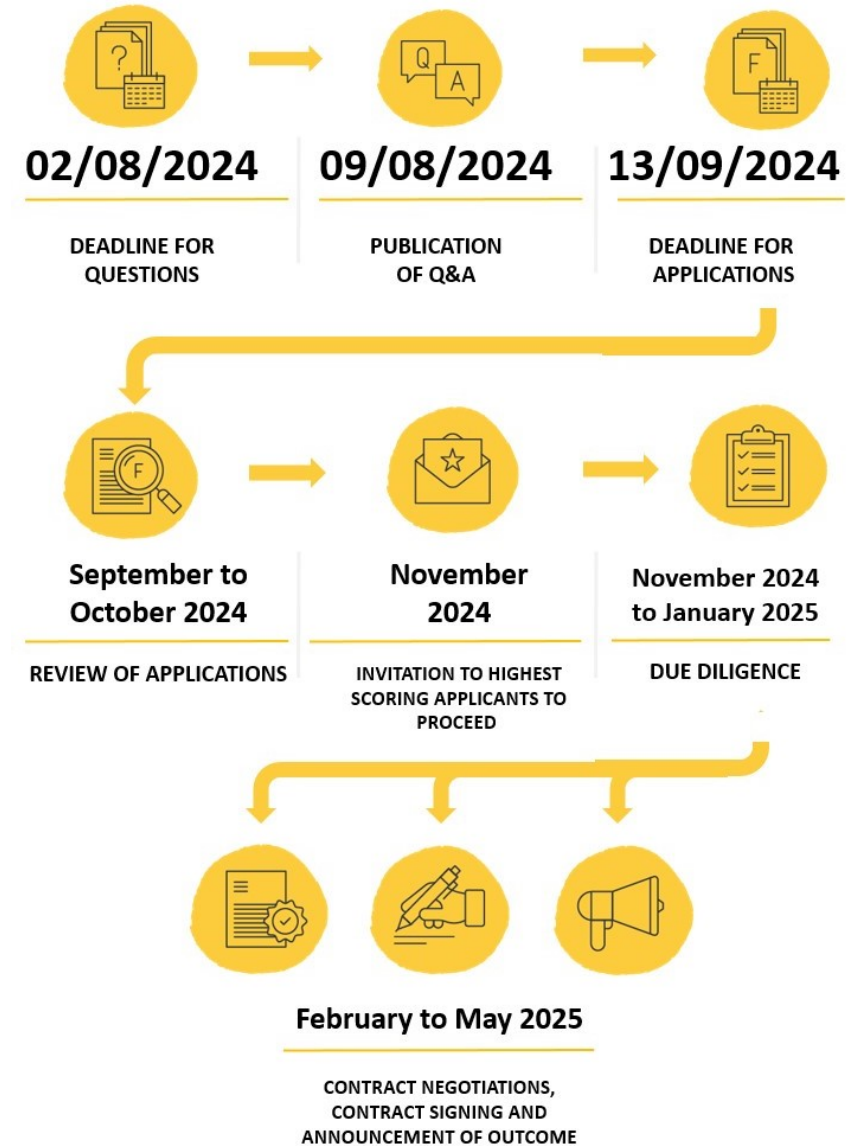
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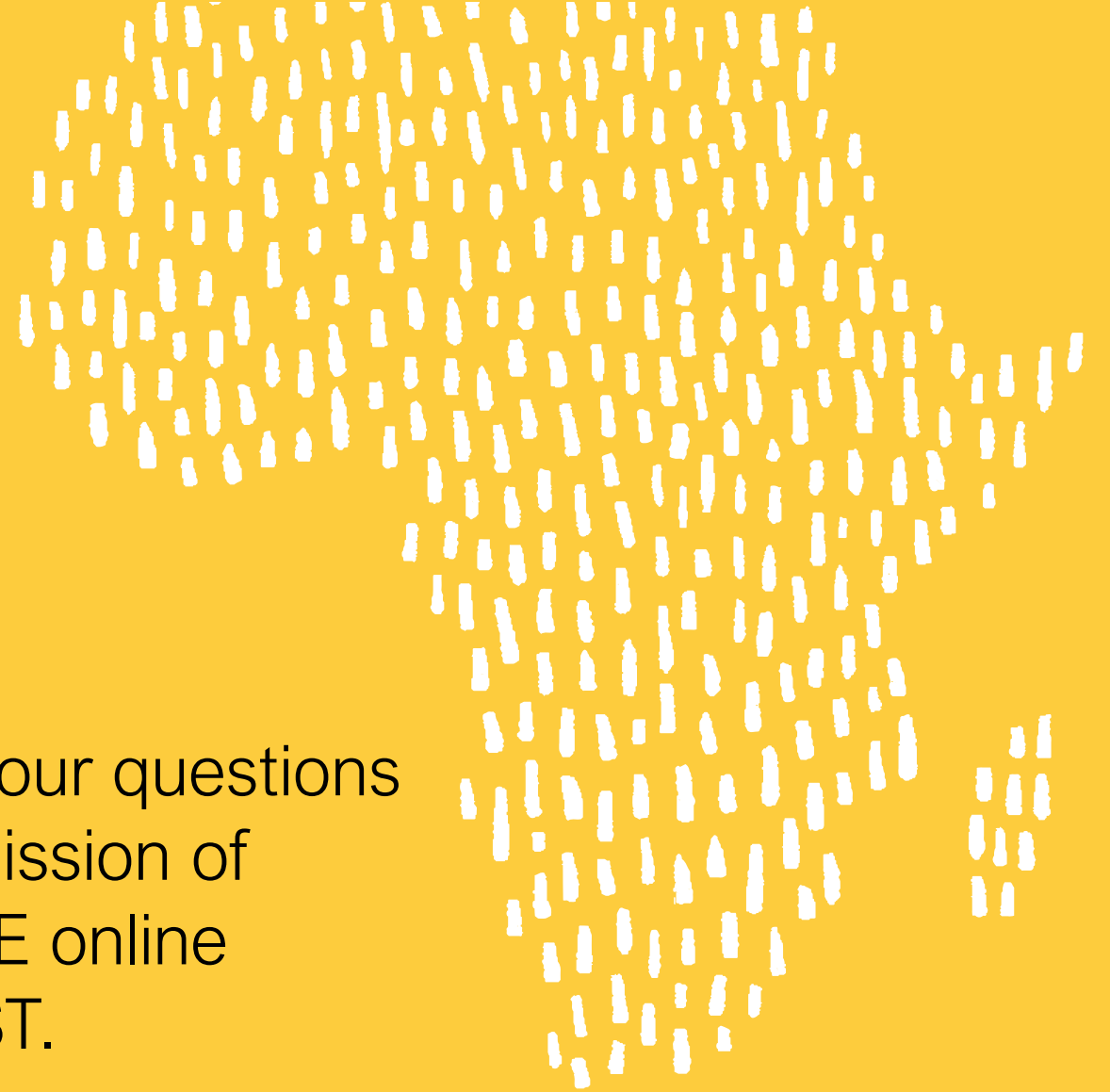
Submit

## Application process Timeline and recommendations

**Submission Deadline:** 13 September 2024 at 14:00 hrs Helsinki time (EEST)

1. Start early to complete and submit the application ahead of the deadline
2. Only one person can edit the application at the same time
3. Ensure all documentation is uploaded on time, considering time zones and internet speed
4. SmartME will not accept submissions after the deadline





# Questions?

If you didn't get a chance to ask your questions during this event, the online submission of questions is available via SmartME online platform until 2 August 12:00 EEST.



# THANK YOU

[www.beyondthegrid.africa](http://www.beyondthegrid.africa)