

APPLICATION GUIDELINES

SIXTH BGFA CALL FOR PROPOSALS (BGFA6)

Mozambique

Deadline for Applications:
13 September 2024
At 14:00
UTC+3



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List of abbreviations and definitions

LIST OF ABBREVIATIONS AND DEFINITIONS	
AMER	Associação Moçambicana de Energias Renováveis – the Mozambican Renewable Energy Association
Applicant	A single for-profit ESP applying for BGFA6 funding (on behalf of a Project Consortium if applicable)
BGFA	Beyond the Grid Fund for Africa; a funding facility set up and managed by Nefco and designed and implemented on the ground in partnership with REEEP and NIRAS
BGFA6	The sixth BGFA call for proposals targeted at Mozambique only
Business Plan Template	Application/Business Plan form to be filled in online by Applicant
Consortium Member	A for-profit or non-profit entity forming part of a Project Consortium
Country Programme	BGFA6 is a single Country Programme in Mozambique
D-REC	Distributed Renewable Energy Certificates. A D-REC is a verified 1 MWh generation of distributed renewable energy that can be traded to enable the buyer to address its Scope 2 and Scope 3 footprint.
EEST	Eastern European Summer Time
ESG	Environmental, Social and Corporate Governance
ESMS	Environmental and Social Management System. ESMS is a document that defines the environmental and social objectives and principles that enable the project to achieve sound environmental and social performance.
ESP	An Energy Service Provider that is a recipient (company/entity) of BGFA funding in the Project Country
ESS	Energy service subscriptions by end customers entering into a contract with an ESP for the provision of energy services that are actively used, i.e. a payment has been made by a customer in the last 90 days
Financial Model	See SmartME application system – to be provided online by the Applicant
Funding Lot	Amount of BGFA6 funding available to ESPs for the provision of a specific type or mix of off-grid energy solutions within one Funding Lot
Funding Window	Amount of BGFA6 funding available to ESPs
Nefco	Nordic Environment Finance Corporation, BGFA Facility Manager. Nefco has established the BGFA Programme and manages it as a separate funding facility.
Power Africa	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.
Productive Use of Energy (PUE)	The utilisation of energy to generate income, create additional value and provide services. These devices can possess their own power generation capacities.

Project Company	A Project Company means that the Energy Service Provider (ESP) as the Applicant and the Project Company may be different entities. If applicable, the Project Company is to be established to Nefco's satisfaction.
Project Consortium	A group of for-profit or non-profit entities (led and represented by a for-profit ESP Applicant) that have formed or agreed to form a consortium to apply for BGFA6 funding and eventually implement the proposed project
Project Country	BGFA6 funding can only be used to implement projects in Mozambique (eligible Project Country)
Project Partner	A for-profit or non-profit entity with a material and meaningful interest in the implementation of the proposed project (e.g. financial service partners; engineering, procurement, and construction service providers; capacity building and training organisations and initiatives; NGOs or similar)
REEEP	Renewable Energy and Energy Efficiency Partnership, a BGFA implementing partner. 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.
RBF	Results-based financing. Payments are linked to the achievement of predefined results.
Sida	The Swedish International Development Cooperation Agency
SDD	Solar Direct Drive (SDD) mode
Significant Sub-Contractor	A company or organisation sub-contracted by an Applicant with direct responsibility for implementing and/or operating one or more components of the proposed project representing a minimum of 20% of the awarded BGFA6 funding
SmartME	BGFA6 is organised as an online, fully paperless application process and handled via an electronic platform called SmartME
SSA	Sub-Saharan Africa
Tier	Categorisation used to distinguish different levels of energy services by the amount of generated/available electrical energy, Wh/day or its proxy.
USAID	United States Agency for International Development
Value for Money (VfM)	When evaluating and scoring applications received during the Application stage the following will be considered: (i) the weighted cost per offered ESS (wC) and (ii) the quality of the Business Plan based on an independent evaluation. Based on these parameters the overall value for money (VfM) of the proposal will be determined.
Weighted cost per ESS (wC)	Energy service Tiers offered by Applicants are weighted. The weight increases with the quality of energy services (Tier) offered by the ESP.

1. Introduction

The Beyond the Grid Fund for Africa (BGFA) programme is a multi-donor facility established and managed by the Nordic Environment Finance Corporation (Nefco) to finance sustainable development outcomes by supporting the creation of local off-grid energy business. BGFA offers results-based financing combined with targeted technical assistance to private off-grid energy service providers (ESPs) and other market stakeholders, including the local government, with the aim to:

- accelerate access to renewable and clean off-grid energy for customers in peri-urban and rural areas of Mozambique;
- 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.

BGFA is launching its sixth call for proposals (BGFA6) inviting interested private companies (i.e. energy service providers, ESPs) selling commercial energy service subscriptions for Productive Use of Energy (PUE) technologies to compete for funding. BGFA6 is committed to enabling local ESPs to accelerate their business growth in Mozambique and encourages international ESPs to utilise the expertise and capacities of local market actors. International ESPs utilising the expertise and capacities of local market actors will be scored higher in evaluation.

BGFA6 is aimed at boosting energy access in rural and peri-urban areas, and as a result the municipalities of Maputo and Matola are excluded from BGFA6 financing. Given the contribution that PUE technologies can make to the economic viability of micro-/mini-grids, consideration will be given to Applicants that can demonstrate a credible strategy for deploying their solutions in communities with existing (or planned) micro-/mini-grids.

To receive funding, ESPs are required to engage in selling and delivering affordable and renewable off-grid energy services directly to end customers and businesses in an enduring and sustainable manner.¹

BGFA6 financing is made available under one single funding window and lot, focusing only on PUE solutions (as described in detail in Annex B).

Applicants are invited to carefully read these BGFA6 Application Guidelines and the BGFA General Guidance document and pay particular attention to the funding offer and eligibility requirements. Both experienced and less experienced, locally established and managed ESPs can apply for funding. The indicative individual **contract size per ESP is expected to be between EUR 1.0 and EUR 2.0 million**.

BGFA6 offers a financial incentive (subsidy) per established ESS while noting that ESPs will need to provide financing equalling a minimum of 60% of the total BGFA incentive. Payments of BGFA results-based financing will be made in arrears against ESPs' proven sales and establishment of ESS with customers. Exceptionally, up to 30% of the requested financing, but a maximum of EUR 500,000, can be paid in advance if specific needs can be demonstrated.

ESPs that have signed BGFA contracts will have access to limited, targeted technical assistance, as needed. Through the established Off-Grid Taskforce in Mozambique, involving both public and private stakeholders, BGFA supports the development of local business environments that are conducive to the sale of off-grid energy services and that can provide sustainable development.

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

¹ The ESS will be considered sustainable if the end customer has made at least 1 payment within the last 90 calendar days before the contractual milestone deadline. This is referred to as the 'Flexible 90-Day Rule'. For more guidance, please see Annex 6 of the BGFA Contract Template for more information, available in the General Guidance document.

FIGURE 1. BGFA6 TIMELINE



2. BGFA6 minimum requirements

TO RECEIVE BGFA FINANCING, ESPS MUST, AT A MINIMUM:

- be a for-profit company/entity and legally incorporated and validly existing in Mozambique or willing to be so within a reasonable time frame before the BGFA contract signing; demonstrate relevant experience in Mozambique or other relevant sub-Saharan African market(s) in the proposed project structure;
- have a bank account in a Mozambican bank, acceptable to Nefco (as the bank account details are to be included in the BGFA contract for receiving funds);
- offer high-quality, eligible off-grid PUE solutions fulfilling the BGFA6 requirements;
- make timely minimum co-financing available; at least 50% of the proposed total co-financing needs to be plausibly demonstrated as committed at contracting;
- follow national laws in their operations;
- have or be able to obtain all relevant permits, certifications, licences, endorsements, approvals and similar documents needed for the implementation of the proposed project before or within a reasonable time frame of BGFA contract signing;
- be willing to comply with Nefco's general policies and procedures;
- be willing to comply with BGFA-specific e-waste, sustainability, gender, security and consumer protection requirements as applicable when implementing the proposed project;
- fulfil the key eligibility criteria as outlined below; and
- engage in the development of long-term sustainable, local off-grid markets.

3. Application process

BGFA6 is organised as an online, fully paperless one-stage application process via an electronic platform called SmartME. Interested ESPs are encouraged to register and create a user account in SmartME to familiarise themselves with the BGFA6 application requirements as early as possible. Applicants are required to submit their applications and documents via the BGFA SmartME platform only. Please note that only one application per applicant is allowed.

REGISTRATION TO THE SMARTME PLATFORM

On the application form, all interested ESPs are required to provide a project² description, a business plan and other key data to allow assessment of how ESPs can contribute to BGFA's ultimate goals, while maintaining a number of key eligibility and minimum requirements.

INFORMATION TO BE SUBMITTED DURING THE APPLICATION STAGE INCLUDES:

- A completed application form/business plan;
- A financial model (in the form of an Excel file with visible formulae);
- Energy Subscription Services offer (incl. Tiers, types and number of ESS) as (i) an Excel file and (ii) a signed pdf;
- The most recent audited financial statements (2021, 2022 and 2023);
- Commitment letter; and

² BGFA does not support 'projects' as such as BGFA's objective is to support sustainable business development. The word 'project' is used for easier reference, and any BGFA-related activities need to be reported and audited separately ('ring-fenced') from any other business there may be.

- Additional information on the proposed structure and eligibility aspects as indicated in the application form and as applicable.

All required information and documentation shall be submitted in English and all financial information in EUR. If some documentation is not available in English, it may be provided in Portuguese. In this case, Applicants are required to provide an unofficial English translation. Notarised translations of key documents may be required at the due diligence and/or contracting stage. Nefco reserves the right to reject applications on this basis.

Once submitted, the applications are considered to be in their final form and may not be amended. Nefco reserves the right to ask for clarifications and/or additional documentation at any stage of the BGFA6 application process. Changes that improve the application may be accepted at Nefco's discretion. Applicants bear all their own costs incurred in the preparation and submission of the Application.

The BGFA6 SmartME platform will open on **10 July 2024. The call will close on 13 September 2024 at 14:00 hrs Helsinki time (EEST).**

It is the Applicants' responsibility to ensure that all documentation is submitted and uploaded via SmartME on time, taking into account the time zones and Internet connection speed. It is strongly recommended to start in good time to allow sufficient time to complete and submit the Application well ahead of the submission deadline. The SmartME platform will not accept any submissions after the submission deadline.

Information sessions

Applicants are invited to participate in hybrid information sessions on 30 July and 1 August 2024.

EVENT	DATE	LOCATION	DESCRIPTION
Information Session, in collaboration with AMER	30 July 2024 10:00-12:30	AMER Offices, Av. Zimbabwe nº 1536, Maputo, Mozambique	<i>Join us for a hybrid information session about the call for proposals. This event will take place physically in Maputo, Mozambique. Participants can also join online.</i>
Information Session, in collaboration with Business Sweden, Embassy of Sweden, GOGLA and Power Africa	1 August 2024 14:00-16:30	Business Sweden Offices, 4th Floor, 138 West Street, Sandton, 2196, Johannesburg, South Africa	<i>Join us for a hybrid information session about the call for proposals. This event will take place physically in Johannesburg, South Africa. Participants can also join online.</i>

Please follow the BGFA website, SmartME platform and BGFA's social media accounts for more information regarding the sessions, including the links for online participation to the events. The events will also be recorded.

During the information session, Applicants can ask questions regarding the call. However, all the official answers will be published after the event in connection to the Q&A and made available **by 9 August 2024.**

Questions and Answers

Applicants are invited to post questions also via the SmartME platform's support section **by 2 August 2024 at 12:00 hrs** (noon) Helsinki time (EEST). Questions and answers will be made available to all registered Applicants in an anonymised and redacted form within one week of the above date on the

SmartME platform. Applicants are welcomed to ask questions on the eligibility of their proposed solutions/appliances. Nefco reserves the right to amend the guidelines as applicable.

Applicants will be duly notified of their progress, and the final results of BGFA6 will be made public in due course. For more information about BGFA6, please visit <https://beyondthegrid.africa/>. All the deadlines are still subject to change.

4. Country Programme, Funding Window and Funding Lot

BGFA6 offers Applicants the chance to compete under the Mozambique Country Programme for Funding Lot #13³ (see Table 1), with indicative funding of up to EUR 3.4 million in total. Additional funds may become available. Implementation is expected to start in early 2025 and end in 2029.

TABLE 1. FUNDING LOT #13

FUNDING LOT	FUNDING CATEGORY	TIER LEVEL	NUMBER OF EXPECTED CONTRACTS	INDICATIVE INDIVIDUAL CONTRACT SIZE (EUR million)	INDICATIVE TOTAL BGFA FUNDING PER CATEGORY (EUR million)
LOT #13	Productive Use of Energy (PUE)	1A–6+	2-3	1.0– 2.0	Up to 3.4

Applicants are required to submit proposals consisting solely of commercial PUE solutions. More information on which PUE solutions are eligible for BGFA funding can be found in Annex B.

Applicants are requested to submit their price offer (requested incentive(s) per Tier(s)) based on the assumption that the current duty regime will continue to apply on all imported products and to specify clearly in the proposal any exemptions that apply to existing operations they may already have in Mozambique.

Applicants are expected to submit financial models with the same level of detail that they would use to apply for licensing/permitting and tariff approval from relevant regulatory authorities.

5. Eligible Applicants

Applicants applying for BGFA6 funding shall be for-profit ESP companies/entities selling PUE services to end consumers and businesses. Applicants must already be legally incorporated and validly existing in Mozambique or commit to being incorporated and registered as such to Nefco's satisfaction prior to contract signing. Individual persons or groups of persons (who are not legally incorporated and registered as a company in the Project Country) are not eligible for BGFA6 funding.

However, Applicants are allowed to enter into various types of project implementation partnerships with for-profit and non-profit entities, community-based organisations and other non-commercial entities. Information on any listed companies will be required in the application if applicable.

Applicants must provide relevant agreements on partnership arrangements to Nefco's satisfaction at the latest prior to contracting. Responsibility for the project implementation is to be agreed and defined to Nefco's satisfaction and the arrangements need to comply with Nefco's general policies and procedures as well as with BGFA requirements.

³ BGFA uses continuous numbering of Funding Lots offered under various calls.

Applicants are not allowed to include government entities, public agencies and/or donors as project implementation partners.⁴ Applicants and all partners should be in compliance with all tax, regulatory and legal frameworks and laws in Mozambique or in their home country.

Project Consortium

A Project Consortium refers to a group of companies or organisations that have formed or agreed to form a consortium for the purposes of applying for BGFA6 funding and implementing a proposed project. A Project Consortium must be represented by an Applicant. The Applicant is required to assume full responsibility for the application and project implementation. The Applicant shall also act as Nefco's only direct counterpart.

All Consortium Members should be legally registered and in compliance with all tax, regulatory and legal frameworks in their home country.

The wholesale of products to a third-party retailer or 'distribution partner' that is not a Consortium Member is not eligible for BGFA6 funding.

Consortium members will be required to enter into a consortium agreement, which outlines the rationale for the Project Consortium, the roles and responsibilities of each Consortium Member, how the Project Consortium will work and acknowledges the role of the Applicant as Nefco's contracting party with full responsibility for the project.

Project Partner

Applicants may have more than one Project Partner with a material and meaningful interest in the implementation of the proposed project. Project Partners may be non-commercial in nature, including, but not limited to, associations, non-governmental organisations (NGOs) and non-profit organisations. Project Partners may be product suppliers, financial service partners, engineering service providers or similar.

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

5.1. Financial position requirements

Applicants must demonstrate:

- (i) Turnover⁵ of at least 15% of the requested BGFA Funding but in any case a minimum of EUR 300,000 during the last fiscal year or existing equity matching the requested BGFA6 funding; and
- (ii) Current ratio with a minimum value of one or higher; and
- (iii) Equity ratio of at least 15%.⁶

If the future Nefco counterpart is not registered as a company/entity or business in Mozambique and for that reason has no historical financial records of its own or does not fulfil the minimum financial criteria as set out above, the financials of the Parent company or a Group's consolidated financials may be used instead. In that case, Nefco may require an appropriate financial guarantee (such as a parental guarantee) to be issued by the Applicant/Parent company prior to BGFA contracting or as a condition precedent for the first payment.

⁴ For the purposes of BGFA6, agreements with micro-/mini-grids operated by governmental, public or donor entities do not need to be considered project implementation partnerships unless they meet the criteria for Project Partners/Consortium Members outlined herein.

⁵ Variances in accounting practices with regard to revenue recognition could lead to discrepancies in turnover figures between ESPs. Applicants are requested to state their assumptions regarding revenue recognition and other supporting information they deem necessary, when providing these figures.

⁶ Shareholder loans can, generally, be included as part of the equation, as comparable to equity.

The sources of data for turnover and ratios shall be clearly referenced and included in the application. The most recent financials must be provided – for the years 2021, 2022 and 2023 audited financials, once available – and must also show the fulfilment of these requirements.

5.2. Market experience requirements

Applicants should be able to show, either by themselves or through proposed partnerships, that they have sufficient resources and competence and prior relevant and sufficient professional market experience of working in PUE off-grid markets either in Mozambique or in one or more SSA countries:

- Successful deployment of at least one of the following, coherently with the BGFA technology requirements and in either Mozambique and/or another SSA country:
 - 200 pumps and/or irrigation systems and/or fridges/freezers and/or artisanal tools such as metal and wood working;
 - 2 cold rooms/cold storage facilities/cold chain logistics projects (combinations allowed);
 - 1 pilot project powered by at least one renewable energy source for any one of the other identified PUE sub-categories.

Applicants who do not themselves have this experience may rely on that within their corporate group provided the entity relied on is majority owned (>51%) within the group and the ability of the BGFA contract counterpart to leverage the experience can be demonstrated through management structures and/or clear operational linkages.

Other experience provided by the potential project partners and/or consortium members may be taken into consideration and/or the above criteria interpreted at Nefco's discretion to meet these minimum requirements provided that the Applicant can plausibly demonstrate and document a credible track record.

6. Eligible projects⁷

6.1. General requirements

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

Applicants are required to provide additional information and to fulfil various other requirements linked to Nefco policies and some general BGFA requirements. ESPs are required to apply high standards related to social and environmental sustainability, gender, security and consumer protection issues when implementing the project.

Please see the BGFA General Guidance for more detailed information on the general requirements for the ESPs as available in SmartME.

Fulfilment of these general requirements will be checked during the due diligence or contracting process or may be added as Conditions Precedent(s) for the payments or as deliverables under Work Plan Milestones in the contract as applicable.

⁷ BGFA does not support 'projects' as such as BGFA's objective is to support sustainable business development. The term 'project' is however used for easier reference. All BGFA-related activities in a company need to be 'ring-fenced' for reporting and auditing purposes.

Additionality

Applicants will need to demonstrate that the proposed project is additional and would not happen without BGFA6 funding.

Co-financing

Applicants will be required to demonstrate commensurate levels of their own financing as well as co-financing from other sources or financiers and to specify this in their final application. In their business plans, contracted Applicants (ESPs) will be required to have 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 60% of the requested BGFA6 funding.**

Additional points will be awarded to projects that demonstrate a higher level of co-financing than the minimum requirement.

Applicants are requested to indicate in their final applications both committed co-financing and future co-financing needs that are aligned with the financial model. Committed co-financing should amount to a minimum of 50% of the total minimum co-financing and be plausibly demonstrated at the contracting stage. The rest of the co-financing needs to be part of contractual commitments as milestone deliverables.⁸ Future co-financing needs of up to 50% of the proposed total co-financing plan will become milestone deliverables in the agreement. Nefco will require detailed documentation on co-financing during implementation.

Eligible co-financing sources include, but are not limited to:

- Equity from own/group resources committed by board resolution or similar and/or included in a capital allocation schedule signed by directors
- Equity from third parties
- Third-Party commercial debt – term loans/working capital facilities/overdraft facilities, etc.
- Concessional debt
- Supplier Finance from equipment providers (including deferred payment terms)
- Factoring Agreements/purchase of receivables/securitisation of receivables
- Guarantees
- Carbon Finance and distributed renewable energy certificates.

In all cases, committed terms sheets/commitment letters/appropriate agreements/similar will need to be provided as documentary evidence of availability of co-financing. Retained earnings may be accepted as co-financing at Nefco's discretion if assumptions used to derive these are deemed conservative and credible.

Parallel financing (i.e. linked to any other on-going activities but not directly to the proposed BGFA6 project) is not eligible as co-financing, noting, however, that some infrastructure etc. may be shared between similar activities. In this case, appropriate allocations of the shared resources should be made and will be considered acceptable, provided that the allocation is realistic and adequately justified.

Parallel grant financing, i.e. funding from other RBF programmes (either supply-side or end-user subsidies) and/or linked to the achievement of a certain number of ESS sales, is not eligible as co-financing. Other grants (e.g. milestone-based), except those funded (either partly or wholly) by Sweden or Norway, may qualify as co-financing at Nefco's discretion on a case-by-case basis.

⁸ For example, if an Applicant is requesting EUR 2,000,000 in BGFA funding, this Applicant is required to demonstrate expected co-financing greater than or equal to 60% of the funding request (≥ EUR 1,200,000). If the Applicant declared that it expected to raise the minimum co-financing of 1,200,000 EUR, 50% of this co-financing (600,000 EUR) should be committed and plausibly demonstrated before signing a potential BGFA contract. Goals for reaching the balance of co-financing (EUR 600,000) will be built into a BGFA funding agreement as binding contractual milestones.

Double Counting

Double counting of ESS is not allowed, and ESS established with BGFA6 funding shall be solely reported to BGFA, i.e. so that results cannot be claimed under multiple programmes. This applies to both the supply and end-user (demand-side) subsidies.

The rationale for avoiding double counting in RBF programmes from the perspective of public funding is about ensuring the efficient, effective and fair use of public resources. These principles are essential for the legitimacy and success of public funding initiatives, ensuring that they deliver the intended benefits.

To the extent necessary, ESPs will be required to enter into a BGFA-relevant data-sharing agreement including data sharing agreements with other programmes and/or donors, as applicable. Similar conditions may be requested for Project Partners, Significant Sub-Contractors and Consortium Members at Nefco's discretion.

Carbon finance

Applicants who are or plan to seek carbon finance or distributed renewable energy certificates (D-REC), must include these as funding sources in the application.

Carbon finance can qualify as co-financing as long as the proposed activities can be expected to fulfil the appropriate carbon methodology requirements to Nefco's satisfaction and the project demonstrates additionality based on the CDM Methodological Tool for small-scale project activities. Carbon financing also needs to be clearly attributable to the sources of emissions reductions and demarcated from other funding sources.

If carbon finance is proposed as co-financing for final application evaluation purposes, i.e. in the interests of comparability, Applicants are required to use a standard price of EUR 10 per tCO_{2e} reduced.

Nefco requires any BGFA-supported project benefitting from carbon finance to rely only on recognised and transparent carbon finance standards to Nefco's satisfaction. Nefco strongly endorses the principles of aligning carbon credit criteria with the Paris Agreement, such as accommodating host country criteria and authorisations and avoidance of double counting/claiming with nationally determined contributions (NDCs).⁹

Environment and sustainability

All Applicants shall anticipate and appraise any foreseeable negative impacts and risks that their activities may have on the environment and climate, as well as social factors (including human rights) to identify, avoid and/or minimise these adverse impacts and risks to an acceptable level or, if unavoidable, to offset and compensate for these impacts and risks. Please see the General Guidance document for more guidance.

Gender inclusion

Requirements related to gender inclusion are described in detail in the General Guidance document (Gender Equality and Empowerment of Women and Girls).

⁹ The basis upon which the ESP (as an Applicant) was deemed eligible for the BGFA funding may materially change due to excessive carbon revenues, in which case Nefco reserves the right to suspend any unpaid BGFA funding. Alternatively, the BGFA funding may be reduced and/or the number of ESS to be deployed under BGFA increase.

Consumer protection

ESPs must offer:

- a minimum warranty of three years on all systems, products and services, except one year for appliances;
- adequate repair; and
- a toll-free line or equivalent system to receive and respond to customer service requests.

ESPs must also generally commit to apply and be or become compliant with GOGLA consumer protection codes and policies.

Security requirements

Contracted ESPs are fully responsible for implementing the proposed project at their own risk. For minimum security requirements, please see [the General Guidance document](#).

6.2. Technical requirements

To be eligible, project proposals and solutions must meet technical requirements and offered ESS must meet certain minimum requirements. Please see [Annex A](#) for detailed information.

BGFA can only support ESPs' provision of renewable energy services and solutions. Energy services based on fossil fuels or national grid-connected technologies are not eligible for BGFA financing. Proposals using limited non-renewable technologies such as back-up generation capacity only (e.g. diesel) can be eligible for BGFA6 financing when justified to Nefco's satisfaction.

Proposed projects should use one or more of the renewable energy sources listed below for electricity generation. The national grid is not eligible.

- Solar photovoltaic (PV)
- Wind
- Hydroelectric
- Mini-grid

ESPs are required to employ modern systems, hardware and software that comply with relevant industry-technical standards and meet all relevant statutory standards and regulations in Mozambique.

In recognition of the important role that PUE technologies play in the commercial viability of micro-/mini-grid projects, Applicants may take into account existing and planned micro-/mini-grid sites, including the recently announced Plano de Electrificação das Zonas Fora da Rede, operating across Mozambique¹⁰, when determining their plans for activity and/or expansion.

Geographical focus

The BGFA Country Programme for Mozambique aims to strike a relevant balance between increasing the number of electricity connections in rural and peri-urban areas, achieving overall development impact and accelerating sustainable off-grid market development.

BGFA6 is aimed at boosting energy access in rural and peri-urban areas, and as a result the municipalities of Maputo and Matola are excluded from BGFA6 financing.

¹⁰ For example, those implemented by FUNAE.

7. Evaluation process

Evaluation is focused on (i) assessing the quality of applications and (ii) carrying out a weighted cost per energy service subscription calculation (wC), forming the basis for the overall evaluation and scoring of the proposed project and its value for money (VfM). The evaluation process consists of the following steps:

- (i) an eligibility and completeness check by Nefco;
- (ii) an external evaluation of the final application/business plan;
- (iii) calculation of the weighted cost (wC); and
- (iv) calculation of the overall expected VfM.

BGFA6 funding will be awarded to Applicants who demonstrate the best overall VfM using a reverse auction approach¹¹. Project proposals with the lowest average wC will not automatically be ranked highest. This is because BGFA is not only seeking to reward low prices (affordability) but also to incentivise ESPs to offer high-quality energy solutions and services in a long-term and sustainable way so as to have concrete, positive development impacts both during project implementation and beyond.

During the Application stage, project proposals will therefore be evaluated and scored based on the price and quality, sustainability and development impacts of the solutions offered and the business model, including, in particular, gender, environment (including e-waste) and scalability. Accordingly, project proposals found to offer the best overall VfM to BGFA6 will be ranked highest.

Only applications that are complete and fulfil all requirements based on the completeness check will be evaluated. Evaluation and scoring will be undertaken by an independent, external evaluation committee appointed by Nefco. Proposals need to score more than 60 points (out of 100) in the external evaluation to qualify for the VfM calculation.

The purpose of wC is to provide a level playing field for all solutions. Applicants can freely design their application combining different Tiers, and wC 'captures' various solutions in a single number in a transparent and fair way. The methodology for calculating wC is described in more detail in [Annex B](#).

The wC and the quality of the application will be compounded to create a single comparison score (CS) as follows:

$$CS = (wC_{low}/wC \cdot X \cdot 100) + (BP \cdot (1-X))$$

Where:

CS is the comparison score

wC is the weighted cost per energy subscription

wC_{low} is the lowest of all evaluated weighted costs per energy subscription

BP is the score obtained at the Application stage and reflecting the quality of the application

X is the weight for the wC

The weight for the wC is 0.3. This refers to 30% weighting for wC and 70% weighting for the quality of the application.

Applicants will be ranked according to their final CS score. The higher the CS score, the higher the VfM offered to BGFA6.

The highest-ranking Applicants with project proposals representing up to the total EUR amount available will be shortlisted and invited to undergo a due diligence review. If the review is successful, Applicants will be invited to contract negotiations, starting with the highest-ranking applications. Some

¹¹ A reverse auction is a type of auction in which the traditional roles of buyer and seller are reversed. This is because there is only one buyer but many potential sellers. In an ordinary auction, a number of interested buyers usually compete to buy goods or services by offering increasingly higher prices to one seller. In a reverse auction, the traditional roles of buyer and seller are reversed because several sellers are competing to obtain business from a single buyer. As a result, prices will typically decrease as the sellers underbid each other. In a reverse auction, the sellers with the lowest bids are automatically ranked highest and the seller(s) who offer(s) the lowest price will win the contract.

lower-ranking applications may remain on a reserve list, and Applicants will be notified if this is the case. A due diligence review of compliance and eligibility of lower-ranked Applicants may also be initiated for reserve list Applicants.

TABLE 2. BGFA6 EVALUATION AND SCORING

EVALUATION CRITERIA	SPECIFICATION	MAX POINTS
Technical feasibility	General feasibility of technical/technology solution(s) in the context of the target market, including product design, electricity generation, productive use and management, etc.	5
	Compliance with pertinent quality standards	
Market comprehension and market experience	Market experience of the Applicant/Consortium/partners in the Mozambican market	18
	Market experience of the Applicant/Consortium/partners in other relevant markets in Sub-Saharan Africa that show similar features attributable to the Mozambican context. Only sales and/or projects that prove adherence to the BGFA6 goals of accelerating access to renewable and clean off-grid energy for customers in peri-urban and rural areas in challenging markets via high-quality off-grid products and services affordable for customers will be considered.	
	Awareness and analysis of the market potential (incl. trends and opportunities, policy and regulatory environment, technology developments etc.) and sensitivity to market constraints (ability and willingness to pay, institutional barriers, etc.)	
	Understanding of competitors and positioning vis-à-vis competitors/competitive advantage (incl. industry structure and segmentation, core competencies and barriers to entry)	
Commercial feasibility and financing	Viability, robustness, credibility, and maturity of the business model, including feasibility of the proposed business model	22
	Understanding and control of the cost structure and use of funds; ability to manage and influence costs and funds	
	Financing structure: appropriateness and additionality of funding request, levels of co-funding (own equity or from any other party) equal or above 60% of the amount of funding requested from BGFA. Additional points will be awarded for models that demonstrate a higher level of co-financing than the minimum requirement.	
	Proof of overall financial health and sufficient financial resources to implement deployment planning	
	Compelling and credible plan for implementation, including rapid and sustainable deployment of ESS.	

Implementation and operation capacity	Standardised and formalised processes (e.g. standard operating procedure(s) on operating the shops or other sales channels, on recruiting/training staff, on distribution partnerships, on repossession of assets, etc.)	20
	Operational capacities, including credible monitoring and reporting systems, methodologies and indicators	
	Credible environmental and social risks management capacity, policies and procedures, and ESG-related reporting and monitoring capacities, policies and action plans (as applicable), including but not limited to environment and social sustainability, health and safety and good governance (e.g. anti-bribery, anti-corruption, labour conditions), grievance mechanisms, consumer protection and e-waste handling	
	Identification of principal risks (risk catalogue) and appropriate mitigation strategies/security plans	
Development impact potential	Potential for accruing environmental and health benefits: e.g. reduction of greenhouse gas emissions and mitigating other negative impacts on the environment (deforestation, biodiversity loss and air quality)	25
	Evidence of innovative technologies and/or business models that demonstrate combinations of hardware, software, processes, and/or financial systems that are scalable and suited to the Mozambican context	
	Potential of the proposed PUE solution(s) to provide transformational energy access, enhanced standards of living and economic development at scale in rural and peri-urban areas (e.g. number and types of connections, type and quality of service, ability to generate income and/or develop value chains and/or create value addition)	
	Promotion of gender equality in the proposed project implementation, and potential to reduce socio-economic inequalities and/or drudgery and manual labour	
Management capacity and experience	Delivery capability of Applicant and/or Consortium; experience in Mozambique, and track record; management structure; skills balance and quality; ownership commitment, focus and involvement in the socio-economic development of Mozambique	10
	Gender representation of the Applicant and company-level gender mainstreaming	
TOTAL MAX. SCORE		100

TABLE 3. SCORE SCALING

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

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

8. Due diligence and contracting

Prior to possible contract signing, thorough due diligence including an integrity due diligence review will be carried out. The due diligence will include a review of the key technical, social, environmental, financial, institutional, contractual and legal aspects that are relevant for BGFA financing. Applicants need to have credible plans and access to the resources needed (including financing) to deliver the number, types and Tier of ESS offered.

Nefco will require full proof of the Applicants' compliance with BGFA6 requirements during the due diligence review. Exceptionally, proof can be provided after contract signing as conditions precedent for payment or as Work Plan Milestone deliverables in a possible contract.

Supporting documentation will be required in advance of or during the due diligence review and during the review; the highest-scoring Applicants will be required to demonstrate that they are in good standing in the relevant country of registration and in compliance with all relevant requirements including tax, policy and regulatory frameworks and laws in their home country and in Mozambique, as applicable.

Based on findings during the due diligence review, Nefco reserves the right not to proceed to contract negotiations, insofar as Applicants cannot adequately demonstrate the above and that the proposed project complies with the BGFA6 requirements.

Applicants are requested to take note that the wC cannot be negotiated or changed by Applicants during the due diligence process. It is recommended that extra attention is paid to accurately classify the PUE technologies into the Tier matrix. Computational or mathematical errors may be corrected. To this end, it is particularly important to pay attention to accurate tier classification and realism in terms of the number of ESS and product mix. Changes due to external factors beyond ESPs' control (e.g. changes in duties, taxes or formally set tariffs) may be considered. These may lead to a re-ranking of Applicants after submission. Changes that improve the project design in accordance with the BGFA requirements are acceptable at Nefco's discretion – including a lower wC.

If insufficient donor funds remain to contract all offered ESS by the highest-scoring ESPs, Nefco may offer to contract a lesser volume of ESS than offered but at the same incentive level per Tier. In such a case, Applicants will not be bound to enter into a contract if the reduction is significant, i.e. more than 20%.

Applicants selected for contract negotiations will be required to suggest a realistic ESS Delivery Schedule and Work Plan Milestones utilising the BGFA6 Work Plan Milestone Matrix for Nefco's consideration to be met for them to receive payments.

9. Monitoring, reporting and payments

BGFA6 funding is made available in return for ESPs implementing the proposed project and providing the offered number of ESS to end customers and businesses. Exceptionally, up to 30% of the requested financing, but a maximum of EUR 500,000, can be paid in advance, if ESPs can demonstrate a specific need in the business model and as confirmed during the due diligence.

ESPs will be required to employ modern control, monitoring, metering and customer-relationship management systems in the delivery of energy services, i.e. various modern sales/loan and/or pay-as-you-go (PAYGO) management platforms and/or 'smart' metering solutions.

ESPs must provide reports on the achievement of Work Plan and ESS Delivery Milestones. Contracted ESPs must further be willing to provide detailed information on achievements, business performance, development impacts, market developments and related risks through progress reports and regular engagement with the BGFA team.

BGFA also uses the SmartME platform for reporting and monitoring purposes and is working together with external service providers on monitoring, reporting and verification.

ESPs may also be required to establish automated data transfer integration via an application programming interface (API) with an automated monitoring system to provide automated data with relevant data points to SmartME and/or other systems.¹² ESPs may be eligible for up to EUR 5,000 in technical support to cover expenses incurred during the establishment of integration with an automated monitoring system.

Nefco may disclose general information including but not limited to the following: date of the signed Sustainable Off-grid Energy Services Agreement project title or purpose, description of the project, name of the host country, ESP's name and other details of the contract such as the amount of Nefco's financing according to Nefco's guidelines.

TABLE 4. ELIGIBLE AND INELIGIBLE EXPENDITURE UNDER BGFA

BGFA funds may be used by contracted ESPs to cover future costs:	
<ul style="list-style-type: none">• to establish and prepare business• to purchase hardware and software• to purchase inventory and spares• for personnel costs• for training and capacity building• to scale up activities such as expanding physical distribution• for last-mile promotion, sales and service	
BGFA funds cannot be used by contracted ESPs to cover (including but not limited to):	
<ul style="list-style-type: none">• sunk costs that have already been incurred• wholesale of energy to a third-party retailer or 'distribution partner' that does not form part of a Project Consortium• sales of bulk power to a third-party distributor or a Mini- or Micro-grid	

10. Reservations

Nefco reserves the right:

- not to start negotiations with any of the Applicants; all contracts are subject to a successful due diligence review and individual prior no-objection from the Donor(s)
- to request additional information from invited Applicants at any stage of the process

¹² The system likely to be utilised is Prospect, <https://prospect.energy>.

- to adjust and/or further supplement the Application requirements, as well as any other guidance related to BGFA6, provided here or elsewhere; in the event of any changes, invited Applicants will be informed in a timely manner.
- to reject applications on the basis of an abnormally low or high wC and/or requested incentive per Tier¹³

The Application Guidelines do not constitute an offer, and access to BGFA6 funding is always subject to funding made available by Donor(s) to Nefco.

11. Complaints and reporting of corruption and misconduct

For complaints, please visit the following link: <https://www.Nefco.int/contactus/complaints-review/>

or email Nefco at: complaints@nefco.int

Any corruption or misconduct in activities related to Nefco and BGFA must be reported via Nefco's Ethics and Compliance function. The report is confidential and can be submitted anonymously at:

<https://www.Nefco.int/contact-us/report-corruption-and-misconduct/>

or email Nefco at: corruption@nefco.int

12. Personal data and confidentiality

For the purposes of the application and evaluation process, Nefco will collect and process certain personal data. This processing is based on Nefco's legitimate interest to assess the financial strengths and eligibility of the project proposals. Nefco's full Global Privacy Policy can be found on Nefco's website www.nefco.int. The Global Privacy Policy states how Nefco processes personal data and the rights of the data subject. Nefco's Data Protection Officer can be reached at dataprotection@nefco.int. External evaluators and other service providers taking part in the evaluation process will also have access to the data provided to Nefco as part of the application.

When registering with the SmartME platform for the first time, Applicants are provided with a privacy notice from Adalia (the provider of the SmartME platform) with information on the personal data processed by Adalia when creating an account for the Applicant. Applicants are requested to read and agree to Adalia's User Agreement.

¹³ wC values in contracted BGFA ESPs may be used in this assessment

Annex A. Technology requirements

General requirements

BGFA has a strong preference for technologies that maximise the lifetime of applied energy provision systems and solutions. Applicants should generally employ technologically modern power systems, i.e. hardware and software subcomponents complying with relevant technical standards (e.g. ISO, IEC IEEE or equivalent) to ensure high product quality and reliability.

Applicants must also offer a freephone or equivalent end customer care line to receive and promptly respond to customer service requests. Only integrated renewable energy sources are eligible as a power source with the exception of use of renewable mini-grids. Systems relying on lead-acid batteries will not be eligible for BGFA6 funding.

In order to successfully demonstrate eligibility for a proposed product/system for BGFA6 funding, Applicants are required to meet the technology-specific criteria (as relevant to the proposed project):

Refrigerators, solar water pumps (SWP), walk in cold rooms

Any product included in the 'Global LEAP Awards Buyer's Guides', i.e. already named a winner or finalist in previous rounds of Global LEAP awards competitions, will automatically be eligible for BGFA6 funding. ESPs will be asked to provide a Global LEAP Awards Winner/Finalist certificate for each proposed product at the latest before the first payment. ESPs will also be required to demonstrate compliance with the comprehensive 'Global LEAP awards' list (i.e. finalists and winners) available on VeraSol's website (<https://data.verasol.org/>) and in several buyers' guides.¹⁴

Contracted ESPs offering other products, i.e. that are not included in the previous Global LEAP award competitions, will be required to provide evidence at the latest before the first payment showing that the proposed products are at least equivalent to performance and quality benchmarks of Global LEAP Awards Finalists for each product category. To verify this, the following procedure will apply:

- Step 1: Provision of two randomly selected product samples to an independent third-party test laboratory that has an active partnership with VeraSol.¹⁵ For testing, use the relevant Global LEAP test methods.¹⁶ If testing in a lab is not feasible (e.g. cold chains), Applicants will be requested during the due diligence review to arrange verification of key performance data for their proposed product over a period of time.
- Step 2: Provision of the test result in a standard test report template enabling Nefco or its representatives to liaise with VeraSol to compare the quality and performance of the offered product against the similar size/form factor category as specified in the Global LEAP Awards. After evaluation, all product data reviewed by VeraSol will be shared publicly in its dedicated database.

These requirements will also apply to new systems proposed for inclusion during the course of BGFA6.

All other appliances and systems

For appliances not yet covered by Global LEAP Awards (e.g. solar mills, water treatment units, egg incubators, etc.), contracted ESPs will be requested, at the latest before the first payment, to arrange verification of key performance data by a VeraSol testing lab based on protocols/standards, acceptable to Nefco, to ensure that the technical specifications indicated in Applications for the appliance(s) are accurate. If lab testing is not feasible, Nefco may request that the contracted ESP arrange alternative

¹⁴ Buyer's guides for 1) fridges: [2017](#) and [2019](#) rounds, 2) SWP pumps: [2019](#) round, and list for off-grid cold chains: [2018, 2022](#)

¹⁵ List of labs (<https://verasol.org/test-labs/>), section Off-Grid-Appropriate Appliances and Productive Uses. Prior to contacting a VeraSol partner lab, it is recommended to liaise with VeraSol (info@verasol.org) to confirm which partner labs are suitable for a given technology.

¹⁶ <https://efficiencyforaccess.org/publications/type/test-methods/>

means of testing performance data over a period of time. The data may be handed over to VeraSol, which will make it publicly available.

Annex B. Energy Service Tier Matrix and ESS input data

BGFA6 was designed to incentivise Applicants providing energy service subscriptions for productive use of energy technologies. Other technologies that do not have the potential to directly generate income, provide services or create additional value (i.e. household lighting through standalone sources like SHS, or energy storage and capture for non-commercial/economic activities) will not be eligible for BGFA6 funding.

TABLE B1. ELIGIBLE EQUIPMENT & APPLIANCES

PUE MACHINERY/EQUIPMENT	CUSTOMER
Cold storage (e.g. cold rooms, freezer rooms, cold chain and ice creation)	Commercial
Agricultural (e.g. agricultural processing and agricultural value addition, including egg incubators)	
Irrigation pumps	
Drinking water	
Artisanal use (e.g. welding, carpentry and woodwork, sewing)	
Electric mobility	
Fridges/freezers	
Other	

Although products like televisions and solar home systems can generate income for their owners, BGFA6 does not include these systems and technologies under its specific definition of productive use appliances. If in doubt, Table B1 should be referenced. If, after consultation of Table B1, the eligibility of a certain product is unclear, the Question-and-Answer window of BGFA6 can be used to request further precision.

Applicants are required to categorise the different types of ESS offered using the main Tier levels described in this Annex, when filling in the application (in SmartME) and preparing ESS Financial Offer Excel and the financial model. Please refer to Tables B2–B3 below for more details. The minimum requirement is 20Wh/day or its proxy.

During the evaluation of applications, the energy service Tiers offered in the project proposal submitted to the Application stage are weighted to reflect how much each contributes to the overall objectives of BGFA6. The weighting mechanism reflects the increased quality of access to PUE technologies with increasing Tier levels and the contribution of such enhanced services to socio-economic development.

The Tiers and their respective applied weights are described below and organised according to the underlying delivery technology:

1. Section 1 provides General Definitions applicable to BGFA6
2. Section 2 provides the Tier Matrix & Weights for Productive Use of Energy technologies

Applications submitted will be evaluated based on their ability to maximise the VfM offered to BGFA6.

The final ESS Financial Offer Excel template to be used in the application is available in SmartME including possible updates.

SECTION 1 – General Definitions

Under BGFA6, only Energy Service Subscriptions (ESS) that remain sustainable will be considered and counted towards the deployment targets. Please see Annex 6 of the BGFA Contract Template for more information, available in the General Guidance document.

Commercial customer: an end customer receiving energy services through the provision of equipment/machinery in one or more of the identified BGFA6 target PUE applications/services, i.e. agri-processing, cold rooms/chains, refrigeration, drinking water provision, solar water pumping, raw material transformation, artisanal use, e-mobility and other productive use applications/services acceptable to Nefco.

SECTION 2 – Tier Matrix for Productive Use of Energy Technologies

When seeking funding for PUE systems Applicants must categorise offered ESS according to the Available Daily Electrical Energy to the end customer (in Wh/day) according to the energy service Tier matrix set out in Table B2. Applicants can mix their PUE solutions among different PUE-eligible technology types as they wish.

TABLE B2. ENERGY SERVICE TIER MATRIX FOR PRODUCTIVE USE OF ENERGY SYSTEMS

TIER LEVEL	1A	1B	2A	2B	2C	3	4	5	6+
Available Daily Electrical Energy [Wh/day] or proxy	≥ 20	≥ 35	≥ 70	≥ 175	≥ 310	≥ 600	≥ 1000	≥ 2000	≥ 3000
Weight	1	2	4.5	7	15	20	25	30	60+*

* With Incremental weight of 15 per additional available kWh/d.

For the technologies listed below the following proxies are used instead of the Available Daily Electrical Energy:

- In cases where the PUE products require battery storage to sustain daily operations, these solutions must be categorised according to their battery capacity rated in Wh as a proxy. This applies, for example, to solar water pumps equipped with battery storage.
- Electric vehicles are weighted based on the storage capacity of the battery/batteries rented by drivers on a daily basis. For the purpose of the weightings, each e-vehicle is considered a PUE ESS.
- In cases where the PUE products are mostly used in Solar Direct Drive (SDD) mode¹⁷, these solutions must be categorised according to the solar installed capacity using the indications found in Table B3. The table below details the relationship between peak power and Tier allocation for SDD technology solutions. It should be noted that a clear relationship between energy utilised in the course of average daily activity for the technology solution and the generation capacity of the same solution will need to be established in order to qualify for Tier allocation. Solutions which possess peak power capacity in excess of their average daily use will be incentivised on the lower of these two metrics.

¹⁷ This is applicable when appliances utilise sunlight from panels to directly power the appliances, and batteries are used for secondary functions, emergency/unusual circumstances and/or provide less than 20% of the average daily energy usage of the appliance. Instances in which technologies use non-battery forms of energy storage (e.g. ice batteries for freezers or elevated water tanks for solar water pumps) should be analysed using this SDD methodology.

TABLE B3. TIER MATRIX ALLOCATION PROXY FOR SOLAR DIRECT DRIVE (SDD) APPLIANCES

PEAK POWER [W _P]	TIER
W _P <75	2B
75<=W _P <150	2C
150<=W _P <250	3
250<=W _P <500	4
500<=W _P <750	5
W _P >=750	6

Although the reverse auction mechanism primarily rewards the quantity of energy consumed by PUE equipment or produced by the system, energy efficiency is paramount and will be rewarded in the evaluation of the quality of the proposed project. The relationship between the power needs of the solution and the generation potential attached to this will be interrogated throughout the Application process, and solutions perceived to have unusual and/or inflated power needs will be re-categorised.

Weighted cost per connection

Applicants' bids for BGFA6 contracts in terms of the amount (expressed in EUR) of the incentive they request for a particular ESS connection, based on its Tier, and the quality of service provided.

The aggregated weights of the complete basket of the ESS offered by the Applicant will be used to determine the average wC of the proposal.

The energy service Tiers are weighted to reflect how much they contribute to the objectives of BGFA6. The weighting increases with the quality of energy services provided. These weights will be used to determine the average weighted cost of the basket of ESS offered through the Applicant's proposal, as per the below formula:

$$wC = \frac{\sum_i \frac{Cost_i * ESS_i}{w_i}}{\sum_i ESS_i}$$

where:

- **wC** is the weighted cost per connection
- **i** represents the different energy service categories (type of customers and Tier levels) as defined in the Tier matrix
- **ESS_i** is the targeted number of energy subscription offered under category i
- **Cost_i** is the subsidy per connection requested by the Applicant under category i
- **w_i** is the weight associated with category i (including a premium, as applicable)

The wC is then compounded with the qualitative score arising from the evaluation of the proposal to give an overall comparison score that will be used to determine the VfM and overall ranking of the proposal vis-à-vis the other bids.

Applicants are requested to carefully read the user instructions in the 'Read first' tab of the ESS Financial Offer tool before completing it.

Reservation

Nefco reserves the right to adjust and/or further supplement the above-described calculations and/or specification parameters.