

UNCDF FAQ– RECF Solar Window

SUBMITTED QUESTION	ANSWER
#1 How do we find a suitable working grid to do our business?	The RECF team has identified some of the existing mini-grids in Uganda. Please contact the RECF team at RECF.Uganda@uncdf.org
#2 What is the maximum number of companies that form a consortium?	There is no maximum but the consortium should only include organizations that are fully committed to the project. Commitment letters will be required from all consortium members at a later stage.
#3 Can the minimum grant be less than USD \$100,000?	No – USD\$100,000 is the minimum grant amount.
#4 Can we use RECF money to contribute to capital expenditure costs?	There is a limit to the % of the grant that can be used for purchasing of capital goods. See the breakdown in the FAQ document for full details.
#5 If we are developing a renewable energy solution for rural communities, how can we be helped?	The RECF provides support in the form of grant funding. If your company requires assistance related to the EOI process, the RECF provides technical assistance before submission of applications. To set up a session to speak with an RECF team member, please schedule an appointment.
#6 How does my NGO enter into partnership with RECF to benefit rural communities?	NGOs can apply as part of a consortium led by an eligible company (a for-profit company). An NGO cannot be the lead applicant.
#7 Are small CBOs that are already distributing solar products, but who can't afford the 20% cash contribution apply?	CBOs can apply as part of a consortium led by an eligible company (a for-profit company). The consortium as a whole will need to provide the matching contributions.
#8 Can UNCDF connect us to credible partners since we distribute solar products to refugees from our profits?	UNCDF can share the list of participants to the info session at the request of companies. UNCDF cannot facilitate partnerships at the moment but if you would like to have suggestions from our team please book a meeting or request the list of participants by emailing RECF.Uganda@uncdf.org
#9 If we incorporated our business in 2016, can we still apply as the lead company?	Please refer to the Guidelines , which describe the 3 possible scenarios in detail. If you have any questions beyond that or have a special case that requires further consideration please contact the RECF team via email or book a meeting.
#10 Does the funding extend to research and innovation?	No - the RECF does not fund research and development. Please refer to the FAQ document for more details.
#11 Can we get funding for chia seed production using solar technologies?	The solar PV portion of the project could be admissible.

<p>#12 If we have operations in another African country and we just opened up in Uganda, can we apply?</p>	<p>Yes - please refer to the Guidelines for more details. The parent company must however have a sufficient track record in the solar PV sector and be operational since at least 2 years.</p>
<p>#13 Is it acceptable to incorporate multiple solar solutions in an agricultural enterprise if they fall within the fund?</p>	<p>Applicants are allowed to submit multiple EOIs with multiple solutions as long as they are able implement them and are committed to doing so.</p>
<p>#14 Could you share the 3 presentations from pay-go, Nepal's experience and productive use?</p>	<p>YES - these slides can be found here.</p>
<p>#15 What happens to a company, which changed its legal status if they are interested in this funding window?</p>	<p>This question requires clarification and encourages booking a meeting with RECF here. As long as the company is registered as a business in Uganda since at least 2 years, it can apply. See the Guidelines for more details.</p>
<p>#16 What are the sustainability criteria?</p>	<p>Projects must be commercially viable and sustainable beyond the grant period of 24 months. Regarding environmental sustainability, this may be assessed at the full proposal stage.</p>
<p>#17 Is there any project sustainability fund when selected?</p>	<p>Projects must be commercially viable and able to run without further grant funding once the 24 months period is over.</p>
<p>#18 Who owns the funded projected after the window period?</p>	<p>The company owns the project.</p>
<p>#19 Why is the application of this fund limited to only USEA membership?</p>	<p>Please note – applicants are not required to be a member of a national industry association at the time of submission of your EOI.</p> <p>Only successful applicants will be asked to hold a valid membership to a relevant national industry association such as the Uganda Solar Energy Association (USEA) (or others) at the time of contract signing with UNCDF in May 2018.</p> <p>The RECF requires this as a means to further reinforce national industry associations, which play a key role in supporting the sector.</p> <p>For that same reason, RECF also encourages applicants to become members of relevant international industry associations such as the Global Off-Grid Lighting Association (GOGLA) or the Alliance for Rural Electrification (ARE).</p>
<p>#20 Question on energy funding, risk-sharing, technical partnership and other risks?</p>	<p>Applicants will be required to describe the risks involved with their business ideas and the mitigation strategies they plan to implement at the full proposal stage if your EOI is shortlisted.</p>

<p>#21 What measures does RECF have in place for failure for a company to achieve Milestones in sales?</p>	<p>As a performance based grant, funding will only be disbursed by RECF once milestones are completed. Therefore, disbursements are contingent on achieving the expected results. The milestones are set together by the RECF team and successful applicants.</p>
<p>#22 How much money do you have for this challenge fund?</p>	<p>The number and the size of the individual grants will depend on the available funds and on the quality of the applications. The amounts allocated to each grantee will be at the discretion of the Independent Investment Committee. Applicants may be asked to revise the amount of grant funding requested in their EOI.</p>
<p>#23 What is the due diligence for funds given between USD250,000 to USD 500,000?</p>	<p>Details on the due diligence process will be provided to shortlisted applicants who are requested to submit full proposals (e.g. documentation required, due diligence visit, etc.). The due diligence takes place at the full proposal stage.</p>
<p>#24 What constitutes cash contribution (Cash flow or sales)?</p>	<p>Please refer to the FAQ document for a detailed explanation of cash and in-kind contributions. If you have any further questions related to the topic please contact the RECF team via email or schedule a meeting.</p>
<p>#25 What other challenge funds have you planned?</p>	<p>The RECF is the only challenge fund taking place in Uganda at the moment. In 2015, UNCDF launched the CleanStart Energy Access Challenge in Uganda, which is now closed.</p>
<p>#26 Do you have any models for institutions and schools that teach about solar technologies?</p>	<p>Training can be a component of the project. But the project should still aim at deploying solar PV solutions. Companies are encouraged to train their sales staff and technicians.</p>
<p>#27 Can you fund more than USD 500,000?</p>	<p>No - The limit is US\$500,000.</p>
<p>#28 Can I partner with a European company or individual partner for a joint application?</p>	<p>Yes, you can partner with a non-Ugandan company or organization. As long as the lead applicant is eligible and the consortium or partnership is formalized.</p>
<p>#29 When is the next Solar Window opportunity?</p>	<p>This is the only solar window of the RECF.</p>
<p>#30 Does UNCDF have any programs to build capacity and engage MFIs to help them develop copying case studies from Nepal?</p>	<p>UNCDF does not provide technical assistance of that sort at the moment. This being said, if you wish to further discuss the MFI models from Nepal, you can book a meeting with the RECF team here.</p>
<p>#31 Is it allowed for me to partner with an NGO while applying?</p>	<p>Yes, as long as the lead applicant is a for-profit company and not an NGO. The NGO can be part of the consortium.</p>

<p>#32 What objectives do you have to increase the use of solar use in Uganda for an affordable price?</p>	<p>The RECF encourages applicants to propose business ideas that address the affordability barrier (e.g. credit or PAYG solutions, use of digital financial services, reducing prices through economies of scale, etc.). Please see the Guidelines for more details.</p>
<p>#33 Do I need to have a turnover equivalent to the funds that I apply for?</p>	<p>No - but you need to demonstrate your ability to come up with the required cost sharing and to access funds to kick-start the project.</p>
<p>#34 In order to extend our network to bring on board more connection, how can we access support to stimulate productive use of energy?</p>	<p>The following resources provides multiple examples of productive uses of energy in an off-grid setting: article, OCA Promoting Productive Uses of Energy in Uganda study and Solar Launch event speaker slides.</p>
<p>#35 How do solar companies have flexible terms for women in rural areas?</p>	<p>The RECF requires companies to provide employment opportunities to women and youth through the proposed business idea. Please refer to FAQ document for more details.</p>
<p>#36 How are you going to ensure quality and affordability for projects selected?</p>	<p>All products sold with support from the RECF must have undergone a Pre-export Verification of Conformity (PVoC) – The RECF will pay particular attention to the performance, quality and durability of the proposed solutions. Products that have been tested (both lab and field testing) and/or abide by specific performance and quality standards or guidelines (e.g. UNBS, Lighting Global10, IEC11, ISO, etc.) will be preferred.</p> <p>With regards to affordability - The RECF will look at the value for money of the proposed projects and will look at the pricing of products proposed by applicants.</p>
<p>#37 Does RECF consider start-ups in the renewable Energy space?</p>	<p>Yes - As long as the lead applicant is compliant with the eligibility criteria and has a sufficient track record to implement the proposed project within the given timeframe. Note that projects should begin by June 2018.</p>
<p>#38 What are the cost sharing requirements?</p>	<p>Please refer to the Guidelines for a detailed explanation of the cost sharing requirements and examples.</p>
<p>#39 How will RECF ensure value for money?</p>	<p>For each project, the RECF will look at the target number of systems/connections, the level of access provided (e.g. lighting only, productive uses, etc.), the number of jobs created, etc. Using this information, the RECF team will compare different proposals and evaluate how much impact will be obtained per dollar or grant disbursed.</p>
<p>#40 Any sights on monitoring and evaluation?</p>	<p>The RECF team will undertake M&E activities throughout the project implementation period. Details on the reporting requirements will be provided at the full proposal stage.</p>

<p>#41 Can market surveys be included in the budget?</p>	<p>Yes - but as long as these are part of a broader project and not the main expense. The main purpose of the funds is to support products sales, not to do market research.</p>
<p>#42 What counts as the impact of CleanStart by the end of the year after signing of PBA? Is it the increase cumulative sales or average increase in sales?</p>	<p>We consider sales supported by UNCDF CleanStart funding. If a company proposes XXXX sales for the project, then that is what we look at.</p>
<p>#43 Can an organization seeking funding to finance solar systems to be used on industrial/factory facilities qualify to apply?</p>	<p>That is not the intended use of the grant. That would be project finance and just a one off thing. But if you can come up with a sustainable model for this where the CAPEX is covered through other funds and propose some sort of scalable model for this which can create jobs and underserved communities (households, businesses, and so forth in Guidelines) then that is an interesting productive use.</p>
<p>#44 If one of our co-applicants is giving us supply credit, can this be recognized as a cash contribution on our part?</p>	<p>No - inventory purchases are considered a core business expense. Cash contributions must represent incremental expenses the applicant would not normally incur and which are linked to specific project activities.</p>
<p>#45 Does the grant cover training of technicians, marketing and sensitization? What component or types of trainings are covered?</p>	<p>Yes - As long as the training is required as part of the proposed business idea which leads to a greater uptake of solar PV. The proposal cannot only be about training.</p>
<p>#46 Can costs related to the project incurred before June 2018 appear in the budget and milestones?</p>	<p>No - unfortunately we cannot take into account any costs related to the project that are incurred before an agreement is in place with UNCDF.</p>
<p>#47 Can biogas be benefit from the call?</p>	<p>As per the Guidelines it is clear that this window is for solar PV only. Hybrid systems which use solar PV plus another solution are also accepted but solar PV must be a prominent aspect.</p>
<p>#48 What can a financial service provider do with the RECF funding? A) Can they use it as lending capital? B) Can they setup a revolving fund for working capital? C) Could they setup a loan guarantee or loan loss reserve?</p>	<p>The RECF funds cannot be used for on-lending, and so they cannot serve as lending capital. The RECF funds should be used primarily to support your operations and setting up of a fund or facility. So legal, technical or other costs pertaining to building the systems required to deploy your facility could be considered. Other tools such as a first loss facility or guarantee could also be considered if it translates directly into loans being made which in turn can directly be connected to increased access targets (sales/connections) within the 24 months period.</p>
<p>#49 Concerning the project ideas, I would like to confirm with you if a "client App" project can be considered.</p>	<p>Yes - as part of the innovation.</p>
<p>#50 The question 3.5 about the pricing model. What are you expecting from us? That is not clear.</p>	<p>Some information on your product pricing per unit (you can also include a brochure or price list at 6.8 on the form) and how you come up with your pricing (brief explanation).</p>
<p>#51 The question 6.3 is limited to 100 characters, shouldn't that be 100 words?</p>	<p>Yes - This has been corrected on the online form. Apologies for the inconvenience.</p>

<p>#52 The question 9.3 is limited to 100 characters shouldn't that be 100 words?</p>	<p>Yes - This has been corrected on the online form. Apologies for the inconvenience.</p>
<p>#53 Can the budget be downsized or made larger between the EOI and our Final application?</p>	<p>The investment committee can ask you to revise the budget and change the grant amount between the two stages. But if you wish to increase the amount, that won't be possible since your application will be shortlisted based on the amount you requested. The value can be reduced though. However the cost sharing % should remain unchanged.</p>
<p>#54 The Financial form will not allow negative numbers. How would you like it handled?</p>	<p>Data validation rule has been modified to allow for a negative number and guiding notes inserted to make it more intuitive based on feedback from users and the information in the drafts so far received. The effect is that it should very easily allow for input of negative numbers as well as offer "in-cell" guidance to each applicant as they fill it in.</p>