



WORLD BANK GROUP



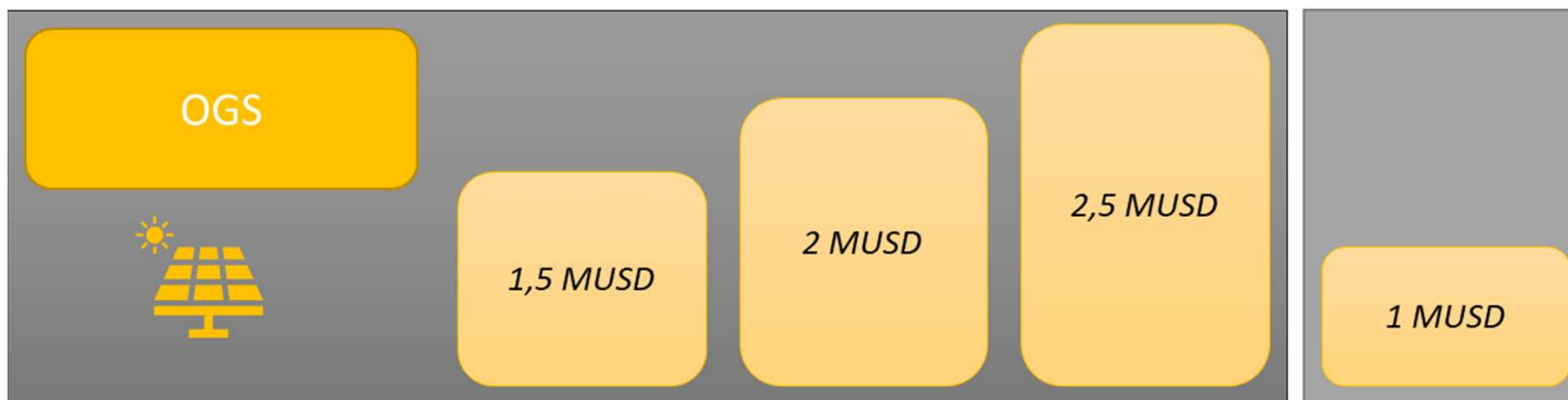
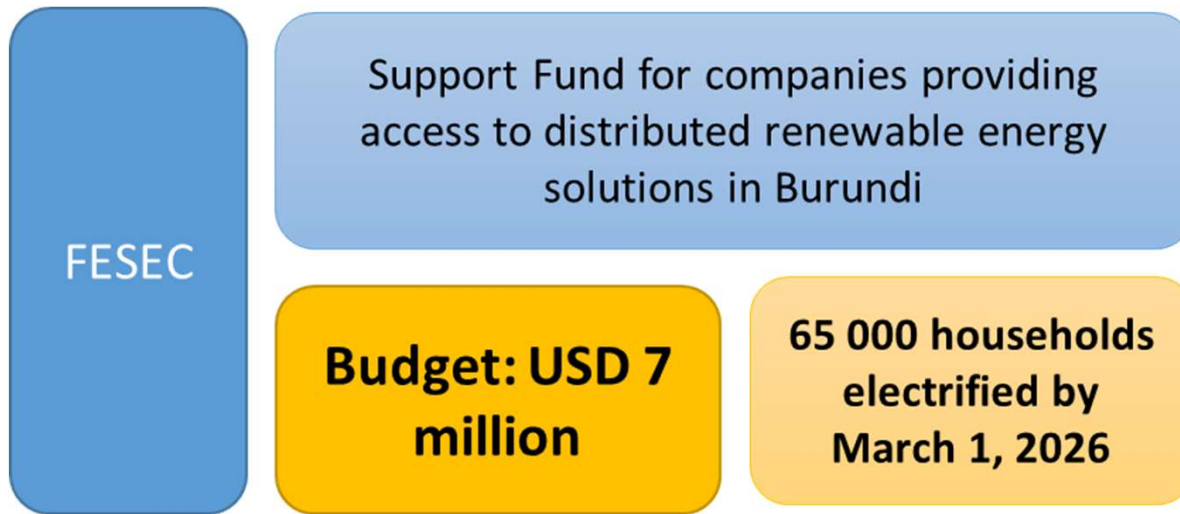
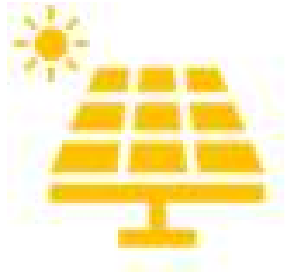
Fonds Energie Solaire et de Cuisson FESEC

**Third component of Soleil-Nyakiriza
project**

**Call with Off-Grid Solar Companies
March 31, 2023**



OBJECTIVES AND STRUCTURE



Nascent market with only few commercial distributions



Challenges for OGS sector/ private companies:

- Access to foreign currency for stock acquisition
- Purchasing power of Burundian households
- Confidence in the quality of existing products
- Use of mobile money payments
- Lack of technical training
- Customs duties on integrated kits

SUMMARY OF SUBSIDY WINDOWS



Window	Financing	Conditions for next phase
Start up	<ul style="list-style-type: none"> - Stock purchase (max USD 50,000 for min 500 units up to 100% of FOB price) - Co-financing of distribution network and launch activities 	<ul style="list-style-type: none"> - >1 000 products sold in 9 months - >1 000 products sold during las 12 months without start up subsidy
Growth	<ul style="list-style-type: none"> - Stock purchase (max USD 150,000 for min 2,000 units up to 75% of FOB price) - Co-financing distribution network expansion and strengthening processes & activities 	<ul style="list-style-type: none"> - Min 200 products/ month for the past 3 months - >3 000 products sold during last 12 months without start up or growth subsidy
RBF	As per confirmed and eligible sales	N/A

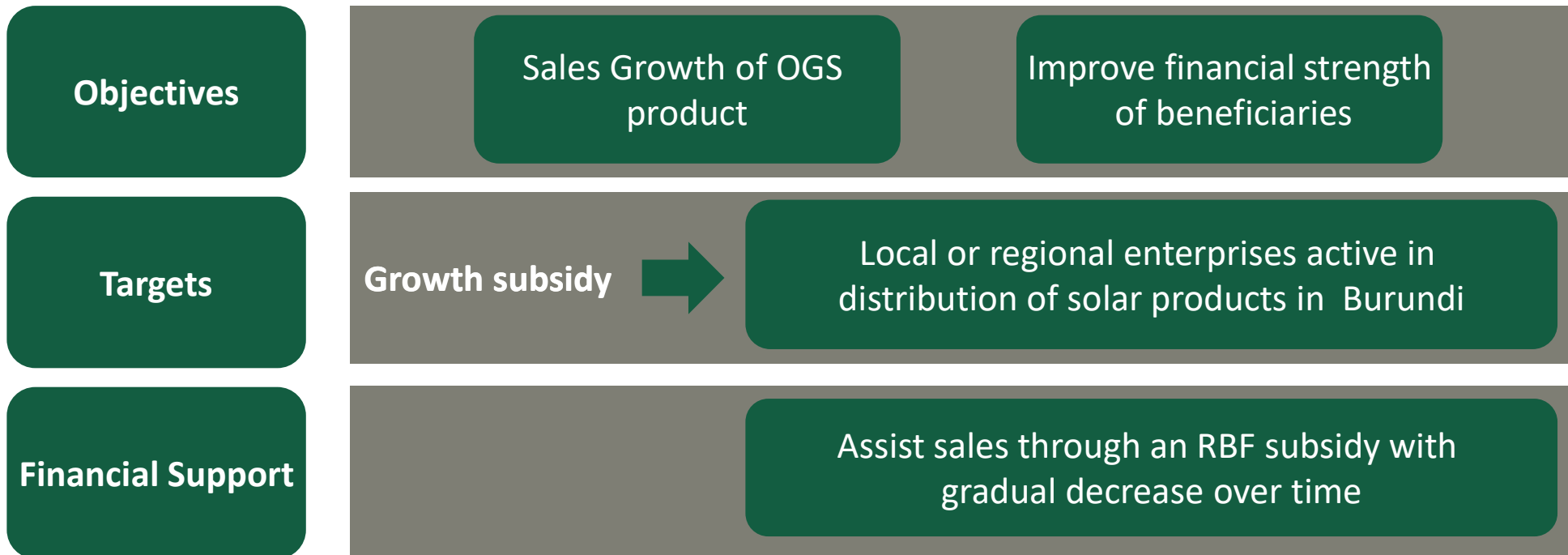
- Co-financing of stock purchase for the first order with a max amount of **USD 50,000 financed by FESEC** and a min number of **500 units subsidized up to 100% of the FOB price**
- Product mix as per company's decision
- **Direct payment to suppliers in foreign currency**
- Limited time to sell the co-financed stock – 9 months with monthly sales tracking
- Second portion of **up to BIF 100 million** per beneficiary for
 - Co-financing of establishing and/or reinforcing the distribution network
 - Co-financing of marketing and communication campaigns
 - Training/ capacity building of sales agents and staff.

GROWTH SUBSIDY



- **Direct access if > 100 solar kits sold/ month in the last 3 months and > 1,000 kits in the last 12 months**
- First subsidized stock purchase order of **up to USD 150,000 and a minimum of 2,000 units**. The subsidy **up to 75% of the FOB price**
- Product mix as per company's decision
- **Direct payment to suppliers in foreign currency**
- A limited time to sell the co-financed stock – 12 months with monthly follow-up
- Second portion of **up to BIF 200 million** per beneficiary for
 - Co-financing of distribution network expansion
 - Co-financing of marketing and communication campaigns
 - Capacity building of sales agents and staff
 - Management software

RESULTS BASED FUNDING



Direct access if sales > 300 kits/ month in the last three months

- Payment of part of the RBF based on quarterly sales submitted following verification by FESEC with the possibility of paying part of the amount in foreign currency directly to the suppliers
- Payment of the remaining amount with adjustment following the verification by the IVA with the possibility of termination of the RBF contract if the amount to be deducted is greater than the amount due for the next quarter.

RESULTS BASED FUNDING



RBF				
Subsidy per product and regional bonus				
Product type	Code	Amount in BIF	Region	Bonus in BIF
1 light with less than 300 lm - hour per day	S	10,000		
			4	5,000
			5	4,000
			6	3,000
1 light with more than 300 lm - hour per day	M	20,000		
			4	10,000
			5	8,000
			6	6,000
Several lights without accessories	L	50,000		
			4	25,000
			5	20,000
			6	15,000
Several lights with accessories (TV, radio, etc.)	XL	100,000		
			4	50,000
			5	40,000
			6	30,000
Scale: 0 (not electrified) - 10 (Bujumbura Mairie)	Weight			
* to be defined based on the electrification level of the region				
<u>Region 1A North:</u>	6			
<u>Region 1B North:</u>	5			
<u>Region 2A Center:</u>	6			
<u>Region 2B Center:</u>	4			
<u>Region 3A West:</u>	4			
<u>Region 3B West:</u>	5			
<u>Region 4 East:</u>	4			
<u>Region 5 South:</u>	5			

Eligibility:

- 1) Applicant
- 2) Products
- 3) Project / Business Plan

Applicants

Enterprises operating in OGS sector legally registered in Burundi

Products

Only VeraSol certified kits will be eligible for any form of subsidy

Use of Funds

Acquisition of stock
Salaries of staff assigned to the project
Management Systems
Marketing and Communication
Distribution network development

Start-up and Growth

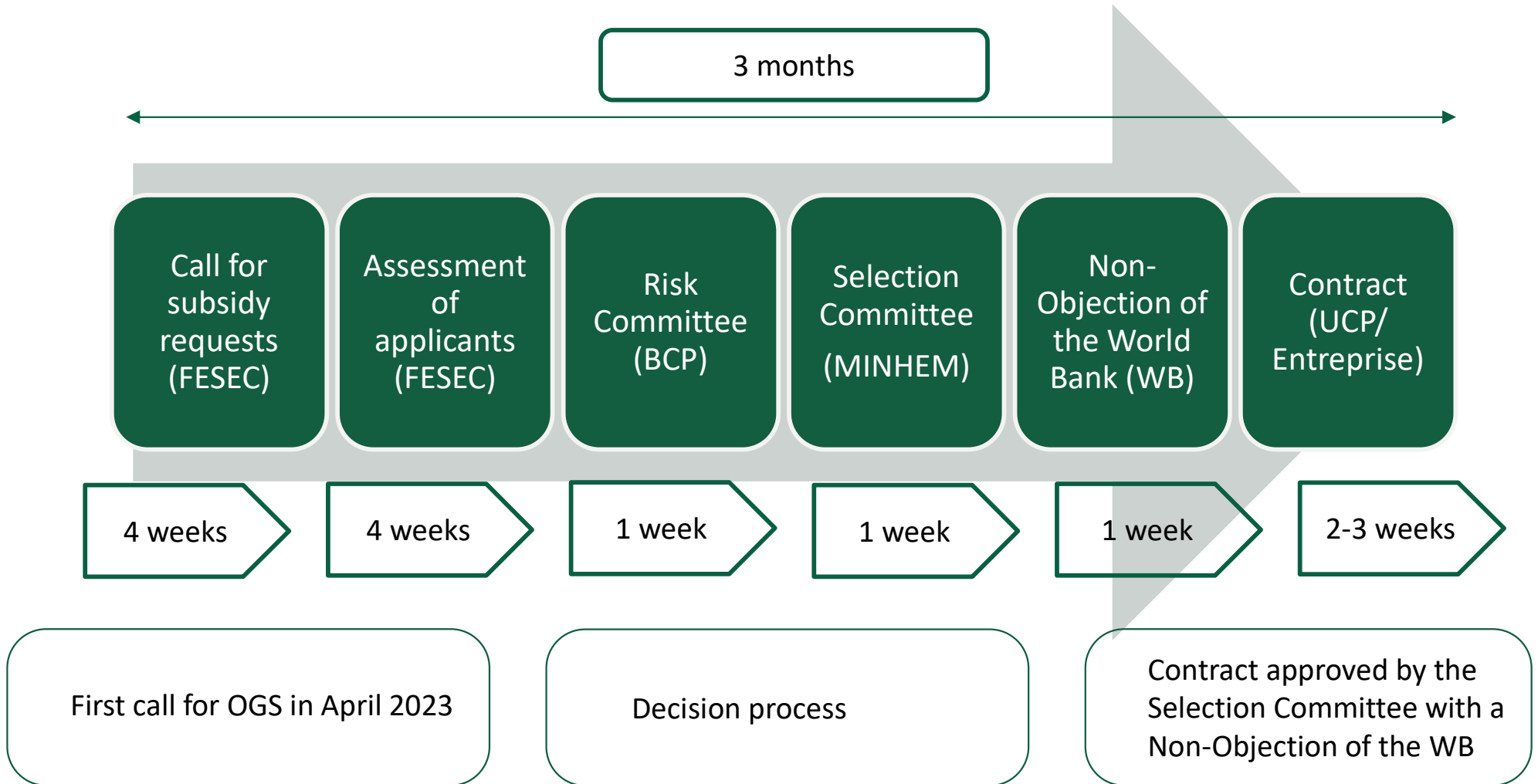
RBF

ASSESSMENT OF APPLICATIONS



Sections	Assessment criteria	Max. Score possible
SECTION A – Applicant Profile	A1 – Organization and management team including an organizational chart of the company	5
	A2 – Current Financial Statements	5
	A3 – Historical performance – performance indicators (KPIs)	5
	A4 – Experience in importing products in general and solar products in particular	10
	A5 – Established headquarters and agencies	10
SECTION B – Technical aspects	B1 – Marketing and distribution	10
	B2 – Financial Planning	15
	B3 – Selected product mix	10
	B4 – Energy waste management strategy	5
	B5 – Detailed business plan with viable, scalable and sustainable potential	15
SECTION C – Financial aspects	C1 – Consistent and realistic trends of projected financial indicators	10
Total		100

NEXT STEPS TIMELINE



Thanks
