



RURAL ELECTRIFICATION AGENCY

# Nigeria Electrification Project

## Solar Hybrid Mini Grids for Rural Economic Development – Performance-Based Grant Program

### Qualification Instructions

November 18<sup>th</sup>, 2019

**Employer:** Rural Electrification Agency

**Project:** Nigeria Electrification Project

**Component:** Solar Hybrid Mini Grids for Rural Economic  
Development (Performance-Based Grant Program)

**Country:** Nigeria

**Credit No.:** 62910

Updates to PBG qualification instructions

#	Update	Location	Date
1	State-owned enterprises are eligible (as per clause 4.2), subject to the conditions listed in clause 4.13 for state-owned enterprises registered in Nigeria	Section 1. A	May 10 <sup>th</sup> , 2019
2	The link to the list of firms debarred by the World Bank has been updated in clause 4.11	Section 1. A	May 10 <sup>th</sup> , 2019

3	A single legal entity does not have to be registered in Nigeria when submitting an Application (as per revised clause 4.2.a), but will be required to register a wholly-owned subsidiary in the Federal Republic of Nigeria before signing the grant agreement with the REA (as per the addition in clause 4.6)	Section 1. A	July 31 <sup>st</sup> , 2019
4	Applicants need to demonstrate experience of having secured financing of at least US\$100,000 or its Nigerian Naira equivalent in equity, debt, or a combination of both, for at least one (1) project in infrastructure since 2014, as per the revisions in Criterion 2.2 and 2.3.	Section 2	July 31 <sup>st</sup> , 2019
5	An Applicant is ineligible if it has been excluded from participating in the Nigeria Electrification Project by the REA (clause 4.16 was added).	Section 1.A	October 29, 2019
6	The Applicant is allowed to use the qualifications of its parent entities (clause 17.2 was added in section 1 and section 2.2 was amended to that effect).	Section 1.A	October 29, 2019
7	Applicants must demonstrate that they have qualified staff dedicated to Environmental and Social risk management, as per the revision to Criterion 1.5.	Section 2	October 29, 2019
8	The Applicant must provide CVs of the key personnel, as per the revision in Criterion 4.1	Section 2	October 29, 2019
9	Applicants need to certify that an employer has not suspended or terminated a contract of the Applicant and/or called the performance security for a contract of the Applicant for reasons related to Environmental, Social, Health, or Safety (ESHS) performance in the preceding 24 months, as per the revisions in Criterion 1.7.	Section 2	October 29, 2019
10	Applicants need to certify that they have not paid any fine relating to ESHS violations in the preceding 24 months. as per the revisions in Criterion 1.7.	Section 2	October 29, 2019
11	Liquid assets of at least USD25,000 or its Nigerian Naira equivalent, in the last financial year, as per the revisions in Criterion 2.2.	Section 2	October 29, 2019
12	Experience in securing financing, shown by having raised successfully at least US\$100,000 or its Nigerian Naira equivalent in equity, debt, or a combination of both, for at least one (1) project in infrastructure within the preceding 60 months, as per the revisions in Criterion 2.3. Forms FIN 2.1 and 2.2 should be merged as form FIN 2 to reflect the above changes.	Section 2	October 29, 2019
13	The Applicant has designed and built at least one (1) mini grid* of at least 10kW in generation capacity, within the preceding 60 months, and this mini grid is still in operation*	Section 2	October 29, 2019

	at the time of submission of this Application, as per the revisions in Criterion 3.1.		
14	The Applicant has operated at least one (1) mini grids* of at least 10kW in generation capacity, within the preceding 60 months, and this mini grid is still in operation* at the time of submission of this Application as per the revisions in Criterion 3.2.	Section 2	October 29, 2019
15	Applicants should be allowed to use the financials of their parent company or lead sponsor in the case of a consortium	Section 2	October 29, 2019
16	Applicants may be Qualified on a conditional basis at the discretion of the REA. The specific conditions that will need to be met, and by when, will be clearly articulated to the Applicants by the REA in writing.	Section 1.F	October 29, 2019

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## Acronyms and Definitions

Acronym	Full form
COD	Commercial Operations Date
ESHS	Environmental, Social, Health and Safety
ITA	Instructions to Applicants
NEP	Nigeria Electrification Project
QID	Qualification Instructions Document
REA	Rural Electrification Agency
USD	United States Dollar
NGN	Nigerian Naira

TERM	DEFINITION
“Applicant”	A single legal entity, or a Consortium, that submits an Application.
“Application”	The program application submitted by an Applicant for the Qualification stage.
“Consortium”	An Applicant that, rather than being one individual or legal entity, is a group of individuals, companies, firms, bodies corporate or other entities that intend to participate through joint effort in the procurement process. All Partners in a Consortium shall have an equity stake in the Consortium itself, which would provide the services being procured, if selected.
“Grant agreement”	An agreement between the REA and an Applicant who has been Qualified, and whose Site-Specific Technical Application has been approved.
“Individual”	Any person who is able to control the entity through ownership or any other way.
“Lead Partner”	Shall have the meaning given in ITA 4.2.
“Partner”	An entity that has or will have an equity stake in a Consortium, in accordance with ITA 4.2.
“Project”	Nigeria Electrification Project

"Program"	The performance-based grant window of the NEP
"Qualification Instructions Document"	Shall have the meaning given in ITA 1.1
"Qualification Stage"	The first stage of the Program selection process, under which the REA evaluates whether the Applicant is eligible and qualified to enter the Program.
"Site-Specific Technical Application"	A grant application for one or more sites that a Qualified Applicant may submit.
"Subcontractor"	Shall have the meaning given in ITA 4.6.
"Qualified Applicant"	An Applicant whose Application has met or exceeded ("passed") all the specified threshold requirements in the Qualification process.

## Introduction

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This document sets out the procedures for the Qualification Stage of the Performance-Based Grant (PBG) Program (“Program”). The selection process consists of two stages: Qualification stage (submission of a Program application and selection of eligible and qualified Applicants), and Site-Specific Technical Application (grant application for specific projects).

The Rural Electrification Agency (REA) invites Applicants capable of meeting the eligibility and qualification criteria set out in this Qualification Instructions Document (QID) to submit their Program application (“Application”) on the Odyssey Platform. Applicants that meet such criteria will then be invited to submit their Site-Specific Technical Application on the Odyssey platform.

# Section 1 – Instructions to Applicants (ITA)

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## A. General

### 1. Application Overview

1.1 The REA issues this Qualification Instructions Document ("QID") to prospective applicants ("Applicants") interested in submitting a Program application ("Application") for the Qualification stage of the Program. As specified in the Program Overview, Qualified Applicants will then be invited to submit Site-Specific Technical Applications for the development of one or more mini grids. Qualified Applicants whose Site-Specific Technical Applicant is approved will enter into a grant agreement ("Grant Agreement") with the REA. The REA's contact information is as follows:

**Rural Electrification Agency (REA)/NEP – Head, Project Management Unit's Office**

Head, Project Management Unit (NEP)

No. 16, Umaru Dikko Street,

Jabi District, Abuja

Nigeria

Tel: +234 8034995157

Tel: +234 8166141424

Tel: +234 8033252544

E-mail: nep@rea.gov.ng

Website: [www.rea.gov.ng](http://www.rea.gov.ng)

### 2. Source of Funds

2.1 The Federal Government of Nigeria has applied for or received financing from the International Bank for Reconstruction and Development or the International Development Association (hereinafter called "the Bank") for an amount of USD350 million towards the cost of the Nigeria Electrification Project ("Project"). The REA intends to apply a portion of the funds to eligible payments under the PBG funding window for which this Qualification is conducted.

2.2 Payment by the Bank will be made only at the request of the REA and upon approval by the Bank, and will be subject, in all respects, to the terms and conditions of the Loan (or other financing) Agreement. The Loan (or other financing) Agreement prohibits a withdrawal from the Loan (or credit) account for the purpose of any payment to persons or entities, or for any import of goods, equipment, plant or materials, or services if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Federal Republic of Nigeria shall derive any rights from the Loan (or other financing)

Agreement or have any claim to the proceeds of the loan (or credit).

**3. Fraud and Corruption**

- 3.1 The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the World Bank Group's Sanctions Framework, as set forth in Section 3, Fraud and Corruption.
- 3.2 In further pursuance of this policy, Applicants shall permit and shall cause their agents (where declared or not), subcontractors, subconsultants, service providers, suppliers, and their personnel, to permit the Bank to inspect all accounts, records and other documents relating to the Qualification process, or Site-Specific Technical Application and to have them audited by auditors appointed by the Bank.

**4. Eligible Applicants**

- 4.1 Applicants shall meet the eligibility and qualification criteria as per clause 4 and the criteria listed in section 2.
- 4.2 For the purpose of this Qualification Procedure,

An "Applicant" may be:

- (a) a single legal entity; either private entity or a state-owned enterprise or institutions subject to ITA 4.13; or

- (b) Any combination of such entities in the form of:

- i. a consortium ('Consortium') that is incorporated as a legal entity in the Federal Republic of Nigeria, having the capacity to enter into a contract under the laws of the Federal Republic of Nigeria; or
- ii. an unincorporated Consortium supported by an existing agreement or letter of intent to form such an agreement.

In the case of a Consortium,

- (a) all Partners in the Consortium shall have an equity stake in the company providing the services being procured if selected; and

- (b) all Partners shall agree to be jointly and severally liable for the execution of the Grant Agreement in accordance with the Grant Agreement terms; and

(c) the Consortium shall nominate a Lead Partner that shall have the authority to conduct all business for and on behalf of any and all Partners of the Consortium during the Qualification and Site-Specific Technical Application process and, in the event the Consortium's Site-Specific Technical Application is approved, during the construction of the mini grid(s) and during the execution of the Grant Agreement.

- 4.3 The Applicant shall designate one (1) individual to be its authorized representative. The authorized representative must be authorized through a Power of Attorney to act on behalf of the Applicant. In the case of a Consortium, the authorized representative must be authorized, through a Power of Attorney, by all other Partners of the Consortium to act on their behalf.
- 4.4 There is no limit to the number of Partners in a Consortium.
- 4.5 Any unincorporated Consortium will be required to be incorporated before signing the Grant Agreement with the REA.
- 4.6 Any single legal entity not registered in the Federal Republic of Nigeria at the time of the submission of its Application will be required to register a wholly-owned subsidiary in the Federal Republic of Nigeria before signing the grant agreement with the REA.
- 4.7 Subcontractors are those that will perform certain activities to develop the mini grid(s), but unlike Partners in a Consortium, will not have an equity stake in the Consortium.
- 4.8 An Applicant may have the nationality of any country. An Applicant shall be deemed to have the nationality of a country if the Applicant is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case may be.
- 4.9 Applicants and their Subcontractors or suppliers shall not have a conflict of interest. Applicants shall be considered to have a conflict of interest in the following cases:

- If they, or any of their affiliates, participated as a consultant in the preparation of the PBG Program Design
- If any officer of the evaluation committees of the REA or Board members of the REA is a former or present director, shareholder, or has any pecuniary interest in the Applicant, or in the case of a Consortium, in any of its Partners.

In addition, Applicants may be considered to have a conflict of interest if they have a close business or family relationship with a professional staff of the REA who: (i) are directly or indirectly involved in the preparation of the QID or Instructions for the Site-Specific Technical Application or of the PBG Agreement, or (ii) would be involved in the implementation or supervision of the PBG Agreement, unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank.

- 4.10 An Applicant that has been sanctioned by the Bank, pursuant to the Bank's Anti-Corruption Guidelines, and in accordance with its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as described in Section 3, paragraph 2.2 d. shall be ineligible to be qualified or be awarded a Bank-financed contract or benefit from a Bank-financed contract, financially or otherwise, during such period of time as the Bank shall have determined.
- 4.11 The list of debarred firms and individuals is available on the Bank's external website: <http://www.worldbank.org/en/projects-operations/procurement/debarred-firms>
- 4.12 Firms and individuals debarred by the REA are not eligible to apply.
- 4.13 State-owned enterprises registered in Nigeria are eligible to apply only if they can establish, in a manner acceptable to the World Bank, that they (i) are legally and financially autonomous; (ii) operate under commercial law, and (iii) are not under supervision of the REA.
- 4.14 An Applicant shall provide such documentary evidence of eligibility satisfactory to the REA, as the REA shall reasonably request.
- 4.15 Countries, persons or entities are ineligible if (a) as a matter of law or official regulations, the Federal Republic of Nigeria

prohibits commercial relations with that country, or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Federal Republic of Nigeria prohibits any import of goods or contracting of works or services from that country, or any payments to any country, person, or entity in that country.

4.16 An Applicant is ineligible if it has been excluded from participating in the Nigeria Electrification Project by the REA.

## B. Contents of the Qualification Instructions Document

- |  |   |
|--|---|
| <b>5. Sections of Qualification Instructions Document</b>      | <p>5.1 This QID consists of the sections indicated below which should be read in conjunction with any Addendum issued in accordance with ITA 7.1.</p> <ul style="list-style-type: none"><li>• Section 1 - Instructions to Applicants (ITA)</li><li>• Section 2 - Qualification Criteria and Requirements</li><li>• Section 3 - Fraud and Corruption.</li></ul> <p>5.2 The Applicant should only refer to the Program documents that are available on the Odyssey Platform.</p> <p>5.3 The Applicant is expected to examine all instructions, forms, and documents on the Odyssey platform and to furnish with its Application all information or documentation as is required by the QID.</p> |
| <b>6. Clarification of Qualification Instructions Document</b> | <p>6.1 An Applicant requiring any clarification on the QID shall contact the REA by sending an email to <a href="mailto:nep@rea.gov.ng">nep@rea.gov.ng</a>, with the following subject: Mini Grid PBG – Request for Clarifications for Qualification. The REA will respond in writing to any request for clarification. The REA will upload on the Odyssey platform a description of the inquiry and the response but without identifying its source. Applicants who are registered on the Odyssey platform will be notified when a new document with requests for clarifications and answers is uploaded onto the platform.</p>  |
| <b>7. Amendment of Qualification</b>                           | <p>7.1 At any time, the REA may amend the instructions. Amendments are indicated at the beginning of the instructions. Applicants</p>   |

**Instructions  
Document**

who are registered on the Odyssey platform will be notified when a new document is uploaded onto the platform.

## C. Preparation of Applications

- 8. Cost of Applications**
- 8.1 The Applicant shall bear all costs associated with the preparation and submission of its Application. The REA will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the Qualification process.
- 9. Language of Application**
- 9.1 The Application, supporting documents and printed literature that are part of the Application, as well as all correspondence between the Applicant and the REA, shall be in English.
- 10. Documents Comprising the Application**
- 10.1 The Applicant shall complete an online form on the Odyssey platform. In addition to the online Application, the Applicant shall submit the following documents to establish its eligibility and qualifications:
- Power of Attorney for one (1) individual to act as an authorized representative on behalf of the Applicant. In the case of a Consortium, each Consortium Partner must authorize the representative through a Power of Attorney
  - Articles of Incorporation, or Documents of Registration of the entity, or equivalent documents of constitution
  - In case of Consortium, a letter of intent between Consortium Partners to form Consortium or Consortium agreement
  - Audited financial statements for the past two (2) financial years for the Applicant, their Parent Company or Lead Sponsor in the case of a Consortium. The Grant Agreement shall be in favour of the Financial Sponsor.
  - Tax clearance certificate(s) or equivalent certificate(s), for the last two (2) years for all parties (where applicable)
  - For Applicants already incorporated in Nigeria: certificate that the Applicant and (in the case of a Consortium), each Consortium Partner is up to date on its pensions, Nigerian Social Insurance Trust Fund, and Industrial Training Fund
  - The following standardized forms (a template for each

form is available on the Odyssey platform):

- Application Submission Letter
  - Form FIN 2
  - Form EXP 3.1
  - Form EXP 3.2

The REA reserves the right to disqualify an Applicant if these forms are not in the format provided on the Odyssey platform.

Along with the Business Plan:

- Completed Environmental and Social Management System (ESMS) template (mandatory)
- Organizational chart (optional)
- Health and safety guidelines (optional)
- Three-year projection of profit and loss statement (mandatory)
- Three-year projection of cashflow statement (mandatory)
- Three-year projection of balance sheet (mandatory)
- Three-year projection of business ratios—debt ratio and profit margin ratio (mandatory).

No Application shall contain:

- (i) Prices or price schedules or any other reference to rates and prices
- (ii) General marketing materials, brochures and the like.

**11. Exchange Rate** 11.1 Wherever an Application Form requires an Applicant to state a monetary amount, Applicants should indicate the amount in United States Dollars (USD), or the Nigerian Naira (NGN) equivalent determined as follows:

- For the amount of financing committed to the development of mini grid(s) under the PBG Program (as per criteria 3.1 and 3.2 of Section 2 – Qualification Criteria and Requirements) – exchange rate prevailing at the date the Application is submitted

- For financial data required for each year - exchange rate prevailing on the last day of the respective calendar year (in which the amounts for that year are to be converted)
- For the value of single contract – exchange rate prevailing on the date of the contract.

11.2 The source for determining exchange rates is: <https://www.oanda.com/currency/converter/>

## D. Submission of Applications

- 12. Timeline** 12.1 Funds are available to Applicants on a first-come first-served basis. Applicants may submit their Applications on a rolling-basis until funds available under the Program are exhausted. The REA will announce on its website when the funds are exhausted at the following web page: [http://rea.gov.ng/nep\\_announcements](http://rea.gov.ng/nep_announcements).

## E. Procedures for Evaluation of Applications

- 13. Confidentiality** 13.1 From the submission of the Program Application to the time of notification of the results of the Qualification, any Applicant that wishes to contact the REA on any matter related to the Program or the Qualification process may do so in writing at the following email address: [nep@rea.gov.ng](mailto:nep@rea.gov.ng)
- 14. Clarification of Applications** 14.1 To assist in the evaluation of Applications, the REA may, at its discretion, ask an Applicant for a clarification (including missing documents) of its Application, to be submitted within a stated reasonable period of time. Any request for clarification from the REA and all clarifications from the Applicant shall be in writing.
- 14.2 If an Applicant does not provide clarifications and/or documents requested by the date and time set in the REA's request for clarification, its Application shall be evaluated based on the information and documents available at the time of evaluation of the Application.
- 15. Responsiveness of Applications** 15.1 The REA may reject any Application which is not responsive to the requirements of the QID. In case the information furnished by the Applicant is incomplete or otherwise requires clarification as per ITA 14.1, and the Applicant fails to provide

satisfactory clarification and/or missing information, it may result in disqualification of the Applicant.

- 16. Evaluation of Applications Timeline** 16.1 The REA will evaluate applications on a rolling-basis as they are received. The REA intends to notify Applicants who were qualified and Applicants who were not qualified within 35 business days of the submission of their Application.

## F. Evaluation of Application and Qualification of Applicants

- 17. Evaluation of Applications** 17.1 The REA shall use the factors, methods, criteria, and requirements defined in Section 2, Qualification Criteria and Requirements of the QID to evaluate the qualifications of the Applicants, and no other factors, methods, criteria, or requirements shall be used. The REA reserves the right to waive minor deviations from the qualification criteria if they do not materially affect the technical capability and financial resources of an Applicant to develop mini grid(s) under the Program.
- 17.2 The Applicant is allowed to use the qualifications of its parent entities.
- 17.3 Subcontractors shall not be used to meet qualification requirements under Section 2 – Qualification Criteria and Requirements (financial capacity criteria 2.1 and 2.2, and technical capacity 3.1 and 3.2). Subcontractors should, however meet eligibility requirements 1.1 (eligibility and nationality), 1.2 (conflict of interest), 1.3 (Bank eligibility), 1.4 (United Nations resolution or Federal Republic of Nigeria laws), 1.6 (fit and proper), and 1.7 (ESHS past performance) as defined in Section 2 – Qualification Criteria and Requirements.
- 18. Qualification of Applicants** 18.1 All Applicants whose Application has met or exceeded (“passed”) all the requirements as established under ITA 4 and Section 2 – Qualification Criteria and Requirements will be Qualified, to the exclusion of all others.
- 19. REA’s Right to Accept or Reject Applicants** 19.1 The REA reserves the right to accept or reject any Application, and to annul the Qualification process and reject all Applicants at any time, without thereby incurring any liability to the Applicants.
- 20. Notification of Qualification** 20.1 The REA will notify all Qualified Applicants in writing through the Odyssey Platform that they have been qualified.

- 21. Conditional Qualification** 21.1 Applicants may be Qualified on a conditional basis at the discretion of the REA. The specific conditions that will need to be met, and by when, will be clearly articulated to the Applicants by the REA in writing.
- 22. Disqualified Applicants** 22.1 The REA shall separately notify all other Applicants that they have not been Qualified and state the reasons why the Applicant was not Qualified.  
22.2 Applicants that are not Qualified to enter the Program may make modifications to their Program Application and resubmit a Program Application. There is no limit to the number of times an Applicant may resubmit its Program Application.
- 23. Site-Specific Technical Application** 23.1 Promptly after the notification of the results of the Qualification, the REA shall invite Site-Specific Technical Application from all the Applicants that have been qualified.
- 24. Changes in Qualifications of Applicants** 24.1 Any change in the structure or formation of an Applicant after being qualified in accordance with ITA 18 and invited to submit a Site-Specific Technical Application (including, in the case of a Consortium, any change in the structure or formation of any Partner) shall be subject to the written approval of the REA prior the submission of the Site-Specific Technical Application. Such approval shall be denied if, as a consequence of the change, the Applicant no longer substantially meets the qualification criteria set forth in Section 2 - Qualification Selection Criteria and Requirements.
- 25. Grievance Redress Mechanism** 25.1 Applicants that are not Qualified and wish to challenge the assessment shall send a complaint in writing, to:  
**For the attention:** Mrs. Esther Adejoke Odumosu  
**Address:**  
Rural Electrification Agency (REA)  
No. 22 Freetown, Wuse II  
900288, Abuja  
Nigeria  
**Title/position:** Head-Project Management Unit  
**Government Representative:** Rural Electrification Agency  
**Email address:** nep@rea.gov.ng

## **Section 2 - Qualification Criteria and Requirements**

This section contains all the methods, criteria, and requirements that the REA shall use to evaluate Applications on a pass or fail basis. The information to be provided in relation to each requirement are included in the respective Application Forms available on the Odyssey Platform.

The Applicant may apply as a single legal entity, or as a Consortium. In the criteria and requirements table, the following applies:

If the Applicant is applying as a single legal entity, it should meet the requirements as specified in the “Single Entity” column

If the Applicant is applying as a Consortium, it should meet the requirements as specified in the three columns under “Existing or Intended Consortium”: “All Partner Combined”, “Each Partner”, and “One Partner (not necessarily Lead)”.

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Table – Qualification Criteria and Requirements

## 1. Eligibility

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
1.1	<b>Eligibility and Nationality</b>	Eligibility in Accordance with ITA 4.2 and nationality in accordance with ITA 4.7.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	<p>Application Submission Letter, and online Odyssey form. The online Odyssey form should be accompanied by the following attachments:</p> <ul style="list-style-type: none"> <li>• Power of attorney;</li> <li>• Articles of Incorporation, or Documents of Registration of the entity, or equivalent documents of constitution; and</li> <li>• <b>For an incorporated Consortium:</b> Consortium Agreement, stating that the members are jointly and severally liable;</li> <li>• <b>For an unincorporated Consortium:</b> Letter of intent to form a Consortium, stating that</li> </ul>

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
							the members are jointly and severally liable.
1.2	<b>Conflict of Interest</b>	No conflicts of interest in accordance with ITA 4.8.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Letter
1.3	<b>Bank Eligibility</b>	Not having been declared ineligible by the Bank, as described in ITA 4.9 and 4.10.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Letter
1.4	<b>United Nations resolution or Federal Republic of Nigeria laws</b>	Not having been excluded as a result of prohibition in the Federal Republic of Nigeria laws or official regulations against commercial relations with the Applicant's country, or by an act of compliance with UN Security Council resolution, both in accordance with ITA 4.14.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Online Odyssey Form, and Application Submission Letter

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
1.5	<b>Fit and Proper</b>	The Applicant and Individuals* who control the Applicant or (in the case of a Consortium), any of its Partners, must be fit and proper, and compliant with Nigerian laws or laws of their country of incorporation. This means that the Applicant or any Individual:	Must meet requirement	Must meet requirement	Must meet requirement	N/A	<ul style="list-style-type: none"> <li>• Application Submission Letter; and for a single entity or (in the case of a Consortium), for each Consortium Partner):</li> <li>• Tax clearance certificate(s) or equivalent certificate(s) for the last two (2) years For Applicants already incorporated in Nigeria: certificate that the Applicant and (in the case of a Consortium), each Consortium Partner is up to date on its pensions, Nigerian Social Insurance Trust Fund, and Industrial Training Fund.</li> </ul>

		<ul style="list-style-type: none"> <li>• Is not in receivership, or the subject of any form of insolvency or bankruptcy proceedings;</li> <li>• Has not been the subject of a judgment which has the force of 'res judicata' for fraud, corruption, involvement in a criminal organization, or any other illegal activity;</li> <li>• Has not been blacklisted by any national government;</li> <li>• Has not had any director convicted in any country for any criminal offence relating to fraud or financial impropriety in any country;</li> <li>• For Applicants already incorporated in Nigeria: The Applicant has fulfilled all the obligations in the Federal Republic of Nigeria to pay taxes, pensions, Nigerian Social Insurance Trust Fund, and Industrial Training Fund under the relevant laws;</li> <li>• For Applicants not incorporated in Nigeria: the applicant has fulfilled its tax obligations in its country of incorporation.</li> </ul>					
<b>1.5</b>	<b>E&amp;S capacity</b>	The Applicant has qualified staff dedicated to Environmental and Social risk management	Must meet requirement	Must meet requirement	N/A	N/A	Online Odyssey Form

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
1.6	<b>Environmental and Social compliance</b>	Compliance with the relevant provisions of the REA's Environmental and Social Management Framework (ESMF) <sup>1</sup>	Must meet requirement	Must meet requirement	Must meet requirement	N/A	<ul style="list-style-type: none"> <li>• Online Odyssey Form; and</li> <li>• Environmental and Social Management System (ESMS)</li> </ul>
1.7	<b>Environmental, Social, Health, and Safety (ESHS) past performance</b>	<ul style="list-style-type: none"> <li>• An employer has not suspended or terminated a contract of the Applicant and/or called the performance security for a contract of the Applicant for reasons related to Environmental, Social, Health, or Safety (ESHS) performance in the preceding 24 months.<sup>2</sup></li> <li>• The Applicant has not paid any fine relating to ESHS</li> </ul>	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Letter

<sup>1</sup> The ESMF is available on REA's website at: <http://rea.gov.ng/inc/uploads/2018/04/ENVIRONMENTAL-SOCIAL-MANAGEMENT-FRAMEWORK-FOR-NEP.pdf>. All the requirements for Applicants to the PBG are summarized in the template ESMS provided on the Odyssey platform.

<sup>2</sup> If the company has been incorporated for less than 24 months, since the date of incorporation.

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
		violations in the preceding 24 months. <sup>3</sup>					

\* Definitions:

“Individual” is defined as anyone who is able to control through ownership or any other way the entity

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<sup>3</sup> Ibid.

## 2. Financial Capacity

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
2.1	<b>Financial position</b>	Total assets exceed total liabilities for the past two financial years.	Must meet requirement	Must meet requirement	N/A	N/A	Audited financial statements* (with audit certification stamp) for the past two (2) financial years (2017 and 2018)
2.2	<b>Liquid assets</b>	Liquid assets of at least USD25,000 or its Nigerian Naira equivalent, in the last financial year).	Must meet requirement	Must meet requirement	N/A	N/A	Form FIN-2
2.3	<b>Ability to secure financing</b>	Experience in securing financing, shown by having raised successfully at least US\$100,000 or its Nigerian Naira equivalent in equity, debt, or a combination of both, for at least one (1) project in infrastructure in the preceding 60 months. For this project, the Applicant should provide: <ul style="list-style-type: none"> <li>• A brief description of the project and of the debt amount raised</li> <li>• References (names and contact information).</li> </ul>	Must meet requirement	Must meet requirement	N/A	N/A	Form FIN-2

\* Definitions:

“Financial statements” should:

- (a) reflect the financial situation of the Applicant (or a parent company in the case that an Applicant wishes to use its parent company's qualifications or lead sponsor in case of a Consortium on behalf of the Consortium Partner(s).
- (b) be independently audited or certified in accordance with local legislation (the certification stamp should be provided), unless the entity is not required by law in its country of registration, incorporation or equivalent to have audited financial statements
- (c) be complete, including all notes to the financial statements
- (d) correspond to accounting periods already completed and audited.

### 3. Technical Capacity

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
3.1	<b>Experience in developing mini grids</b>	<p>The Applicant has designed and built at least one (1) mini grid* of at least 10kW in generation capacity, in the preceding 60 months, and this mini grid is still in operation* at the time of submission of this Application, as evidenced by:</p> <ul style="list-style-type: none"> <li>• A description of the mini grid systems (size, generation technology, number of customers, location, year of commercial operations date (COD), and annual gross generation)</li> <li>• References (names, contacts).</li> </ul>	Must meet requirement	Must meet requirement	N/A	N/A	Form EXP-3.1
3.2	<b>Experience in operating mini grids</b>	<p>The Applicant has operated at least one (1) mini grids* of at least 10kW in generation capacity, in the preceding 60 months, and this mini grid is still in operation* at the time of submission of this Application, as evidenced by:</p> <ul style="list-style-type: none"> <li>• A description of the mini grid systems (size, generation technology, number of customers, location, year of COD, and annual gross generation)</li> <li>• References (names, contacts).</li> </ul>	Must meet requirement	Must meet requirement	N/A	N/A	Form EXP-3.2

\* Definitions:

“Mini grids” are defined as systems with:

- Generation capacity between 10kW and 10MW, and
- A network that distributes power to two (2) or more customers.
- Mini grid in “operation now” is defined as:
- The customers are served by the mini grid
- The customers are served by the main grid, if the main grid arrived in the site previously served by the mini grid and the assets were bought out by the utility or decommissioned.

## 4. Business Plan

No.	Subject	Requirement	Single Entity	Existing or Intended Consortium			Submission Requirements
				All Partners Combined	Each Partner	One Partner (not necessarily Lead)	
4.1	<b>Business Plan</b>	The Applicant has submitted a business plan compliant in form and substance with the template provided on the Odyssey platform	Must meet requirement	Must meet requirement	N/A	N/A	<p>Online Odyssey Form, with the following attachments:</p> <p>Organizational chart (optional)</p> <ul style="list-style-type: none"> <li>CVs of the key personnel: technical lead, financial lead, director(s), CEO, and E&amp;S staff (mandatory)</li> </ul> <p>Three-year projection of profit and loss statement (mandatory)</p> <p>Three-year projection of cashflow statement (mandatory)</p> <p>Three-year projection of balance sheet (mandatory)</p> <p>Three-year projection of business ratios—debt ratio and profit margin ratio (mandatory)</p>

## Section 3 – Fraud and Corruption

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### 1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

### 2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
  - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
  - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
  - v. "obstructive practice" is:
    - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false

statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

- (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring mis-procurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti-Corruption Guidelines, and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such a firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>4</sup> (ii) to be

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<sup>4</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy,

- a nominated<sup>5</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in request for bid/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>6</sup> all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

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and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

- <sup>5</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification Application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.
- <sup>6</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.