

# 5M SOLAR CONNECTION FACILITY: APPLICATION GUIDELINES - DOWNSTREAM APPLICANTS

For NEP- prequalified applicants only

## How do I apply?

1. Access REA website and download business plan, loan application letter and other templates
2. Upload completed business plan, loan application letter and financial model alongside all supporting documents in data room
3. Send loan application letter using the email template to [suleiman.babamanu@rea.gov.ng](mailto:suleiman.babamanu@rea.gov.ng), [solarpowernaija@rea.gov.ng](mailto:solarpowernaija@rea.gov.ng), [CBN-NESI@meristemng.com](mailto:CBN-NESI@meristemng.com)
4. Receive application confirmation response

## What collateral do I need?

1. **Lien on pledged financial assets** (direct debit charge on the collection account(s) of the project and other projects owned where existing debt agreement permits)
2. **Escrow of the WBG grant** for prepayment of the facility
3. **Signed undertaking** to contribute the monthly amounts payable to CBN in case of significant reduction in monthly revenue
4. **Legal Mortgage on the Mini-grid assets**

## How long will the process take?

The due diligence process will be completed within ~15 working days from submission where full set of required documents are provided. Note that applications will be processed on a first come, first serve basis thus timelines may be extended for delayed submissions

## What documents do I need to apply?

### Core Documents Checklist

- ☒ KYC Documentations including bank account names, BVN, existing credit facilities and securities pledged
- ☒ Information memorandum
- ☒ Relevant corporate documentation on the project and corporate search on the principal promoters
- ☒ Evidence of NEP pre-qualification approval and documentation including local content evidence
- ☒ Detailed financial model with 5-year projected cash flows
- ☒ Three-year audited financial statements, tax clearance certificate and latest management accounts
- ☒ Organizational chart
- ☒ Credit report on the company from a credit bureau

### SHS: Additional Documents Checklist

- ☒ Demand analysis and monthly sales projection
- ☒ Evidence of potential buyers of the SHS
- ☒ Historical & current inventory size
- ☒ Historical sales
- ☒ Plan for localization of sourcing
- ☒ Evidence of qualification to the SHS component of the WB NEP Mini grid component

### Mini-Grid: Additional Documents Checklist

- ☒ Evidence of community agreement/PPA
- ☒ Detailed revenue collection and revenue assurance plans, IT systems for managing collection, bank accounts, etc
- ☒ Business plan, operational and maintenance plan, detailed work plan and schedule
- ☒ Evidence of warranties on the distribution and generation assets
- ☒ Legal mortgage assigning ownership of the mini grid asset to NESI SSL.
- ☒ Evidence of comprehensive insurance noting interest of NESI SSL on the assets.
- ☒ Evidence of contribution of owner's equity.
- ☒ Proforma invoice of the equipment required
- ☒ Land agreement and/or right to operate the mini grid in the proposed location.
- ☒ Provision of view rights to collection/vending platform and bank statements
- ☒ Evidence of NERC Registration or payment for permit to operate the mini grid in the proposed location.
- ☒ Evidence of similar projects executed
- ☒ EPC agreement
- ☒ Evidence of qualification for WBG NEP component
- ☒ Evidence of Environmental Social Management Plan for category 2 sites or ESIA for category 1 sites with environmental concerns.

