



DE-RISKING PAY-AS-YOU-GO SOLAR HOME SYSTEMS IN UGANDA REFUGEE SETTLEMENTS GRANTS PROGRAM

FREQUENTLY ASKED QUESTIONS

Is the grant open to companies who are distributors of SHS?

The main applicant to the grant should be the organization that is offering the PAYGO mechanism and taking on the associated credit risk. This organization may be a distributor of SHS supplied by another organization. Where this is the case, the organization should clearly state the products, brand and supplier as part of the application process.

Can my organization apply if we have already received another grant from a USAID funded program (i.e. USADF, PAUESA)?

Yes, this program is independent from other USAID programs. Organizations can apply even if they have received USAID funds for other initiatives or projects. The application template includes sections where applicants can provide details of other funding sources that demonstrate the organization's financial capability and the ability for the project to be sustained.

When should activities under the grants program start?

It is expected that grants will be awarded by the start of May 2019 and activities should start immediately.

How can a company access the refugee settlements if they want to visit whilst they are completing their application?

Companies interested in visiting the refugee settlements whilst completing their applications will have to seek permission to do so by formally writing to the Commissioner Refugees in the Office of the Prime Minister (OPM). They will need to include the timing of the proposed visit, where they will be visiting and the purpose of such a visit. We advise interested parties to seek permission expeditiously to ensure success.

Can a company use the funds to buy stock / inventory?

A company can use the grant to buy stock and inventory where they can make a clear link to how this activity is meeting the objectives of the grant program. However it is expected that funds for stock would not exceed 20% of the grant value.

Can the funds be used for setting up a loan guarantee to protect against credit risk of the end users?

No, the funds must be used for tangible activities that will take place within the 12 month period. The company should use the funds for alternative activities that will allow them to de-risk activities in another way or free other funds that can be used for this purpose.

Can the funds be used to purchase motor bikes or vehicles?

No, purchase of motorbikes and motor vehicles is not permitted under the grant.

Can the funds be used for market assessments or feasibility studies?

Yes, the funds may be used for completing initial market assessments or feasibility work; however these should not be the main focus of the grant but a preliminary activity to start the rest of the activities. It is expected that the company will start sales within the target location within 6 months of receiving the grant.

What if a company does an initial market assessment under the grant and then realizes that their products are not suitable / the market is not viable?

Organizations should be confident that their products and business model are suitable for the target location before they apply for the grant. An information pack on the two settlements has been provided to prospective applicants and should be used to gain a better understanding of the market conditions in each location.

If, following completion of initial market assessments the company felt that they could not proceed with the remaining activities under the grant, even after accounting for changes or modifications, then the grant could be terminated as per the grant agreement. The payment and milestones scheduled should be structured to take into account any feasibility assessments as an initial milestone. If terminated, any remaining funds would be returned as per the conditions of the grant agreement.

Can companies use the grant to sell solar home systems more suited for business purposes or is it only open to solar home systems for household use?

The grant can only be used for Pay As You Go systems. Companies should use the grant for systems that are suitable for household use; however companies should not restrict use, as ultimately how the systems is used is up to the customer.

Can the grant be used for activities that will reach the host community that is further away than 20 km from the settlement?

The focus of the activities the grant is funding should be on increasing sales within the settlement and the host community, which can be defined as 20 km from the settlement; however it is expected that as a result of this and as part of the company's larger business model, sales will expand beyond this area.

Can the applicant propose more than 3 milestones?

The applicant can propose from 2 to 4 payment milestones over the 12 month period to suit the activities and financing needs of the project.

I am selling larger home systems and they are not Lighting Global certified as the facilities are not available in Uganda? Does this mean I'm not eligible?

SHSs being offered under the Grants Program should comply with Lighting Global standards and have certification under the Lighting Global program. Preference will be given to products that have successfully acquired the Quality Test Method (QTM) certification although the technical evaluation will also consider products successfully subject to Lighting Global's Initial Screening Method (ISM). In the event that the proposed SHS products have not been subject to Lighting Global certification process, (for example, a recent innovation or where testing facilities are not locally available for the type of product), the SHS company must start certification procedures for the proposed products before any grant funding disbursement or will be required to demonstrate the design and manufacturing quality of the SHS products to the technical evaluation committee.

Can I use the grant funds to provide lighting for schools in the settlement?

No, the grant funds can only be used to increase the provision of PAYGO solar home systems in the target settlements and host communities. An organization may use other sources of funding to supply additional products in the target areas, but not funds from this grant.