

## **Pre-qualification guidelines for Solar suppliers**

**(Plug and play, Component-based solar home systems and Solar Irrigation Pumps)**



**PMIC – KFW Renewable Energy Initiative through  
Microfinance (PRIME)**

Jan 2024

# Table of Contents

1.	Introduction.....	3
2.	Benefits for MFPs and Solar Suppliers .....	3
3.	Expectations from qualified solar suppliers .....	4
4.	Objective of this call for application .....	4
5.	Applying Company Requirements .....	5
	<b>5.1 Product eligibility requirement.....</b>	<b>5</b>
	<b>5.2 Financial and operation requirments .....</b>	<b>5</b>
	5.2.1 Business Registration .....	5
	5.2.2 Management Capability .....	5
	5.2.3 Operation Structure.....	6
6.	Application Process.....	6
	6.1 Processing by PMIC .....	7
	6.2 Application Period and Deadline for applications .....	7
	6.3 Clarifications .....	7
	6.4 Application language .....	7
	6.5 Address for submission.....	7
	6.6 Announcement of results .....	8
	Annexue: Application Form - General Information about Company .....	9
	Installer Information .....	9

## 1. Introduction

Pakistan Microfinance Investment Company Limited (PMIC) is registered as an Investment Finance Company under NBFCs regulations with Securities and Exchange Commission of Pakistan. It is setup jointly by, Pakistan Poverty Alleviation Fund (PPAF), Department for International Development (DFID) through Karandaz Pakistan and the German Development Bank (KFW) to catalyze and lead the next phase of growth in the microfinance sector of Pakistan. The purpose of the organization is to provide a wide range of financial services, including wholesale funding to microfinance institutions and microfinance banks to promote financial inclusion in Pakistan to alleviate poverty and contribute to broad based development.

Pakistan Microfinance Investment Company (PMIC) and German Development Bank – KFW has launched a program in Pakistan in August 2019 that aims to support the financing of Lighting Global Quality verified Pico PV and Solar Home Systems packaged with appliances for households in poor grid and off-grid locations in the rural and peri-urban areas of Pakistan. An amount of Euro 15 million is earmarked for on-lending to MFIs and solar product vendors ensuring delivery of a responsible financing mechanism. A technical assistance support of Euros 1 million to build capacity of MFPs and other stakeholders is also part of the program.

To facilitate affordability and remove barriers to financing for end clients purchasing solar PV products for rural households, the program activities will include:

- ✓ **Pre-qualify** solar suppliers & products; set & enforce quality standards for solar products & services;
- ✓ **Assist** MFPs in designing consumer loan product; formalize MFP-qualified solar supplier relationships & support smooth collaboration;
- ✓ **Provide** trainings to MFP's credit officers and qualified solar supplier's sales agents to equip them with the required product knowledge and refine their sales skills.
- ✓ **Raise** awareness among rural households and in MFP branches to ensure uptake of quality certified solar products & microfinance;
- ✓ **Provide** technical guidance to environmental improvement on battery and electronic waste recycling support.

PMIC is responsible for the coordination of all program activities, including the pre-qualification of solar suppliers and their products; on-going quality control; consumer awareness for demand generation, trainings, and collaboration with all program stakeholders for effective delivery.

## 2. Benefits for MFPs and Solar Suppliers

Microfinance Providers (MFPs) benefit from participation in the Program in numerous ways, including wholesale concessional financing from PMIC dedicated to solar loans, business relationships with qualified solar suppliers to offer consumer financing products for high quality solar products offered by pre-qualified solar suppliers; an end user subsidy scheme to bridge the price gap between poor and high quality solar products; a quality assurance framework that guarantees high quality solar products and a full range of customer satisfaction services; promotional activities, and mass media communication for solar loan products; access to market

intelligence; technical assistance for solar loan product design and access to training for credit officers.

Qualified solar suppliers benefit from participation in the Program in numerous ways, including business relationships with MFPs to offer consumer financing products for certified solar products; business development support through consumer awareness raising campaigns; and mass media communication for quality certified solar products; facilitate access to vendor financing (trade finance); access to training and business development services; access to MFPs existing clients and outreach; and access to market intelligence.

### 3. Expectations from qualified solar suppliers

Most of the solar systems to be sold under the PRIME target end users in poor grid mostly peri-urban areas and off-grid locations in the rural areas of Pakistan. To reach them, qualified solar suppliers are required to make investments in distribution logistics, collaboration with MFPs, after sales service provision through local community technicians, trainings of MFP credit staff on product features and assist MFPs in awareness raising/promotion activities.

The program intends to promote the following product categories.

1. **Lighting Global/VeraSol verified solar products** that are tested in accordance with IEC TS 62257-9-5.
2. **DC Component based solar home systems** up to 500 watts packaged with DC fan
3. **AC Component based solar systems** up to 5kW for housing and productive-use appliances.
4. **Solar Irrigation Pumping solutions for water pumps up to 10 HP**

The Program also encourages partnerships between qualified solar suppliers and MFPs. Solar financing will lower the initial investment barrier in solar PV products for rural households and MFP clients. Solar suppliers can leverage the trust MFPs have already developed with existing borrowers, and also take advantage of MFP's established rural outreach network. Suppliers and MFPs need to dedicate time and resources to ensure efficient coordination of promotional activities, the loan application process, loan disbursement and product sales, and payment collection and after-sales services.

### 4. Objective of this call for application

The objective of this call for application is the pre-qualification of solar suppliers to operate under PRIME that can provide AC/DC Component based solar solutions with/without inverter and Solarize Irrigation water pumps up to 10 HP.

Qualified solar suppliers commit to comply with the technical and performance standards established by the PMIC's PRIME Program; and their application for pre-qualification set out a plan for their performance in the Program.

In particular, the application process assesses the Solar suppliers' (a) experience and current business performance, including market share and capacity of their rural distribution network, (b) commitment and current approach to delivering high quality customer services, (c) current target group, understanding of customer needs, and willingness to cater to a target group that may require loans from an MFP in order to make an investment in a solar product, (d) current approach to business planning, increase sales levels / expand business operations and; (e) Ability to achieve targets.

## 5. Applying Company Requirements

### 5.1 Product eligibility requirement

The following different type of systems are included in the program:

Plug & Play VeraSol verified products up to 350Wp;  
DC Component Based Solar Home System up to 500Wp;  
AC Component Based Solar System up to 5000Wp for housing and Productive -use appliances;  
Solar Irrigation Pumping solutions for water pumps up to 10HP;

For plug and play solar products, qualified company shall only provide products according to VeraSol quality standards (to be tested and certified in accordance with IEC/TS 62257-9-5 & 8)<sup>1</sup>, additional requirements and standards apply for components that are not dealt with in the named standards (in particular fans).

For component based solar home systems and solar irrigation pumping solutions, qualified company shall only provide imported products according to IEC standards (to be tested and certified in accordance with IEC standards). For locally manufactured solar products and batteries, qualified company shall provide IEC conformance certificates from NED University, Karachi or University of Engineering Technology (UET) Lahore.

### 5.2 Financial and operation requirements

#### 5.2.1 Business Registration

- Applying Company is officially registered with Federal Board of Revenue (FBR) Pakistan, or his business is registered with Pakistan Tax Network and has a valid NTN.
- Last audited financial statement (optional)

#### 5.2.2 Management Capability

- The Applying Company must nominate at least one person who will be the contact person for PMIC. This person will take responsibility for the company meeting all the requirements specified in this document and be the person formally authorised to answer any questions regarding the application.

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<sup>1</sup> <https://VeraSol.org/solutions/quality-standards>

- The Applying Company shall provide organisational details of their business to show where this person is positioned within the existing management structure and to include the name and position of at least one alternate contact person.

### 5.2.3 Operation Structure

- The company shall provide a description of their operation. This shall include:
- Company has at least 02 years' experience distribution and installation of solar PV products, Joint ventures or Consortium are also eligible.
- List of projects or system installations for which they have previously supplied solar equipment and/or list the number of solar products provided under previous programs or sold directly to end customers.
- Description of environmental code of practice, including used battery disposal.
- Listing all their regional outlets; retailers, distributors; and
- Information on their staff who will deal with MFP's staff.
- Implementation of an electronic waste (e-waste) management procedure, in particular a strategy for used battery disposal. As a minimum the e-waste management procedure will ensure safe collection and safe disposal or recycling of the provided system components once they are no longer in use. In this context safe means that there are no detrimental effects to human beings or to the environment during the stated procedures.
- Applicant company shall have an implementation of an electronic waste (e-waste) management procedure, in particular a strategy for used battery disposal. As a minimum the e-waste management procedure will ensure safe collection and safe disposal or recycling of the provided system components once they are no longer in use. In this context safe means that there are no detrimental effects to human beings or to the environment during the stated procedures.

## 6. Application Process

A company Applicant to be eligible to apply for PRIME program shall complete the Company Application Form provided in Section 10. This form is divided into 4 parts:

- Part 1: Company Profile
- Part 2: General Information form
- Part 3: Company Documentation
- Part 4: Undertakings

All the information requested in this form must be provided with the application.

The form is provided as a Word document and an applicant must submit the application in the same order as shown on the form and must respond to all questions in each section.

The application shall be submitted electronically at [faheem.khalid@pmic.pk](mailto:faheem.khalid@pmic.pk). The applicant firm can send the:

1. Soft copy of the application via email (if the attachment size is less than 10 MB)
2. Soft copy through an online link – shared in an email – with expiry time of at least 24 hours
3. Hard copy of the bid via post

The hard copy of the application could be submitted at following address:

**Head of Sector Development**

Pakistan Microfinance Investment Company

Tel: +92 51 84 87 820

Ufone Tower, Blue Area

Islamabad

Pakistan

## 6.1 Processing by PMIC

Once an application by an Applicant Company to be technically approved for eligibility to supply CB-SHS and SIPs to MFPs has been received, the PMIC shall provide the application to its Technical Committee within 2 working days of receiving the application. The Technical Committee will complete the verification checklist as provided in Section 10. The verification process involves:

1. Confirming that the application form is complete
2. Confirming that the installers meets the eligibility requirements
3. Confirming the Applicant Company's contact person has been specified.

Each review will take between 1 to 2 days to process subject to the number of applications submitted to the PRIME Technical Committee. The Committee shall undertake the review and submit the verification checklist within 5 to 10 working days after receiving a completed application.

The checklist includes an area for stating why a company was not yet eligible and what needs to be done for acceptance of the application.

## 6.2 Application Period and Deadline for applications

The application period for solar suppliers to seek pre-qualification under the PRIME Program opens ----- and closes on ----- at ---pm **Pakistan Standard Time (PST)**. Please note that any application received after the deadline shall not be considered.

## 6.3 Clarifications

Any questions or clarifications regarding this call for application should be addressed to lbrar.khattak@pmic.pk by ----- at ---pm. A document consisting of responses to all clarifications will be sent to email addresses of all the applicants by -----.

## 6.4 Application language

Only applications filled in the English language will be accepted.

## 6.5 Address for submission

Completed applications using the forms provided must be submitted electronically to [faheem.khalid@pmic.pk](mailto:faheem.khalid@pmic.pk) or via post at the above designated address. Applicants will receive an acknowledgement of receipt. Please note that hard copies of the applications shall also be sent on the following mailing address by ----- at ---pm **Pakistan standard time**;

**Head of Sector Development**

Pakistan Microfinance Investment Company (PMIC)  
21st Floor, Ufone Tower, 55 C,  
Main Jinnah Avenue, Blue Area,  
Islamabad 44000, Pakistan  
Tel: (+92-51) 8487820-45

## 6.6 Announcement of results

All applicants will be informed about the result of their application by -----.



## Annexue: Application Form - General Information about Company

COMPANY APPLICATION FORM	
Name of Company	
Physical Address of Main Office/Shop	
Postal Address (if different)	
Website	
Name of Contact	
Position	
E-mail	
Phone	
Mobile Phone	
Name of Alternate Contact	
Position	
E-mail	
Phone	
Mobile Phone	
List any registration that company might have and the date of their expiry	
Information on your number of staff	
Number of outlets/branch offices/distributors	

## Installer Information

PApplication by Experienced Installer			
Name of Installer			
Name of Company			
Letter is provided from company stating how many years you have been an installer with the company.			
How many systems (approximately) have you installed?			
Based on the size of the solar array: What has been smallest system (and what has been the largest system you have installed.	<div>From</div> <div>Wp</div> <div>Wp to</div>		
List the Training Courses the Installer has completed? <i>Please attach any certificates or documents verifying that the courses were undertaken</i>	Course	Year	Certificate Attached (tick)

[Print on company letterhead]

[Date]

**Pakistan Microfinance Investment Company (PMIC)**

21st Floor, Ufone Tower, 55 C,  
Main Jinnah Avenue, Blue Area,  
Islamabad 44000, Pakistan  
Tel: (+92-51) 8487820-45

***Subject: Letter of Interest – PMIC -KFW RE Initiative Through Microfinance (PRIME)***

Dear Sir / Madam,

On behalf of [name of company] I would like to express our interest to participate in PRIME Program which we understand aims to support the financing of Solar home systems for households, solar solutions for small businesses and irrigation pumps in poor grid mostly peri-urban areas and off-grid locations in the rural areas of Pakistan.

At [name of company] we are involved in the distribution of solar based solutions to off-grid and poor grid households in Pakistan. We are very much interested in collaborating with PMIC and their partner MFPs in the implementation of this program.

Please do direct all correspondence related with PRIME program to the following individual(s):

Name:  
Position:  
Email:  
Phone Number:

Sincerely,

Print on company letterhead

[Date]

**Pakistan Microfinance Investment Company (PMIC)**

21st Floor, Ufone Tower, 55 C,  
Main Jinnah Avenue, Blue Area,  
Islamabad 44000, Pakistan  
Tel: (+92-51) 8487820-45

***Subject: Declaration regarding E-waste management plan***

Dear Sir,

We declare that the procedures for the management of electronic waste generated from our solar system business shall be implemented. In particular, this will include the safe disposal or recycling of batteries and system components. The replacement of old Lithium-ion and lead acid batteries with new ones will not be done without collecting the former. We will collect the old batteries from the customer and safely dispose them off as per PMIC's proposed plan.

Sincerely,

CEO

Director

**Print on company letterhead**

**[Date]**

To,

The Head of Sector Development,  
Pakistan Microfinance Investment Company,  
Islamabad

**Subject: Undertaking/Declaration**

Dear Sir,

It is certified that I/we have read the Quality Assurance Framework and the related provisions/terms and conditions, and I/ we agree to abide by these guidelines and related terms and conditions. Failure to comply with these guidelines will result in disqualification from PRIME program.

This is to certify that the VeraSol verified products and various components of the PV module/ charge controller, inverter/VFD/ battery, electric wires etc. will conform to the relevant standards, as mentioned in the Quality Assurance Framework.

I also hereby declare that all information submitted in the application is true to the best of knowledge and belief. This is to confirm that in case of any dispute, the decision of PMIC will be final and binding on all.

Signature

Name & Designation of Authorized Signatory