SREP Tanzania
Program Approval Request
International Finance Corporation (IFC)
PUBLIC

1. **Country/Region:**	*Tanzania*	2. **CIF Project ID#:**	(Trustee will assign ID)
3. Source of Funding:	☐ FIP	☐ PPCR	■ SREP
4. Project/Program Title:	*Tanzania Mini-grids Project*		
5. Type of CIF Investment:	☐ Public	■ Private	☐ Mixed
6. **Funding Request in million USD equivalent:**	*Grant:* *USD 4.75 million for advisory services only*	*Non-Grant:* *n/a*	
7. Implementing MDB(s):	*IFC*		
8. National Implementing Agency:	*Private Sector*		
9. **MDB Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters- Focal Point:* *SREP Focal Point:* *Laura Gaensly and Joyita Mukherjee*	*TTL:* *Daniel Shepherd*	

10. **Program Description (including objectives and expected outcomes)**

I. Introduction:

This Project Proposal corresponds to the IFC-managed Tanzania SREP Program component under the Renewable Energy for Rural Electrification Program, as indicated in Tanzania's Investment Plan (IP), and endorsed by the SREP Sub-Committee in September 2013.

A context for the sector, the market barriers, and the proposed Project are described below.

II. Project Description

1. Context:

Access to modern energy services is vital to agricultural productivity, income generation, and education. Electricity access in Tanzania is, however, estimated at 18 percent nationally, and only 7 percent in rural areas. The Multidimensional Energy Poverty Index (MEPI) ranks Tanzania amongst the more severely energy deprived African countries. According to the MEPI classification, Tanzania's energy-deficiency score is 0.84, meaning that a majority of the population is without access to proper lighting, clean cooking options or other modern energy services. Women, who shoulder a disproportionate responsibility for household fuel and water collection, food preparation, and agriculture, are especially

affected by an unreliable energy supply.

Although Tanzania's current per capita electricity consumption is low, demand is increasing rapidly owing to accelerating productive investments and a steadily growing population. Demand from connected customers is expected to grow significantly as the country reaches middle-income status. Changing rainfall patterns and recent droughts have dramatically reduced large hydropower output, resulting in extensive load shedding and running expensive emergency fossil fuel based power plants as base load. Meeting latent demand will require greater diversification of generation sources and a favorable climate for private-sector investment.

The overall SREP program in Tanzania seeks to catalyze large-scale deployment of renewable energy and transform the country's energy sector from one that is increasingly dependent on fossil fuels to one that is more balanced and diversified, with a greater share of renewable energy sources, including a specific focus on mini-grids. The vastness of the country, coupled with low population densities, make grid-access extremely challenging and an expensive way to supply electricity to rural and remote areas. This context presents a significant market potential for off-grid electrification schemes.

The Rural Electrification Investment Prospectus[1] estimates that about half of the rural population might be more cost-effectively served by mini-grids and off-grid options. Twenty percent could benefit from renewable energy mini-grids and 32 percent from stand-alone and micro-grid solar photovoltaic systems. Current off-grid demand is being met, in part, by private diesel generators and other relatively expensive portable alternatives that have placed an enormous financial strain on energy users and has limited reach in terms of energy access. Moreover, diesel is often not an economically viable option in many circumstances and also has negative local and global environmental impacts as well as adverse effects on health.

Mini-grids are considered technically and commercially viable for populations living beyond the grid reach areas but with a relatively high population density (> 125 residents/km^2). In Tanzania, this segment is estimated to include 9.1 million residents or 1.86 million households (or roughly 20 percent of the country's population).

The underlying context for the creation of mini-grids in Tanzania centers on the following:

(i) Financial limitations of the utility or government undertaking grid extension and therefore creating a market for other forms of electrification;
(ii) A unique legal and regulatory environment that is supportive of off-grid activities; and
(iii) A growing cadre of private sector players interested in developing the off-grid energy sector.

Mini-grids have been utilized in Tanzania, though the experience in the country has been limited in terms of commercial ventures. Many of the existing mini-grids have been developed by faith-based or other non-profit organizations that endeavor to improve the lives of low-income communities by providing access to modern forms of energy. On the commercial side, however, there is less experience and many of the existing project developers that are currently

[1] IED. United Republic of Tanzania - National Electrification Program Prospectus. Final Version – July 2014. Prepared with funding from NORAD.

developing mini-grids in the country are first time developers. This lack of experience creates difficulties in terms of risk management, access to finance and other aspects, resulting in the need for close, hands-on support in order to develop these projects as well as the sector.

The proposed IFC-SREP Project will complement the World Bank's work under the Tanzania Energy Development and Access (TEDAP) Project, working closely with the Government of Tanzania (GoT), Regulator (EWURA), Rural Electrification Agency (REA) and development partners, to support off-grid development. REA has been leading the efforts among the public sector agencies in terms of expanding access to finance in the country for mini-grid projects. As part of these efforts, REA has carried out awareness-raising initiatives among project developers and other key stakeholders. REA has also identified potential sites for mini-grids and has completed a competitive selection process for mini-grid projects in the country, which resulted in 20 projects being awarded development grants by REA. The 20 projects vary considerably in terms of technology, size and other characteristics. All of them, however, appear to require additional support to be ready for financing and implementation, which is the purpose of the development grant from REA. The proposed IFC-SREP Project will build on these on-going efforts to enable these mini-grids to develop at more accelerated pace.

The IFC-SREP Project also complements other initiatives of DFID (UK government) for mini-grids in East Africa, and specific project-level support to mini-grids by the African Development Bank (AfDB) in Tanzania. In addition, the World Bank-IDA is currently developing a new rural electrification program that is expected to be around US$300 million for extending access to energy in the country, and it will include resources for extending the grid and other activities such as performance grants to cover the grid connection costs and matching grants for support to project developers.

In parallel, IFC is developing a new Lighting Africa program for Tanzania ('Lighting Tanzania') that is to support the expansion of solar energy products in rural areas in the country. The Lighting Tanzania is expected to be launched in the latter half of 2015, depending on the availability of funding.

2. Market barriers

Private sector participation in the development of mini-grids in Tanzania face some significant barriers. Some of the key barriers include:

(1) *Lack of market and resource feasibility assessment information*: Crucial data necessary for project developers such as the sizes of the local energy market, load profiles, grid expansion plans, willingness to pay and energy generation resource potential are either non-existent or not available. Small developers have to contend with relatively high costs of undertaking these surveys which constitute an entry barrier in this sector. Information on compliance requirements (e.g., environmental impact assessments), local service and product suppliers and the procedures for securing various licenses (e.g., distribution licenses and the tariff approval process) are also not readily accessible and form a considerable impediment for companies to overcome.

(2) *Limited technical capacity, lack of experience of early-stage businesses*: While many local developers have been able to develop strong linkages with energy markets (households, commercial and institutional) and sufficient access to land and renewable energy resources, they often lack the technical capacity to design and operate

bankable projects. This lack of technical capacity coupled with lack of experience in the sector create several barriers in terms of risk management, access to finance and other aspects, and are key limiting factors for mini-grids to take off in the Tanzania. Given the incipient nature of commercial models in the country, there is a need to support project developers throughout the process with technical and strategic support and guidance to fully commercialize their models.

(3) *Limited access to finance*: Financiers have a limited understanding of mini-grid business models and tend to be risk averse in venturing into this space. While there are a few financing facilities in Tanzania that target renewable energy projects, none of these offer financing options for mini-grid developers.

3. Project Objectives:

The overall goal of the IFC-SREP Project is to increase access to affordable modern off-grid energy services for households, commercial and institutional users in rural Tanzania through the development and establishment of a market for commercial mini-grids using renewable energy. This goal will be achieved by developing and promoting commercially viable mini-grid business models that can leverage private sector resources, including support to financial institutions to extend long-term financing to mini-grid developers. The target is to extend electricity service generated from renewable energy to areas that are without access. The Project will offer transaction advisory services and support for identification of key risks and potential mitigants for 20-25 renewable-energy mini-grids to directly benefit an estimated 13,750 households or approximately 67,375 people.[2]

It is expected that a range of renewable energy technologies will be used to meet electricity needs, depending on the renewable sources available in the particular locality and community characteristics. The options for mini grids include small hydro, solar, biomass, biogas, and wind. In certain locations, hybrid solutions, including the use of batteries and other options (e.g., to generate 10–15 percent of electricity) may be appropriate or to provide the required levels of availability at least cost.

4. Project Description:

This Project is divided into two phases:
Phase 1: *Developing the market infrastructure/enabling business environment for mini-grids*; and
Phase 2: *Transaction advisory services for mini-grids*.

IFC proposes to start implementation of Phase 1 of the Project with a focus on removing barriers to the development of the needed market conditions for the identification and implementation of mini-grid projects. Phase 1 will also include pilot activities to provide transaction advisory services for a select number of mini-grids (the number of project developers will be expanded in Phase 2). Once phase 1 is completed, then phase 2 would be initiated. Phase 2 will focus on providing specific transaction advisory support to developers who are building a series of mini-grid projects in the country.

[2] Assumes 4.9 people per household.

The rationale for implementing the IFC-SREP Project in two phases is to make certain that key impediments in the market are overcome through the development of coherent and universally accepted standards and specifications for mini-grids before engaging with mini-grid project developers. The additional benefit of the phased approach is to ensure that lessons learned from the initial experiences with project developers related to transaction support is incorporated into the second phase when interactions and support to Project developers will be escalated.

I. Phase 1 is structured into two components:

Component 1.1 – Development of market requirements and intelligence for mini-grids

The Project will develop Tanzania-specific business support tools and standards for mini-grids that will be leveraged by the industry. These will include technical standards and specification options for small and medium scale electricity distribution systems, financial models that guide tariff setting and structuring, risk and sensitivity analysis tools, payment collection system options (e.g. mobile money enablers), energy generation optimization tools and basics of environmental, health and safety standards, market intelligence platform and an information shop. The key activities within this component are:

Activity 1.1.1 - Standards, Specifications and Business Support Package

One of the major issues that plague the power industry in the developing world is the lack of standards which is a lot more prevalent in the mini-grid arena. Establishment of these standards, specifications, and performance requirements is essential not only for supporting the mini-grid sector but more importantly for the continuation and sustainability of the sector. The standards and specifications will be based on international best practices, many of which are already being utilized in the country.

The work that has been undertaken by a number of organizations and projects on specifications, design standards including quality of supplies, procurement documents etc. will be reviewed, developed further for local context and needs and then packaged to provide efficient and clear support to developers on the level of service and efficiency that can be provided under mini-grid systems. The principle will be that the design standards and specifications should enable future integration of mini-grids to the main grid suitable for rural electrification as well as stand-alone lower cost options. The intent of this process is to harmonize the standards and specifications so as to have one uniform approach for mini-grids, thus making it more straightforward to developers, financial institutions and the authorities in terms of what is included.

The IFC-SREP Project will also develop tools to provide support to companies interested in entering the mini-grid segment. This is required not only in Tanzania but in the greater developing-world and it is hoped that this Project will provide the platform for a wider sector support. The company tool is envisaged for operation by mini-grid companies to reflect the specialized needs of small companies, which may be of use even for large companies as they will not be able to use large-scale tools such as mainstream billing, accounting finance, business development, staff management, quality assurance etc. The details of the package will be refined following discussions with practitioners, developers and institutions. Other needed tools will be determined and finalized as the work progresses, but will have to be established at the early stage of

the Project.

Activity 1.1.2 - Market Intelligence Survey

Market research and surveys are expensive and tend to be a barrier to some of the small companies seeking to enter the sector, however they are key elements of the overall business plan and the absence of independent collaborative data has been a major gap. A national investment-focused spatial and economic survey that will highlight and characterize the high potential mini-grid compatible sites will be commissioned and should address the financial institutions request for independent data on resource mapping and sizing. The generic/national assessments can be leveraged by all project developers. The IFC-SPRE Project will remain open to undertaking firm-specific market insights and survey but this will be priced in full.

For this activity, prefeasibility information including energy market sizes, load profiles, willingness to pay and energy resource assessment will be collected.

Activity 1.1.3 - Information Hub Web Portal

The Info-hub is an on-line one-stop-shop (i.e., web portal) for project developers and financial institutions offering guidance on: renewable energy resources, off-grid energy markets in Tanzania, policy and regulations, financing and support options, technical standards and specifications for mini-grid development, and roster of potential partners for match-making purposes. The hub will help improve access to information on the policy, legal and regulatory requirements and processes by aggregating the licensing and permitting procedures. For example, there are about 34 licenses that a project developer needs to obtain, and in most cases this information is not readily available. In addition, information on financing and support options, technical standards and specifications for mini-grid development and roster of developers for match-making purposes will be made available. The IFC-SREP Project does not intend to host the website but will develop and transfer the capacity to REA (or an alternative appropriate entity intimately involved in the mini-grid space), that will manage and update it on a regular basis to ensure that it remains relevant and accurate.

The info hub is not intended to solve the myriad of problems faced by project developers in identifying, assessing, financing and implementing mini-grid projects, but rather is thought to be a mechanism to help reduce the inherent development costs that developers face by creating an easily available source of information, pulled from different authorities and other stakeholders. In partnership with DFID, IFC has developed a similar web portal for renewable energy project developers in Kenya that has been well received and utilized, which will serve as the foundation for this info hub for Tanzania.[3]

Activity 1.1.4 – Awareness-raising

This activity will aim to generate awareness and interest among different key stakeholders in mini-grids including project developers, local financial institutions and others. This activity will build on work from the WB TEDAP as well as activities carried out by REA and other key partners.

[3] http://www.renewableenergy.go.ke

The IFC-SREP project will undertake capacity building activities through workshops/seminars for financial institutions and others that are interested in entering the mini-grid segment.

Component 1.2 – Support to mini-grid pilot projects

As a means to test the market for mini-grids, this component will include direct transaction advisory support to at least two specific mini-grid projects in the country, which will serve an initial demonstration effect for support to additional mini-grid projects (as part of Phase 2).

For this component, the IFC team will work closely with the World Bank-IDA (who already introduced matching grants, performance grants and a credit line facility to be implemented by commercial banks), risk mitigation facility and commercial lenders.

The following activities are contemplated in this component:

Activity 1.2.1 - Developing Business Models and Business Plans

For this activity, the IFC-SREP Project that will support project developers to design bankable projects utilizing and leveraging the tools developed under the first component. This is a tailor-made service that will be designed to serve specific client needs.

The Project anticipates a diversity of needs depending on company management and financial capability, experience and size. The business plan development will take into consideration any existing incentives such as performance grants from the Rural Electrification Fund (REF).

Activity 1.2.2 - Undertake site specific feasibility studies

If needed, the Project will provide additional support to undertake suitable feasibility studies. Some potential companies that are mainstream and well established may undertake their detailed studies on their own. Smaller companies may need additional support for this activity.

This is a key requirement of the overall business plan development to satisfy the needs of the financiers to mobilize financing. The Project will adopt a flexible approach to market requirements, not only on this activity but on the entire advisory services with suitable and continuous feedback to support the engagement of the private sector for the development of mini-grids.

Activity 1.2.3 - Financial Closure

The objective is to take project developers all the way through to financial close. With financial closure, the IFC-SREP Project will demonstrate that there is a viable commercial model for mini-grid in Tanzania and will set the stage for mobilizing future investments in the sector from the financial institutions with the creation of the risk and financial instruments.

II. Phase 2 is structured into two components:

Component 2.1 – Development of a Transaction Advisory Services Facility

Continuing the work and building on the results of the pilot projects developed in phase 1, this component will expand transaction advisory support to some 40-60 companies and potential mini-grid projects in the country (this number is an estimate based on the goal of supporting some 20-25 projects to reach financial close). This component encompasses the transaction advisory services facility, with the objective to support the preparation of bankable mini-grid projects to enable them access commercial finance.

In the past, the delivery of transaction advisory services has been time consuming, constrained by limited human capacity and delays in obtaining services on a project-by-project basis. The proposed IFC-SREP Project will overcome these problems by setting up a Transaction Advisory Services Facility (TASF) to provide firm-level support for pre-feasibility and feasibility studies, regulatory compliance, technical design and evaluation, procurement, preparation of business plans and models, financial and economic modelling, market and risk assessments, and financial closure. The key ingredient for success will be committing to a large volume of business to attract highly reputable experts with a significant depth of expertise and providing high-quality public goods (e.g. market and resource data) in an efficient manner, such that all developers benefit equally and can focus their limited human and financial resources on operations.

The services will be designed in such a way that they close general market gaps and also respond to particular needs of various company types—ranging from small-scale local entrepreneurs and cooperatives, who often lack basic technical and business skills, to larger international companies, who bring technical skills but lack knowledge of local markets, sociocultural conditions, and regulatory processes. The TASF services will be competitively awarded to reputable service providers, and particular attention will be paid to leveraging local expertise to ensure that advisory services are rooted in local know-how and to promote longer-term development of local capacity.

The IFC-SREP Project will develop a sliding fee mechanism for pricing advisory services support to project developers, depending on the target project and client (e.g., smaller companies potentially contributing less). It will also explore the option of a success fee pricing model for the clients brought to financial closure. Overall charging structure will follow after a detailed assessment of the pilot projects developed in the phase 1 and will be done in consultation with other stakeholders.

The key activities in this component are:

<u>Activity 2.1.1 - Organizational and Skills Development for Project Developers</u>

This activity will commence with a detailed business diagnostic to identify organizational and skills gaps. The Project anticipates a diversity of needs depending on company management & financial capability, experience and size.

<u>Activity 2.1.1 – Development of business plans</u>

A key value proposition of the IFC-SREP Project is to support project developers to design quality and bankable business plans to take project developers all the way through to financial close. The business plan development will take into

consideration the current performance grants such as the Rural Electrification Fund (REF).

Component 2.2 – Knowledge management and awareness-raising

Building off the activities of Component 1 in the phase 1, this component will aim to generate awareness and interest among local financial institutions to finance mini-grid projects and will also document the lessons learned and experiences generated by the Project. Two main activities are contemplated for this component:

Activity 2.2.1 – Awareness-raising among financial institutions

This activity will continue from the work that is being undertaken by the current support from the WB TEDAP to the developers to access long term debt. The IFC-SREP Project will undertake capacity building activities through workshops/seminars for financial institutions and other financiers (e.g., equity investors) that interface with mini-grid developers to help build confidence and clarity on the proposed investments on the use of existing and proposed financing instruments to the sector.

Activity 2.2.2 – Knowledge management and dissemination

It is expected that the Project would organize at least two specific events and would participate in two or three additional events as part of this component. In addition, it is expected that at least eight client case studies clients would be prepared. These materials will be used as input for thematic events, showcasing results of existing clients and as possible tools and information that could be useful to attract potential clients.

12. Consistency with Investment Criteria:

a) Increased installed capacity from renewable energy sources:

The IFC-SREP Project will promote investments in new and additional renewable energy by (i) removing barriers to the development of the required market conditions for the identification and implementation of mini-grid projects, and (ii) by supporting the preparation of bankable mini-grid projects to provide access to finance. The Project aims to directly support 20-25 renewable-energy mini-grids resulting in an increase of 10.5 MW of electricity supply. In addition to the direct impact, the Project will help develop the market for mini-girds in Tanzania. The impact of the Project activities will also be essential for the continuation of investments in mini-grids that will further increase the installed capacity from renewable energy sources, and for the sustainability of the sector.

b) Increased access to energy through renewable energy sources:

The Project aims to support the appropriate development of the country's abundant renewable energy resources and contribute to the country's goal toward achieving universal access to modern energy services, particularly for poor households. This Project will increase access to better, cleaner, and safer renewable energy for approximately 67,000 people.

b) Affordability and competitiveness of renewable sources:

Current off-grid energy demand is partly being met by private diesel generators and other relatively expensive alternatives that result in a financial strain on users. Renewable mini-grids are expected to provide a better, more reliable and affordable source of electricity for low-income households. For example, mini-hydro can provide power at much lower costs than diesel or even kerosene, while at the same time avoiding health and environmental problems due emissions.

c) Productive use of energy:

Renewable mini-grids will increase the reliable supply of electricity to business and industries which will in turn contribute towards longer working hours and will enable them to increase their productivity. Clean and modern energy will also have an impact on poor households through, for example, better lighting, providing alternative cooking methods, improving security and access to communication, as well as helping improve children's education, and contributing to overall household health.

d) Economic, social and environmental development impact:

This Project will have social, economic, and environmental benefits by improving energy services, reducing costs, improving health and safety for poor households while reducing GHG emissions. The Project seeks to replace inefficient, increasingly expensive diesel generators and dangerous kerosene lighting with other clean alternatives that can help Tanzania rapidly achieve development and energy access goals. Switching to cleaner fuels is also expected to have health benefits, as households would move away from using kerosene and other fuel sources that generate noxious pollutants that can cause respiratory and other health problems for families (particularly women and children). Moreover, the Project will accelerate the development of a sustainable commercial market driven by the private sector which will contribute to economic development.

e) Economic and financial viability:

A key objective of this Project is to accelerate the development of commercially viable mini-grid market in the country. Support to project developers is recognized as one of the main barriers to expanding access to energy using mini-grids. As noted previously, these project developers in Tanzania suffer from inexperience and capacity to develop the projects and reach financial close, so support for ensuring economic and financial viability is paramount for moving projects from idea to reality.

f) Gender:

Please see section 14 of this Proposal, "*Gender Considerations*".

g) Co-benefits of renewable energy scale-up:

Please see above "d*) economic, social and environmental development impact"*.

13. Stakeholder Engagement

The Project will engage with stakeholders at various levels:

At a Governmental Level: The GoT through the Ministry of Energy and Minerals (MEM) and the Rural Energy Agency (REA) has identified mini-grids into their rural electrification policies and has requested the participation of SREP and IFC to help scale up the adoption of these products. The IFC team has been in dialogue and working in coordination with the government of Tanzania throughout the process of developing the SREP program, and it will continue to coordinate with the GoT (especially REA) during Project implementation. Moreover, for this Project, IFC will coordinate closely with REA and the WB to develop a joint strategy for mini-grids. IFC will also work with TANESCO and TAREA (private sector association) to mainstream the mini-grid standards in Tanzania.

At a Private Sector Level: The private sector has faced considerable barriers in penetrating mini-grid markets in Tanzania to provide services to those without access to modern energy. As described in the context and Project description, the project engages with various private sector players throughout the value chain, including SMEs who are distributors of the energy products and service providers.

At a Community Level: Community Based Organizations (CBO) can serve as effective contact points in rural areas and knowledge of local needs. The Project will engage CBOs in the outreach and communication activities as a means to ensure that the perspective of households and local communities is taken into consideration in the development of mini-grid projects. Among other aspects, this can be help to make certain that the identified technology and services best serve the needs of the community. Such engagements with CBOs may be done as part of stakeholder consultation workshops or direct bilateral consultations, depending on the needs of the particular community.

14. Gender Considerations

The objective of the Tanzania Mini-grid Project is to increase access and promote market development of better, cleaner and safer energy services that will have a **significant positive impact on rural women and children in** Tanzania. Typically women and children are more vulnerable to negative impacts of indoor air pollution (IAP) attributed to use of traditional biomass and kerosene energy sources. They also contribute more to rigorous and time-consuming household tasks that can be alleviated by modern energy.

Leveraging on the lessons and experience from other market transformation initiatives including Lighting Africa, the Project intends to work with women entrepreneurs as energy supply partners and facilitators. These entrepreneurs will benefit from early stage technical and business assistance focusing on project design and the potential linkages to project and business finance.

15. **Indicators and Targets (consistent with SREP results framework):**

Indicator	**Target**
a) Number of people with access to new/improved energy services	67,375
b) Increase in availability of private financing for renewable energy products	US$26 million
c) Increase supply of electricity from RE for off-grid locations	10.5 MW
d) Savings in million tons of GHG emissions	30,000 tons of CO2e per year[4]

16. Budget

[4] For GHG emission reductions, certain assumptions that are being made including:
- Renewable energy (RE) mini grids emit no CO_2 and half of the mini-grid projects are small hydroelectric plants and the rest are solar, wind or biomass;
- Emissions factor for Tanzania is 0.794 tons CO2e per MWh (according to the SREP Investment Plan for Tanzania);
- Hydro calculation: 5.25 MW * 24 hrs/day * 365 days/yr * 60% = 27,594 MWhe * 0.794 tCO_2/MWhe = 21,910 tCO2/y;
- Other RE: 5.25 MW * 24 hrs/day * 365 days/yr * 22.5% = 10, 347.75 MWhe * 0.794 tCO_2/MWhe = 8,216 tCO2/y;

INDICATIVE Project Costs	
Expenditure[5]	**Amount USD**
Phase 1	
- Development of market requirements and intelligence for mini-grids	1,850,000
- Support to mini-grid pilot projects	650,000
Phase 2	
- Development of a Transaction Advisory Services Facility	900,000
- Knowledge management and dissemination	550,000
Monitoring & Evaluation	450,000
Project Management	350,000
Total Project costs	**4,750,000**

Project Financing	
Source of Financing	**Amount USD**
SREP	4,750,000
Private sector	500,000
Total	***5,250,000***

17. **Project/Program Timeframe**

Expected IFC Management Approval Date: April 2015 (estimated)
Expected Mid-Term Review Date: June 2017 (estimated)
Expected Project closure Date: December 2020 (estimated)

18. Other

[5] Expenditure categories should be provided by the MDBs based on own procedures.

I. Implementation Arrangements (including procurement of goods and services)**:**
Project's activities will be implemented by IFC in coordination with REA. IFC will work closely with relevant departments within government ministries, with private sector partners, local government agencies and community organizations to implement the Project. In terms of procurement of goods and services, World Bank Group procurement guidelines will be followed.

II. Monitoring and Evaluation (M&E)
The monitoring and evaluation process comprises of establishing baselines, target setting, data collection, tracking results, reporting and evaluation.

A. Baseline data - Baseline data will be collected on key outcome and impact indicators including the following:
   - Number of unique visitors to the website
   - Number of recommendations adopted
   - Number of people reporting improved Knowledge/Attitude / Practices
   - Number of entities that implemented recommended changes
   - Number of new tools or systems developed
   - Number of people receiving access to improved services (real/non-financial sectors)
   - Renewable energy expected to be produced (MWh/year)
   - Number of entities accessing investment/ financing
   - Value of financing facilitated (US$)

B. Data Collection and Reporting – Project management information and results will be collected and reported according to the IFC reporting requirements such as the bi-annual supervision reporting.

C. End of phase 1 review - There will be a review of Phase 1results to determine if Phase 1 was successful. The results of the review will help determine the details of Phase 2.

D. Post Completion Evaluation - Nearing the end of the second phase, the Project shall take a decision to conduct either a Results Validation Exercise (internal) or a Post-Completion Evaluation, to determine the success of the Project. In either case, the process will be managed or supervised by the IFC M&E team.