



A female beneficiary of the grant programme receiving a freezer in Kainkordu, Kono District. Photo: Waheed Awonuga



Foreign, Commonwealth
& Development Office



From
the People of Japan

Rural Renewable Energy Projects Productive Use Activities

AT A GLANCE

CLIENT

Ministry of Energy
Government of Sierra Leone

IMPLEMENTER

United Nations Office for Project
Services

DONOR

United Kingdom Foreign,
Commonwealth and
Development Office (FCDO)
Government of Japan (GoJ)

FUNDING

FCDO: \$700,000
GoJ: \$ 55,000

SECTOR

Private Sector Development

WORKSTREAM SCOPE

Productive Use and Grant
Management

Background

UNOPS in Sierra Leone is implementing the Productive Use Workstream in support of the Ministry of Energy's strategy across the country. The productive use workstream contributes to local economic development in all mini-grid areas by implementing interventions that improve the participation of households, local and external businesses in economic activities driven by reliable supply of energy by mini-grid operators and improved access to input, output and service markets. The objective is to accelerate demand and uptake of new and improved rural energy-reliant economic opportunities and productive use equipment and services in mini-grid catchment areas by improving access to quality, energy efficient equipment / appliances and access to supporting technical, business, and financial services resulting from strengthened private sector performance and brokering of strategic, cross-stakeholder partnerships.

The productive use strategy crafted in 2019 is promoting private sector development, underpinned by a keen understanding of local market systems, which enhance economic growth in mini-grid catchment areas. The UK's Foreign Commonwealth and Development Office (FCDO) and Government of Japan (GoJ) are supporting the renewable energy projects implemented by UNOPS as part of the productive use strategy through a grant program which emphasises the importance of additionality of grants (avoiding crowding out). The Strategy:

- highlights evidence that electricity is necessary but not sufficient for economic development;
- outlines selection criteria for the grantees (e.g. linkages with other businesses in respective value chains, inclusion of low income communities as business partners potential to generate employment, sustainability, contribution to local economic development);
- details interventions (ranging from light-touch communications, to technical assistance, to matching grants);
- notes risks and mitigation strategies and develops a Productive Use Workstream-specific Theory of Change and Value for Money framework.



DURATION

RREP: 2 years 4 months
(October 2019 – May 2022)

GoJ: 2 years 6 months (March 2021 - September 2023)

Grant Programme

Furthermore, 3 community group businesses received direct grants to acquire equipment for their businesses.

- a. SAPA Agriculture Business Centre
- b. Buya Romende Womens Agriculture Development Association
- c. Dembelie Musaia Disabled Association

Youth Groups: Youths that are vulnerable and in most cases do not own assets are also being catered for in the grant program. Conditions for the grants have been relaxed for these groups, e.g. they are the only group who do not have to match the grant and they are encouraged to use the grant to acquire equipment of their choice, e.g. welding, sewing machines etc. UNOPS partnered with IOM to cater for the needs of this group.

The RREP productive use activities aims to reach **14,600** businesses and **50,000** people that will benefit from training and access to new equipment. **52%** of these beneficiaries are women. Enhancing the impact of renewable energy in Sierra Leone is targeting **49,963** productive use beneficiaries.

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Objectives and Outcomes

The objectives of implementing productive use activities is to facilitate the economic development of the mini-grid communities; improve the social development indicators of health and education through engagement with development partners for their utilization of the mini-grids as well as improve the commercial sustainability of the mini-grids through private sector development and the promotion of income generating activities of the mini-grid communities. The outcomes to be achieved are:

1. Mini-grid communities register improved economic growth through the promotion of productive use activities
2. Improve the commercial sustainability of the mini-grids through private sector development and the promotion of income generating activities of the mini-grid communities
3. Improved social development for targeted communities

To achieve these objectives, productive use activities catalyse behavioral changes across market players including households, local community-based enterprises, MSMEs, larger businesses, public entities, relevant support services and other development stakeholders, strategic actors within value chains and social services to unlock value and in the process contribute to building an ecosystem around these that will ensure access to finance, energy efficient technologies and business development services. UNOPS is cultivating partnerships with other development agencies, such as International Organization for Migration (IOM) by promoting women and youth micro-enterprises and enabling them to acquire technical skills and equipment to grow their businesses.

Impact

Contribute to local economic and social growth through increased productive use of energy in mini-grid catchment areas.

Grant Programme

The purpose of the grant programme is to accelerate demand, and improve rural energy-reliant economic opportunities and productive use of equipment and services. Encourage beneficiaries to make good use of the electricity. UNOPS is providing financial support to grantees selected through a call for proposal. Due to the limited time available to implement the Productive Use workstream, instead of the traditional ABC phased approach to promoting productive use (A: promoting anchor clients; B: promoting micro and small enterprises and C: promoting the use of appliances), UNOPS is implementing an integrated approach using the grant program as a catalyst. Promotion of appliances was plugged into the areas where the grant program was not successful in identifying a major anchor client for the mini-grid operator. Implementation of an inclusive business approach enabled UNOPS to reach more micro businesses through the larger businesses. Grants were designed to cater for different categories of businesses;

1. **Inclusive Business Grants- to promote inclusive business approach in value chain development.** These grants enable bigger private sector companies that show willingness for long term investments in the mini-grid villages to include low income communities (micro enterprises and farmers) as business partners in their respective value chains whilst at the same time building their capacity and providing them access to markets. In the process, communities also receive training and other embedded services such as transportation and storage.
2. Community Group Enterprise Grants are granted to economically viable community enterprises including farmers, women and youth groups to enable them to grow/diversify their businesses, access improved technologies and equipment and participate in their local economies.
3. Local small and medium enterprises are meant to assist the SMEs to acquire equipment and technical assistance to grow and diversify their businesses ensuring that no one is left behind (vulnerable groups such as women, youth and people living with disabilities).

So far, the RREP is providing grants for inclusive business, community groups and youth groups. The businesses that received grants as part of the inclusive business are listed below. :

- a. West Africa Offgrid (WAO)
- b. Nianda Agriculture
- c. FLS group
- d. Easy Solar
- e. World Hope International (WHI)
- f. Circuit Consultancy

Additional productive use activities are being developed under the Enhancing the Impact of Rural Renewable Energy Project supported by GoJ in 6 communities within the Bo District.