

# GEF/UNIDO PROJECT GFGAM-11001

## GEF 4 Funding Circle

### A. PROJECT CODE NAME:

“Promoting Renewable Energy based mini grids for productive uses in rural areas in The Gambia”

### B. PROJECT INFORMATION:

1. **Funding** – The project is financed through a grant of US\$2 Million from the Global Environment Facility (GEF), in addition, the EU Delegation in The Gambia, Ministry of Energy of The Gambia and Project Developers have all pledged their support exceeding US\$5.7 million as Co-financing to the project.
2. **Project Implementing Agency:** United Nations Industrial Development Organisation (UNIDO).
3. **Executing Partners:** Ministry of Energy (MOE), National Environment Agency (NEA), Gambia Renewable Energy Centre (GREC) and National Water and Electricity Company (NAWEC).
4. **Project Timeline:** 3 years (2012 – 2015).
5. **Project Launching:** March 2012 (Core activities started July 2012).

# The use of GEF Funding as Co-Financing

- I. Developing 6 pilot projects to demonstrate the technical feasibility and economic viability of RE in selected rural areas that focus on energy for productive uses.
- II. Technical assistance to establish a legal and regulatory framework that will create a level playing field for RE technologies.
- III. Technical assistance in institutional strengthening, capacity building and awareness raising and
- IV. Technical assistance in the creation of RE markets and supporting the project management office.

## FACTORS THAT INFLUENCED THE IDENTIFICATION OF THE PILOT DEMONSTRATION PROJECTS

- A. The RE project installed will add to the GHG reduction over life time of the technology.
- B. RE Identified and installed will mean an additional energy access in the country.
- C. Payback period of the technology installed should be slightly longer than 5 years and or anticipated well short of the lifetime of the technologies being employed.
- D. Availability of co-financing by the project developer(s) – the project developers must provide 70% co-financing, in order to get the 30% grant from the GEF/UNIDO Project.

# Breakdown of the Demonstration Projects

## Financing and other Indicators

	<u>GEF Grant</u>	<u>Project Developer</u>	<u>Project Size Kw</u>	<u>Estimate GHG Reduction nt Co2 Tonnes</u>	<u>Status</u>
1. Gamwind Ltd (2x450 kw wind power to Grid connected to Nawec)	30%	70%	900	13,856.3	Installed and commissioned
2. Mbolo Women Association Training Centre (8.3 kw solar Hybrid system.	30%	70%	8.3	227.4	installed commissioned completion
3. QCELL (GSM( - (10 repeater stations across the country – 84 kw solar/wind Hybrid system)	25%	75%	84	6,756.5	contract signing
4. Nawec/Kaur hybrid mini grid – (60 kw)	30%	70%	60	2,206.3	Int. expert recruited
5. Tanji fisheries Community – (450 kw wind power for Ice making)	30% +	60%+ 10%	450	6,928.1	under negotiation
6. Solar power for Horticulture – Gam-solar – 8.4 kw	30%	70%	8.4	869.3	deadline 30 <sup>th</sup> March 2013
<b><u>Total</u></b>	<b><u>30%</u></b>	<b><u>70%</u></b>	<b><u>1,510.7</u></b>	<b><u>3,118.3</u></b>	

# Conditions attached to GEF 30% Grants

- A. GHG reductions
- B. Excess energy:
  - ❖ To be provided to the local communities.
  - ❖ Sold to Nawec through Grid connection, using PPA negotiated with PURA.
- C. Pilot projects to demonstrate the RE viability for replications and future investments.
- D. Private and Public Partnership.
- E. Best Practices and lessons learned.

# Other Project Component/Activities Co-Financing

<b>Component 2 –</b>	Strategy for scaling up of RE Investment	GEF Grant 90%	P/P Partnership 10%
<b>COMPONENT 3 –</b>	strengthen legal and regulatory framework for Renewable Energy sector	-	Fully funded by EU
<b>Component 4 -</b>	Capacity Building and Training	GEF Grant 90%	10% National Institutions
<b>Component 5 -</b>	Project Management Office	GEF Grant 70%	30% Gambia Government

## PROBLEMS AND LESSONS LEARNED

### JUNE 2012 – MARCH 2013

1. Problems of Co-financing.
2. Interpretation of Contracts signed vs work Inspections.
3. Cost of Renewable Energy Equipment on downward trend.
4. Lack of Local Capacity.
5. Appreciation of Renewable Energy beginning to surface in the Country.
6. More interest of foreign investors than local/Gambian investors.

# GEF 5 Circle of Funding

**In the making:** The GEF Focal Point in The Gambia and Chairman of the PSC has signed the necessary documentation and forwarded to UNIDO for approval.

**Project Code Name:** Greening the domestic & services sectors in The Gambia: promoting the use and integration of small and medium scale renewable energy systems for productive uses.

## **Possible funding**

### **Scenario:-**

1. GEF continue to provide up to 30% Grant.
2. UNIDO negotiating with other International funding Agencies to make available funds for GEF 5 - to provide soft loans to interested parties/investors.