

ESRES Somaliland Renewable Energy Fund (SREF) Window 1 Launch Event

The Energy Security and Resource Efficiency in Somaliland Programme (ESRES) promotes green growth and poverty reduction in Somaliland through increasing access to more affordable and reliable renewable energy services. During the period 2005-2018, ESRES invested in six hybrid mini-grids throughout Somaliland.

ESRES will expand its investment in renewable energy through the Somaliland Renewable Energy Fund (SREF). SREF will provide support through various funding windows for the promotion of renewable energy. As a social investor, ESRES is seeking a social return to its investments and expecting increased affordability (lower tariffs) and accessibility (more connections).

ESRES is now launching the SREF – Window 1 – hybrid mini-grids to invest in established Energy Service Providers (ESPs) in Somaliland. ESRES will provide grants as a social investor in renewable energy generation capacity, distribution system improvements, and customer connections. SREF Window 1 grant applications can be between USD 200,000 and USD 3 million.

The Launch Event will take place on 24-25 April 2019 in Hargeisa, Somaliland. ESRES expects Somaliland ESPs, local and international equipment and service suppliers, and other interested parties to attend the Launch Event.

When	24-25 April 2019
Where	Ambassador Hotel, Hargeisa, Somaliland
What	<p>The Launch Event will be a day and a half. It will provide the participants with:</p> <ul style="list-style-type: none"> ▪ An overview of ESRES, ▪ An overview of the SREF Window 1 procurement process; ▪ A detailed presentation of the Concept Note application and guidelines; ▪ A panel discussion with ESRES1 implementing partners to provide participants with the lessons learned from ESRES1; ▪ Opportunities for prospective equipment and service suppliers to make presentations and meet with Somaliland ESPs.
Audience	Anyone interested in SREF Window 1 is encouraged to attend the Launch Event. This includes ESPs in Somaliland as well as local and international equipment and service suppliers. It is expected that ESPs will use local and international equipment and service suppliers to develop their projects.
Registration	<p>To register for the SREF Window 1 Launch Event, please fill in the enclosed Registration Form and email this to the ESRES Programme Manager at info@esres-somaliland.org. The registration deadline is 12th April 2019.</p> <p>Note that interested international participants are strongly encouraged to confirm their registration as early as possible in order to have sufficient time to make logistical arrangements, including visas, which takes at a minimum one week (workweeks are Sunday to Thursday in Somaliland). International participants are encouraged to contact the Ambassador Hotel for support with their visa application process.</p> <p>Please send any questions to the above-mentioned e-mail address.</p>

About ESRES

The Energy Security and Resource Efficiency in Somaliland (ESRES) Programme is funded by the United Kingdom's Department for International Development (DFID) to improve access to, affordability, and sustainability of electricity in Somaliland.

ESRES promotes green growth and poverty reduction in Somaliland through increasing access to more affordable and reliable renewable energy services. This choice for renewable energies is based on the premise that green infrastructure investments in fragile states have potentially positive effects on economic development and poverty reduction while at the same time reducing the country's vulnerability to the negative effects of climate change.

During the period 2015-2018, ESRES supported the Ministry of Energy and Minerals (MoEM) to develop the policy and regulatory framework and implemented a pilot to established six hybrid mini-grids that are now fully operational. ESRES1 provided the Business Case assumption that there is not only a high potential for renewable energy generation, but that it works. ESRES is now entering its second phase (2018-2021) and intends to scale up its investments in the renewable energy sector.

About SREF

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Highlights of the SREF Window 1 grant requirements are below:

- SREF will fund up to 100% of proposed new renewable energy generation capacity capital expenditure.
- SREF will fund up to 50% of proposed network improvement/expansion capital expenditure. At least 20% of the total project cost must be accounted for by improvement and/or expansion of the existing distribution network.
- SREF will fund up to 100% of new connections. New connections funded by SREF must be complete metered connections; either ordinary meters or smart meters. SREF may also consider funding the replacement of existing analogue meters with smart meters. Connections will be funded through a Results-based Funding (RBF) mechanism that will provide an agreed fixed amount for verified connections.
- The Applicant must finance at least 30% of the total project costs and is strongly encouraged to propose a higher co-financing ratio. ESRES projects are implemented based on a collaborative partnership model, and the co-financing requirement is a key component of that.
- Selected projects must be completed by December 2020. It is estimated that this will allow for a 14-month project implementation period, although procurement delays may shorten this period.

The detailed guidelines will be distributed to registered participants in the Window 1 Launch Event.

Application Process

Applicants under SREF Window 1 will be selected based on a two-stage Call for Proposals (CfP) procurement process.

Step 1 – Concept Notes

The first stage is for Concept Notes, which must meet specific eligibility criteria and provide information about the Applicant and the proposed project, including a technical overview, the estimated costs, and the requested grant funding.

Eligible Concept Notes will be evaluated, scored, and ranked. A key requirement for receiving an SREF grant is that the proposed project must provide a significant Social Return on Investment (reducing electricity tariffs and connecting customers). Therefore, the evaluation of concept notes will be heavily weighted toward those projects that provide the greatest Social Return on Investment in both absolute terms and relative to the grant investment requested.

Applicants will be given about four weeks to prepare their Concept Note applications.

Step 2 – Business Plan Proposals

Following the Concept Note evaluation, short-listed Applicants will be invited to submit a full Business Plan Proposal, which will include a detailed technical and commercial plan for successfully implementing the project and delivering the committed Social Return on Investment.

The Business Plan Proposals will be evaluated and selected based on their overall technical and commercial viability and their suitability to the ESRES project portfolio.

Short-listed Applicants will have about eight weeks to prepare their Business Plan Proposals. ESRES will provide technical assistance to support the preparation of the Business Plan Proposals.

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