ANNUAL PROGRESS REPORT of 2025

For

National Child Project under the Africa Mini-grid Program – Ethiopia

July 2026
Addis Ababa, Ethiopia

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1. Executive summary

The Africa Minigrids Program (AMP) aims to support access to clean energy by increasing the financial viability and promoting scaled-up commercial investment in renewable energy minigrids in Africa, with a focus on cost-reduction levers and innovative business models. It is funded primarily by the GEF and implemented by UNDP in partnership with the African Development Bank (AfDB) and RMI.

Ethiopia's National Electrification Program (2019) aims for universal electricity access by 2025, with a focus on off-grid technology. The AMP national project in Ethiopia collaborates with Ethiopia's Ministry of Water and Energy (MoWE) to enhance energy access. Key interventions involve policy support, cooperative-led models, increased financing with de-risking, and digital management. AMP strengthens the financial viability of solar PV minigrids, encouraging productive use for sustainable revenue, especially benefiting local entrepreneurs, including women. The project targets 0.624 MW photovoltaic capacities, 1.523 MWh battery storages, and expects to reduce lifetime greenhouse gas emissions by 16,836 tones (direct) and 4.905 million tones (indirect). Around 31,625 people, with at least 50% women are expected to directly benefit.

After declining the RMI the project modality is changed from full nationally implemented modality (NIM) to supported NIM. The project is executed by the government of Ethiopia through the Ministry of Water and Energy and UNDP Ethiopia with the involvement of supporting partners.

The overall project budget administered by UNDP is USD 3,190,826 which includes USD 2,890,826 GEF grant and USD 300,000 UNDP TRAC resources. In addition, a total of USD 13,473,751 was mobilized as co-financing during project design. This project progress report aims to provide an update on the cumulative progress achieved as of 31 December 2025.

Some of the cumulative progress of the project is that the project made significant progress in strengthening the policy environment for mini-grid development in Ethiopia. Two inclusive national dialogues on mini-grid delivery models were conducted, leading to the development and endorsement of an Action Plan and recommendations for cooperative-owned mini-grid delivery models. A comprehensive gap analyses, stakeholder consultations, bilateral discussions, and validation workshops involving key government and development partners.

The project also advanced the development of technical and regulatory frameworks for the mini-grid sector. International consultants were recruited through competitive procurement processes to develop the Comprehensive Technical Provisions and Grid Arrival Regulations. Stakeholder consultation workshops and capacity-building training were conducted to validate and strengthen these regulatory instruments before their finalization.

To improve the investment climate for renewable energy, the project undertook a comprehensive Derisking Renewable Energy Investment (DREI) Analysis. Policy advisory discussions, technical working group meetings, stakeholder consultations, and technical assessments were conducted,

resulting in the preparation and validation of the national DREI Analysis Report and the preparation of the full international DREI report.

The project further strengthened environmental sustainability by developing the Waste Market and Regulation Assessment, Mini-grid Decommissioning Strategy, and Waste Management Recommendations. These outputs were reviewed through stakeholder consultations to ensure that environmental and waste management considerations are integrated into future mini-grid development.

Considerable progress was made in preparing pilot cooperative mini-grid investments. Prefeasibility studies were conducted across selected cooperative sites, followed by environmental and social screening, gender analysis, and preparation of environmental and social management and gender plans. The Mini-grid Pilot Plan (MPP) was revised and finalized, engineering designs for three pilot mini-grid sites were completed, and the Terms of Reference, bidding documents, and procurement strategy for installation and commissioning were finalized, the tendering has been floated for EPC procurement.

The project delivered extensive technical and institutional capacity-building activities for government institutions and energy sector stakeholders. Training was provided on mini-grid technologies, system design, installation, operation and maintenance, project management, procurement, monitoring and evaluation, grid arrival, productive use of energy (PUE), environmental and social safeguards, gender mainstreaming, and cooperative mini-grid management. Knowledge exchange activities further strengthened institutional capacity through regional learning and experience-sharing.

In collaboration with Addis Ababa Institute of Technology (AAiT), the project strengthened national technical capacity by developing training curricula, delivering certified training on mini-grid design, installation, operation, maintenance, and business models for 50 energy experts, and establishing an internship program for 18 graduates to support long-term sector capacity development.

The project also enhanced access to finance and productive use of energy. Training material on Business and financing models for mini-grids were developed, and training was delivered to commercial banks and microfinance institutions to improve their capacity to finance mini-grid investments. A capacity needs assessment for Productive Use of Energy (PUE) was completed, followed by stakeholder training to promote productive electricity use and improve the financial sustainability of mini-grid systems.

To support digital transformation, the project completed a Digital Readiness Assessment (DRA) and developed a project digital strategy and policy recommendations through stakeholder consultations, focus group discussions, interviews, and technical assessments. These outputs provide a roadmap for integrating digital technologies into Ethiopia's mini-grid sector.

The project maintained effective project management and knowledge-sharing throughout the reporting period. Annual Progress Reports and Project Implementation Reports (PIRs) were

prepared, the Project Mid-Term Review was completed, and project representatives actively participated in the Africa Minigrid Program (AMP) Community of Practice (CoP) forums to exchange experiences and promote regional collaboration.

The project also promoted gender equality and social inclusion by training more than 293 women energy entrepreneurs from Oromia, Amhara, Sidama, and Addis Ababa on renewable energy technologies, entrepreneurship, and business development. These interventions enhanced women's participation in the renewable energy value chain and contributed to inclusive and sustainable mini-grid development in Ethiopia.

2. Baseline evalutions on Mini grids in the country

As of now, the MoWE has successfully facilitated the installation of 12 minigrids, providing electricity access to approximately 600,000 individuals. Furthermore, the ministry and development partners are actively working on the installation of an additional 25 minigrids, and 100 more are currently in the bidding stage to be implemented in the near future. This ongoing expansion will greatly contribute to our goal of bringing electricity to more rural communities and improving the lives of our citizens.

3. Project Governance

The Project document was signed on 22 August 2022 and the project inception workshop took place on 07 November 2023.

A national Project Steering Committee is providing overall direction and oversight to the project. The Project Steering Committee is composed of;

- Project Steering Committee Chair, Dr-Ing Sultan Weli (Ministry of Water and Energy)
- Project Steering Committee Co-Chair, Ms. Chare Bist (UNDP Ethiopia)
- Project Steering Committee Member, Ato Abebe Tadesse (Ministry of Finance)
- Project Steering Committee Member, -------- (Ministry of planning and development)
- Project Steering Committee Member, Ato Bahiru Oljira (Ethiopian Energy Authority)
- Project Steering Committee Member, Ato Samuel Shawel (Ethiopian Electric Utility)
- Project Steering Committee Member, Ato Natan Chernet (Environmental Protection Authority)
- Project Steering Committee Member, Ato Deriba Bekele (Ethiopian Cooperative Commission)
- Project Steering Committee Secretary, Ato Yimeslal Tefera (Project Manager)

A Project Management Unit (PMU) has been established within the Implementing Partner, the Ministry of Water and Energy (MoWE), to manage the AMP national project. The PMU includes:

- Mr. Yimeslal Tefera, Project Manager
- Mr. Tesfaye Alemayehu, Technical Expert
- Mr. Engidu Asenake, Senior Monitoring and Evaluation Expert

- Mrs. Lishan Asfaw, Project Accountant
- Etagegne Sisay, Project Casher
- Melikamnesh Yimer, Project Messenger

The Implementing Partner is also relying on the following Responsible Parties to implement some of the project activities:

Name of Responsible Party	**Start date of engagement**	**End date of engagement**	**Task**	**Relevant outputs/Project activities**	**Budget**
Ethiopian Cooperative Commission	December 2023	At the end of the project	Support	Cooperative site selection and management of the selected cooperative minigrids sites	
Ethiopian Electric Utility	October 2023	At the end of the project	Technical Support	Pilot site assessment, design and installation minigrids	
UNDP Ethiopia		At the end of the project	Technical Support	Execution of outputs 1.2, 1.3, 1.4, 2.1, and 2.2	
AAiT	December 2024	At the end of the project	Consultancy Services	Execution of output 2.3	$144,000.00

4. Progress Achieved on Components

Component	Activity/Output	Progress as of 31/12/2025
Component 1: Policy and Regulation	Output 1.1: Support for national dialogue, associated capacity enhancement and arrangements for implementation of cooperative Mini grid delivery model(s)	• Two inclusive national dialogue on mini-grid delivery models were conducted. • The first national dialogue was conducted on the cooperative mini-grid delivery model for one day on 28 December 2023 in Addis Ababa, Ethiopia. 36 individuals from various federal and regional organizations participated in the national dialogue. • Term of reference (ToR) and bid documents were prepared for recruiting a national consultant firm to carry out the second national dialogue and gap analysis and recommendations for cooperative-owned delivery models. • Request for Expression of Interest announced/posted in newspapers and on MoWE & UNDP websites. • The technical and financial proposals firms were evaluated and the winner was identified. • The contract agreement of the national consultancy was signed on 11 March 2025 with the winner, in JV with Green World Energy Technology Devices Manufacturing PLC. • On 04 April 2025, the inception workshop was conducted on the above consultancy works. 21 individuals from MoWE, SNV, UNDP, AAiT, and Lunar Consultancy PLC participated in the inception workshop. • The second inclusive, multi-stakeholder national dialogue was organized on 8 May 2025 to further deliberate on appropriate mini-grid delivery models for Ethiopia. A total of 57 participants from various federal and regional organizations attended the dialogue. An Action Plan Report for the Future National Dialogue on Mini-Grid Delivery Models was developed and endorsed by stakeholders. • A desk review, stakeholder interviews, and bilateral consultations were conducted to support an overall gap analysis of cooperative-owned mini-grid delivery models, and recommendations were developed to address the identified gaps. • An overall gap analysis of cooperative-owned mini-grid delivery models was conducted, and recommendations were developed to address the identified gaps. • A Validation Workshop was held on August 15, 2025 to review and validate the Action Plan for the National Dialogue and the Overall Gap Analysis and Recommendations Reports in the presence of key stakeholders. The workshop endorsed the documents, recognizing their significant contribution to achieving the project's objectives and expanding sustainable electricity access through mini-grid development.

	Output 1.2. Establishment of regulations, technical and contract provisions, and consultation with developers and financiers on grid arrival arrangements	• ToR and bid document for international consultancy services were developed. • The contract agreement was signed with the international consultancy firm to conduct these activities. • Comprehensive Technical Provisions and Grid Arrival Regulations were developed. • Capacity-building training on the Technical Provisions and Grid Arrival Regulations was conducted. • A stakeholder consultation workshop was conducted on March 9, 2026 in Adama to collect inputs and further enhance the draft Grid Arrival Regulations.
	Output 1.3. Execution of the De-risking Renewable Energy Investment (DREI) analysis for solar PV minigrids	• Terms of Reference (ToR) and bid documents were prepared to recruit both a national consulting firm and an international consultant to undertake a full Derisking Renewable Energy Investment (DREI) Analysis on the perceived risks of the Africa Minigrid Program (AMP) National Child Project in Ethiopia in collaboration. • Both the national and international consultancy services contract agreements were signed on 11 March 2025 with the winner, Lunar Consultancy PLC, in JV with Green World Energy Technology Devices Manufacturing PLC, and with the international consultant, respectively. • The inception workshop of the national consultancy work was conducted on 04 April 2025 in the presence of 21 individuals from MoWE, SNV, UNDP, AAiT, and Lunar Consultancy PLC. • Collaboration framework agreed by national with international consultants, frameworks developed, desk review and interviews conducted, bilateral discussions held, • Policy advisory discussion on Derisking Renewable Energy Investment (DREI) was conducted on 6 May 2025 with 14 individuals from different organizations, namely MoWE, UNDP, EPA, EWiEN, GIZ, RET, ESEDA, Lunar Consultancy PLC and International Consultants. • Technical Working Group discussion and training on Derisking Renewable Energy Investment (DREI) was provided on 7 May 2025 for 28 individuals from different organizations, namely MoWE, UNDP, EPA, EWiEN, GIZ, RET, ESEDA, EEP, ACME, ECC, PEA, GME, WRI, EEP, Power Ethiopia, Rensys Eng., Lunar Consultancy PLC and International Consultants. • DREI Analysis report was prepared by the local consultant, reviewed by PMU, UNDP Country office and regional and validated by key stakeholders. • Full DREI Analysis report has been preparing by international individual consultant.
	Output 1.4. Development of decommissioning strategy and guidelines on waste management for minigrid components.	• ToR and bid document to recruit international consultancy services were developed. • Contract agreement with the international consultancy firm was signed. • Waste Market and Regulation Assessment Report, Minigrid Decommissioning Strategy and Waste Management Recommendations were developed. • A stakeholder consultation was conducted on March 10, 2026 in Adama to review and improve the draft Waste Market and Regulation Assessment Report, Decommissioning Strategy and Waste Management Recommendations.

	Output 1.5. Capacity-building for MoWIE and its sectoral institutions via the MoWIE Innovation Center (MIC).	• Training in micro-hydro and solar mini grids was conducted for eleven days, from 27 November to 7 December, 2023, in Hosaena, Ethiopia. Fifty-five energy professionals from regional energy bureaus and the Ministry of Water and Energy received the training. • Training on solar mini-grid systems was provided to the Ministry and the Regional Energy Bureaus' energy experts. The five-day workshop on mini-grid technology, solar mini-grid system design, solar mini-grid installation, procurement and contract management, and energy policy and legal frameworks took place at the Dire International Hotel in Adama City from August 20–24, 2024. More than 120 energy experts (72% male and 28% female), of whom 5 were from city administrations, 25 were from regions, and the other individuals were MoWE-trained. • Capacity building and exchange of knowledge and experience sharing was conducted for 8 PMU and MoWE stuffs on Project Management, Procurement & Monitoring & Evaluation of Ethiopia Child Mini Grid Project under the African Minigrid programme, held at Reef Hotel, Mombasa, 23rd November -06th December 2025. • Similarly, capacity building training on alternative service delivery models, grid arrival, mini-grid management, productive use of energy, and mini-grid financing was conducted from June 10–12, 2026 at Canopy Hotel, Adama, for 51 participants (11 federal and regional energy bureau leaders and 40 energy sector experts and officials from the Ministry).
Component 2: Business Model Innovation with Private Sector	Output 2.1. Implementation of pilot minigrids under cooperative delivery models	• In order to select pilot cooperative mini-grid sites, legal communication and discussions were held with the Ethiopian Cooperative Commission (ECC). The ECC has been starting the identification of the best cooperatives for the development of minigrids. • On top of this, a prefeasibility study was conducted on 18 selected sites in the Oromia, Tigray, Somali, and Central Ethiopia regions. • Three candidate sites were selected for pilot cooperative solar mini-grid installation. • SES screening and gender analysis were conducted for 3 pre-identified sites. • SEI management and the gender plan have been prepared. • The mini-grid pilot plan (MPP) was drafted. • In the same time, training was provided for more than 20 (11 males & 9 females) individuals of MoWE and PMU staff, who support the project implementation on corporate procedures and manuals of UNDP & GEF at Adam Town for 2 days from February 27-28, 2025. • Developed ToR and bid document to recruit international consultancy services. • The procurement process was finalized, and the contract agreement with the international consultancy firm was signed on for the revision and finalization of the mini-grid pilot plan, the development of the bidding document, the provision of technical support for the procurement process, and the development of the mini-grid design.

		• The revision of the Mini-grid Pilot Plan was finalized, reviewed by MoWE and UNDP, and cleared by the Regional UNDP Office and GEF. • The designs for the three pilot cooperative mini-grid sites were prepared. • The Terms of Reference (ToR) for the installation and commissioning of the three pilot cooperative mini-grids were prepared. • The bidding documents for the installation and commissioning of the three pilot cooperative mini-grids were prepared. • The bidding documents and tendering strategy were reviewed, appraised, and verified for alignment with government procurement policies, operational procedures, and guidelines, and finalized for official bid launching. • The bid was floated to invite mini-grid project developers, particularly Engineering, Procurement, and Construction (EPC) contractors. • Environmental and Social Impact Management and Gender Mainstreaming Training was provided for 20 professionals (7 female and 13 male) for AMP Project Unit, MoWE relevant experts, and Sidama Regional Energy Bureau. The training was held from August 19–20, 2025 at South Star Hotel, Hawassa, to strengthen participants' capacity on environmental and social impact management and gender mainstreaming. • Capacity-building training was provided for 42 cooperative leaders and experts from federal and regional institutions, including Oromia and Somali regions, to strengthen their capacity in managing and sustaining solar mini-grid projects. The training was conducted in Adama from December 30–31, 2025.
	Output 2.2. Technical assistance for productive use in association with AMP-supported minigrids.	• ToR and bid document were developed to recruit international consultancy services. • The procurement process was finalized, and the contract agreement with the international consultancy firm was signed. • A capacity needs assessment for Productive Use of Energy (PUE) training was conducted, and a report was prepared. • A stakeholder capacity-building training on Productive Use of Energy (PUE) was conducted on March 12, 2026, in Adama to enhance stakeholders' understanding in improving incomes and supporting the financial sustainability of mini-grids.
	Output 2.3: Training, higher education programs, and internships established for mini-grid design, installation, operations, maintenance, and business models.	• Repeated discussions were conducted with AAiT in the presence of UNDP, and a consensus was reached. • Memorandum of Understanding (MoU) between MoWE and AAiT had signed. • A contractual agreement was prepared, and the contract agreement was signed between AAiT and MoWE on December 6, 2024. • An inception workshop was conducted on 19 December 2024. • The final inception report and course curriculum had prepared and delivered by AAiT.

		• A total of 50 energy experts (23 female and 27 male) were trained and certified in two rounds on mini-grid design, installation, operation, maintenance, and business models. • A total of 18 interns were selected, and the internship program was arranged.
Component 3: Scaled-up financing	Output 3.1. Design support for financing and risk mitigation instruments, as well as development of operational guidance, provided for mini-grid and productive use financing facility.	• ToR and bid document to recruit international consultancy services were developed. • Contract agreement with the international consultancy firm was signed.

	Output 3.2. Domestic financial sector capacity-building on business and financing models for minigrids	• Terms of Reference (ToR) and bid documents were prepared to recruit the national consulting firm subject to undertaking design and prepare training on business and financing models for mini grids for commercial banks and microfinance institutions in Ethiopia.
		• Request for expression of interest announced/posted in newspapers and on MoWE & UNDP websites.
		• The technical and financial proposals of 5 consultancy firms were evaluated and the winner was identified.
		• The contract agreement of the national consultancy service was signed on 11 March 2025 with the winner, Lunar Consultancy PLC, in JV with Green World Energy Technology Devices Manufacturing PLC.
		• On 04 April 2025, the inception workshop was conducted on the above consultancy works. 21 individuals from MoWE, SNV, UNDP, AAiT, and Lunar Consultancy PLC participated in the inception workshop.
		• Training framework prepared, desk reviews and interviews conducted, bilateral meeting held, and training candidates identified.
		• Training materials covering mini-grid development, business development, and financing models were developed.
		• Training for Commercial Banks and Microfinance Institutions on Mini-Grid Business and Financing Models were provided through the two rounds, a total of 42 professionals (2 women and 40 men) from 19 commercial banks and 4 microfinance institutions. The training was delivered in two rounds.
		  • First Round: Conducted on August 8, 2025, the training was attended by 16 professionals (2 women and 14 men) drawn from nine public and private banks.
		  • Second Round: Conducted on November 7, 2025, the training was attended by 26 professionals from 10 private banks and 4 microfinance institutions.

Component 4: Digital, Knowledge Management and	Output 4.1: A Digital Strategy is developed and implemented, including linkages to and following guidance from the AMP Regional Project.	• Terms of Reference (ToR) and bid documents were prepared to recruit the national consulting firm to conduct a digital readiness assessment (DRA) and develop the project digital strategy based on the findings from the DRA. • Request for expression of interest announced/posted in newspapers and on MoWE & UNDP websites. • The technical and financial proposals of 5 consultancy firms were evaluated and the winner was identified.

Monitoring and Evaluation		• The contract agreement of the national consultancy service was signed on 11 March 2025 with the winner, Lunar Consultancy PLC, in JV with Green World Energy Technology Devices Manufacturing PLC. • On 04 April 2025, the inception workshop was conducted on the above consultancy works. 21 individuals from MoWE, SNV, UNDP, AAiT, and Lunar Consultancy PLC participated in the inception workshop. • Relevant stakeholders of were identified. • Collaboration framework agreed by national consultant with international partner, hypothesis and questionnaire developed. • Focus Group Discussion was conducted with pre-identified stakeholders on June 26, 2025. 22 individuals from government, civic society, NGOs, and private sector participated in the. • The mini-grid digital readiness assessment, digital strategy, and policy recommendations were developed through document reviews, stakeholder consultations, FGDs, and interviews.
	Output 4.2 - Minigrids digital platform implemented to run tenders and manage data from pilots, and to support minigrids scale-up and cost-reduction.	• Not commencing as of yet.
	Output 4.3: A Quality Assurance and Monitoring Framework for measuring, reporting and verification of the sustainable development impacts of all minigrids pilots supported, including GHG emission reductions, is adopted and operationalized based on standardized guidance from the regional project.	• Not commencing as of yet.
	Output 4.4: M&E and Reporting, including (i) Conducting inception workshop and preparing report, (ii) Ongoing M&E, (iii) Midterm Evaluation and (iv) Terminal Evaluation.	• The inception workshop was conducted for two days starting from November 6- 7, 2023 in Addis Ababa, Ethiopia. Fifty (50) participants were engaged in the inception workshop from different organizations including government, non-governmental organizations, academia, the private sector, development partners, and members of the media. • The 2023, 2024, and 2025 progress reports were prepared. • The 2024 and 2025 Project Implementation Reports (PIRs) were prepared. • The Project Mid-Term Review was conducted.
	Output 4.5: Engage with regional project, including, but not limited to, via (i) participating in Communities of Practice and (ii) capturing and sharing lessons learnt	• AMP Community of Practice (CoP) forums were attended in 2025 and 2026. Three representatives from the Ministry of Water and Energy (MoWE) participated in the 2025 CoP, held in Kampala, Uganda, on 15–16 April 2025. In the 2026 CoP, held in Nairobi, Kenya, from 21 to 24 April 2026, three representatives from MoWE and one representative from the UNDP Country Office participated.

Powering Gender Equality	Output 5.1: New businesses supported for women energy entrepreneurs to join renewable energy market. Indicator 1: Number of women energy entrepreneurs joined the energy markets. Baseline: TBC based on mapping Target 2024: 400 Indicator 2: Number of women energy enterprises with enhanced capacities on BDS development Baseline: TBC based on the mapping study Target 2024: 400	• Women energy entrepreneurs of the Amhara, Oromia, and Sidama regions' and the Addis Ababa City Administrations were identified. • More than 293 (90% female and 10% male), of which 97 were from the Oromia region, 121 were from the Amhara region and Addis Ababa City administration, and the rest, 75 individuals, were from the Sidama region, women energy entrepreneurs were trained on energy technology and business development skills. The training for Oromia region participants was given for 3 days from July 8-10, 2024, at Hillside Hotel in Adama City. The training for the Amhara region and Addis Ababa City administration was conducted from November 7-9, 2024, for 3 days at Hillside Hotel in Adama City, and the training for the Sidama region was given at South Star Hotel in Hawassa City on November 12-13, 2024.
Project Management		• The reassignment of the project manager and hiring of project administration and finance manager, casher, and messenger have been done.

5. Progress achieved on the results framework

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Progress as of 31 Dec 2025
Project Objective: Supporting access to clean energy by increasing the financial viability, and promoting scaled-up commercial investment, in renewable minigrids in Ethiopia with a focus on cost-reduction levers and innovative business models.				
Mandatory GEF Core Indicators: **Indicator 1:** Greenhouse gas emissions mitigated (metric tons of carbon dioxide equivalent) (Units of measure: metric tons of CO2e)	Zero, since the project has not yet started	Zero, since the project pilot(s) have not yet been commissioned	16,836 (direct) 4,905,000 (indirect)	The target is not for this reporting period. However, efforts have been made toward achieving the target. Building upon the pre-feasibility study conducted in 2024, a field investigation and data collection campaign conducted in May 2025, with the goal of collecting missing data, assessing electricity demand, and evaluating the socio-economic and productive potential of the targeted villages/sites in Oromia, Somali, Tigray regions. The feasibility study reports and the Mini-grid Pilot Plan and bidding document for 3 sites have been prepared and cleared and endorsed. Currently, the installations and commissioning of the minigrids tender was floated.
Mandatory GEF Core Indicators: **Indicator 2:** Number of direct beneficiaries benefitting from energy access via minigrids, disaggregated by gender and customer segment (residential, social, commercial/productive use), as co-benefit of GEF investment [4] *(Units of measure: number of people; number of connections disaggregated by customer segment)*	Zero, since the project has not yet started	Zero, since the project pilot(s) have not yet been commissioned	31,625 people (of which 50% women) 30,488 people (residential) 202 people (social) 935 people (commercial/PUE) 312 connections (commercial/PUE)) 6,460 connections (total)	The target is not for this reporting period; however, progress has been made. Six out of 18 cooperatives/off-grid sites were identified and consulted in Oromia, Somali, and Tigray regions, and three demonstration sites were selected. The assessment identified potential connections for 991 households, 128 public services, 9 small businesses, and 9 anchor loads. Final site selection may be adjusted based on the available project budget.
Indicator 3: Increase in installed solar PV capacity (MW) and battery storage (MWh)	Zero, since the project has not yet started	Zero, since the project pilot(s) have not yet been commissioned	0.624 (solar PV) 1.523 (storage)	The target is not for this reporting period; however, progress has been made. The Mini-grid Pilot Plan has been prepared, cleared, and endorsed. Designs and bid documents for the three sites have been prepared, and the tender for the installation of 2–3 mini-grid systems has been launched.

				Three demonstration sites were selected in Oromia, Somali, and Tigray regions, with planned capacities of 172 kW, 75 kW, and 90 kW (totaling 337 kW) and storage capacities of 668 kWh, 247 kWh, and 286 kWh (totaling 1,201 kWh). Final site selection may be adjusted based on the available project budget.
Indicator 4: Number of direct [and indirect] primary jobs created in the MG sector, disaggregated by gender, for mini-grid development, operation and productive use.	0 (direct jobs in minigrid development) 0 (direct jobs in productive use supported by new AMP-supported cooperative minigrid)	30, including 10 women 50, including 25 women	120, including 50 women 150, including 75 women	This is on track. In partnership with the Powering Equality Programme, an evidence-based Advocacy Strategy for Advancing Gender Equality in Ethiopia's Energy Nexus was developed to address the gender-energy nexus incl. job creation. To advance women's empowerment and promote gender-transformative approaches in the clean energy sector, 320 women green energy entrepreneurs have been trained in green entrepreneurship, market development, and product promotion to promote job creation.
Project component 1	**Policy and Regulations**			
Indicator 5: A minigrids delivery model to enable minigrids development is endorsed/adopted by the national government through a consultative process involving key stakeholders (e.g. relevant ministries, local authorities, rural populations, private sector, media, etc.) *Binary indicator (1/0)*	Zero	Multi-stakeholder, national dialogue platform on cooperative mini-grid delivery models established and active.	At least one cooperative mini-grid delivery model is identified and endorsed by the government through the work of the multi- stakeholder platform and dialogue.	Two multi-stakeholder national dialogue workshops on cooperative mini-grid delivery models were conducted. An Action Plan Report for conducting future National Dialogues on Mini-grid Delivery Models has been developed. Throughout the consultations and assessment, the most viable contractual frameworks for Ethiopia's cooperative or hybrid cooperative delivery models include Public-Private Partnership (PPP) at 50%, Build-Operate-Transfer (BOT) at 45%, and Engineering, Procurement, and Construction (EPC) at 40%. As part of the findings, a cooperative-led delivery model has been proposed for the implementation of mini-grid pilots. The mini-grids will be constructed through EPC contracts, where private entities are responsible for building the infrastructure without long-term operational involvement. Under this model, mini-grids would be owned and governed by community-based cooperatives, enabling local ownership and inclusive participation. Cooperatives are expected to manage daily operations, oversee tariff collection, and lead community engagement efforts. However, due to limited

				technical capacity, the model emphasizes the need for targeted capacity building or the involvement of operation and maintenance (O&M) specialists to ensure sustainability.
Indicator 6: Number of policy de-risking instruments for minigrid investments identified and adopted by the national government *(Units of measure: Absolute number of policies derisking instruments)*	No de-risking instruments for cooperative minigrids	At least one policy de-risking instrument identified and adopted	At least two policy de-risking instruments identified and adopted	This is on track. A comprehensive De-risking Renewable Energy Investment (DREI) analysis for Ethiopia's emerging mini-grid sector is in progress. Key achievements include assessment of the mini-grid ecosystem, establishment of the Technical Working Group (TWG), organization of a national stakeholder workshop, and consultations with private sector actors involved in mini-grid development, financing, and implementation. As a result, a comprehensive mini-grid investment risk analysis report was developed and cleared by UNDP.
Project component 2	**Business Model Innovation with Private Sector**			
Indicator 7: Minigrid pilots implemented that demonstrate a delivery model, cost-reduction measure(s) and/or productive use of electricity (binary (1/0))	Zero	The project's detailed design plan (the 'Minigrid Pilot Plan') for advancing the minigrid pilots is developed and cleared by UNDP. (1) Any project tendering process, as applicable, for minigrid pilots is launched. (1)	100% of the planned minigrid pilots, as identified in the project's Minigrid Pilot Plan, are commissioned. (1)	The target is not for the current reporting period, efforts have been undertaken to achieve targets. A pre-feasibility study has been completed focusing on 18 cooperatives/ off-grid sites in four regions (South Ethiopia, Tigray, Oromia and Somali regions). As a result, 6 out of 18 cooperatives in Oromia, Somali and Tigray, with a total of 24,000 member beneficiaries, were selected. Technical and engineering design, in accordance with the Minigrid Pilot Plan template finalized, currently tendering process to install 2-3 mini-grid systems is underway.
Indicator 8: Capacity of private sector minigrid developers and/or operators is enhanced to participate in sector-wide tendering processes led by MoWE and the EEU to develop and/or operate minigrids (binary (1/0))	Zero (no formal training for minigrid developers and operators in Ethiopia, within or outside AMP)	Planned capacity building activities for year 1 and 2 are implemented. (1) The capacity of targeted recipients is assessed by survey towards the end of year 2. On a scale of 1 to 5, an average score of at least 2 is achieved. 1 represents a low level of capacity 5 represent a strong capacity to understand relevant issues and apply knowledge and skills to find effective solutions. (1)	Planned capacity building activities for year 3 and 4 are implemented. (1) The capacity of targeted recipients is assessed by survey towards the end of the project. On a scale of 1 to 5, an average score of at least 4 is achieved. 1 represents a low level of capacity 5 represent a strong capacity to understand relevant issues and apply knowledge and skills to find effective solutions. (1)	This is on track. A contractor has been recruited and a capacity needs assessment was conducted. A stakeholder capacity-building training on Productive Use of Energy (PUE) was conducted on March 12, 2026, in Adama to enhance stakeholders' understanding in improving incomes and supporting the financial sustainability of mini-grids.

Project component 3	**Scaled-up Financing**			
Indicator 9: Capacity of financial institutions is enhanced through training, knowledge sharing, and/or awareness raising events aimed at increasing the financial sector's capacity to evaluate investments in minigrids. (binary (1/0))	Zero	Planned capacity building activities for year 1 and 2 are implemented. (1) The capacity of targeted recipients is assessed by survey towards the end of year 2. On a scale of 1 to 5, an average score of at least 2 is achieved. 1 represents a low level of capacity 5 represents a strong capacity to understand relevant issues and apply knowledge and skills to find effective solutions. (1)	Planned capacity building activities for year 3 and 4 are implemented. (1) The capacity of targeted recipients is assessed by survey towards the end of the project. On a scale of 1 to 5, an average score of at least 4 is achieved. 1 represents a low level of capacity 5 represent a strong capacity to understand relevant issues and apply knowledge and skills to find effective solutions. (1)	This is on track, Training materials covering mini-grid development, business development, and financing models were developed. Training for Commercial Banks and Microfinance Institutions on Mini-Grid Business and Financing Models were provided through the two rounds, a total of 42 professionals (2 women and 40 men) from 19 commercial banks and 4 microfinance institutions.
Indicator 10: Number of new government- or impact investor-supported financing mechanisms offering concessional finance for renewable minigrids. (binary (1/0))	Zero (through mechanism or facility supported by AMP)	At least one new complementary funding instrument is designed by AMP and operational. (1)	At least one new complementary funding instrument is designed by AMP and operational. (1) At least one renewable mini-grid project has managed to obtain concessional finance (i.e. sign the relevant agreements) through the designed complementary funding instrument. (1)	
Project component 4	**Digital, Knowledge Management and Monitoring and Evaluation**			
Indicator 11: A project digital strategy is prepared and implemented by the PMU to contribute to project implementation and local minigrid market development. (binary (1/0))	Zero	The project digital strategy is developed and being implemented. (1)	The project digital strategy is implemented. (1) Recommendations for rolling out digital solutions for minigrids at national level have been shared with key national stakeholders. (1)	This is on track. A Digital Readiness Assessment and Digitalization Strategy for Ethiopia's mini-grids have been completed. The strategy offers practical recommendations to enhance operational efficiency (through proactive maintenance and optimized demand management), improve financial sustainability (via accurate billing and reduced revenue leakage), and strengthen customer satisfaction (with transparent consumption data and user-friendly payment options). It also promotes inclusion through targeted user education and gender-sensitive digital tools, while ensuring alignment with continental frameworks such as the Africa Mini-Grids Program (AMP) and other digital best practices. .

Indicator 12: Minigrid pilots sharing data on minigrid performance with the regional project and other stakeholders following best practices and guidance received from the AMP Regional Project. (binary (1/0))	Zero	The project's 'digital & data management platform' is procured and operational, ready for data collection from the project's mini-grid pilot(s), and for data sharing with the AMP regional project's digital platform. (1)	100% of the planned minigrid pilots, as identified in the project's Minigrid Pilot Plan, are collecting and sharing data with the AMP Regional Project [at least on a quarterly basis] using the project's 'digital & data management platform'. (1)	The development of the digital and data management platform has been underway with the collaboration of AMP Regional Project.

6. Update on risks (risk register)

The project's financial delivery has been low due to delays in the installation of the mini-grids, which account for the largest share of the project budget. Therefore, effective mechanisms need to be put in place to accelerate the installation process and improve financial delivery during during the next reporting period.

7. Update on gender

- A gender analysis was conducted for the three pre-identified candidate mini-grid sites, and a gender action plan was prepared.
- Virtual and in person training on gender mainstreaming was provided to PMU and MoWE staff.

8. Update on social and environmental safeguards

- A Social and Environmental Safeguards Screening was conducted for the three pre-identified candidate mini-grid sites by the MoWE Environmental Impact Assessment (EIA) Specialist and the energy experts' team, under the guidance of the UNDP Country Office Social and Environmental Safeguards Specialist.
- A Social and Environmental Impact Management Plan (ESIMP) was prepared for the three pre-identified candidate mini-grid sites based on the findings of the Social and Environmental Safeguards Screening.
- Environmental and Social Impact Management training was provided to 20 professionals (7 female and 13 male) from the AMP Project Unit, relevant MoWE experts, and the Sidama Regional Energy Bureau.

9. Update on partnerships

Initially, the Rocky Mountains Institute (RMI) was tasked with executing the project; however, they declined from the role of RP due to their claim of 20% institutional overhead costs, which exceeded the UNDP and GEF threshold. Following the decline of RMI as RP, the project has been dealing with Ethiopian Electric Utility (EEU) to serve as RP, particularly for component 2; however, they agreed only to technically support as per the request of MoWE, rather than take over the whole responsibility. Given these challenges, and in response to requests from the Implementing Partner (IP) and the GEF Operational Focal Point (GEF OFP), the UNDP Country Office submitted a request to implement selected activities under an Assist NIM implementation arrangement to ensure effective project execution. The request was approved by the GEF in September 2024 for specific activities, including international procurement and experience exchange.

10. Updates on communications

- Every event, including workshops, training sessions, and national dialogues, was covered by the media, including the Ministry's Public Relations Office as well as federal and regional news agencies.
- Every event was communicated through the social media platforms of UNDP and the Ministry of Water and Energy (MoWE).
- The project was showcased during the Africa Climate Week held in Ethiopia in September 2025 to enhance its visibility.

11. Budget delivery over the period

GEF Component	Responsible Party	Donor Name	Amount planned for the period (USD)	Amount spent for the period (USD)
Component 1: Policy and Regulation		GEF	77,700.00	
		UNDP		
Component 2: Business Model Innovation with Private Sector		GEF	225,356.80	
		UNDP	69,000.00	
Component 3: Scaled-up financing		GEF	172,800.00	-
		UNDP		
Component 4: Digital, Knowledge Management and Monitoring and Evaluation		GEF	131,000.00	-
		UNDP	76,217.4	
Project Management		GEF	30,200.00	
		UNDP	33,000.00	

12. Update on co-financing

Co-financing source	Co-financing type	Co-financing amount committed as per the prodoc (USD)	Included in project results?	Materialized co-financing for the period (USD)
UNDP	Cash	300,000	Yes	-
MoWIE	Cash and in-kind	12,473,751	No	-
African Development Bank	Parallel	1,000,000	No	-
TOTAL				

13. Next Steps

Component	Activity/Output	Next Steps
Component 1: Policy and Regulation	Output 1.1: Support for national dialogue, associated capacity enhancement and arrangements for implementation of cooperative minigrid delivery model(s)	• Provide technical and advisory services to Federal Cooperative Commission (FCC) and regional cooperative commissions on institutional and reporting arrangements for the deployment and ongoing management of performance of cooperative delivery model(s).
	Output 1.2. Establishment of regulations, technical and contract provisions, and consultation with developers and financiers on grid arrival arrangements	• Organize consultation and capacity workshops on the Technical Provisions and Grid Arrival Regulations • Conduct a validation workshop on the Technical Provisions and Grid Arrival Regulations
	Output 1.3. Execution of the De-risking Renewable Energy Investment (DREI) analysis for solar PV minigrids	• Conduct stakeholder consultations and disseminate the preliminary and full quantitative national DREI analysis. • Conduct the end-of-year update of the DREI analysis
	Output 1.4. Development of decommissioning strategy and guidelines on waste management for minigrid components.	• Organize consultation and validation workshops for the decommissioning strategy and waste management guidelines for minigrid components. • Develop a tracking and reporting system for the forecasting of minigrid.
	Output 1.5. Capacity-building for MoWIE and its sectoral institutions via the MoWIE Innovation Center (MIC).	• Conduct capacity building for MoWE and its sectoral institutions on alternative delivery models, grid arrival, mini grid waste management and decommissioning, productive use, and financing. • Provide ongoing technical guidance and advisory support to MoWE and relevant sectoral institutions.
Component 2: Business Model Innovation with Private Sector	Output 2.1. Implementation of pilot minigrids under cooperative delivery models	• Procure minigrid systems for installation and commissioning. • Install and commission the procured minigrid systems, including provision of technical training for relevant operators and local stakeholders. • Monitor and implement the Environmental and Social Management Plan (ESMP), including execution of the Gender Action Plan and provision of capacity-building support for project staff. • Conduct site preparation, bid evaluation, quality assurance, technical supervision of the minigrid systems.
	Output 2.2. Technical assistance for productive use in association with AMP-supported minigrids.	• Deliver training and business development support to cooperative minigrid owners and end-users, particularly women on business planning and productive use of energy.Provide Targeted Technical Assistance for Productive Use and Business Development

	Output 2.2: Technical assistance for productive use in association with AMP-supported minigrids.	
Component 3: Scaled-up financing	Output 3.1. Design support for financing and risk mitigation instruments, as well as development of operational guidance, provided for minigrid and productive use financing facility.	• Design of financial de-risking facility with the REF, using a variety of references, including the possibility of the DREI analysis (Output 1.3) • Technical assistance to the MoWE in operationalizing the facility and monitoring performance of supported entities
	Output 3.2. Domestic financial sector capacity-building on business and financing models for minigrids	• Delivery of training to domestic banks and MFIs.
Component 4: Digital, Knowledge Management and Monitoring and Evaluation	Output 4.1: A Digital Strategy is developed and implemented, including linkages to and following guidance from the AMP Regional Project.	
	Output 4.2 - Minigrids digital platform implemented to run tenders and manage data from pilots, and to support minigrids scale-up and cost-reduction.	• Asses existing digital platforms for minigrid management and determination whether AMP's platform can be built as an add-on to these platforms. • Develop technical specifications for the AMP digital platform with support from the AMP Regional Project. • Procurement of consultant services and execution of the platform as needed • Undertake Capacity building of key stakeholders on the effective use of the digital platform
	Output 4.3: A Quality Assurance and Monitoring Framework for measuring, reporting and verification of the sustainable development impacts of all minigrids pilots supported, including GHG emission reductions, is adopted and operationalized based on standardized guidance from the regional project.	
	Output 4.4: M&E and Reporting, including (i) Conducting inception workshop and preparing report, (ii) Ongoing M&E, (iii) Midterm Evaluation and (iv) Terminal Evaluation.	• Conduct M&E related activities and organize PSC meeting
	Output 4.5: Engage with regional project, including, but not limited to, via (i) participating in Communities of Practice and (ii) capturing and sharing lessons learnt	• Organize participation by Ethiopian stakeholders in Communities of Practice organized by the regional AMP • Develop comprehensive knowledge products capturing the AMP's technical findings, best practices, lessons learned, and overall impact.
Project Management	Project Management	• Project management

14. Annexes.

Annex A. Inception Report for National Child Project under the African Minigrids Program-Ethiopia

AMP Business Model Dialogue Report.pdf

Annex B. First Steering Committee Meeting Agenda

AMP Steering Committee Meeting A

Annex C. First Steering Committee Meeting Minute

AMP PSC Meeting Minute-Signed.pdf

Annex D. MoU MoWE_AAiT_Final

MoU MoWE_AAiT_Final.pdf

Annex E. Inception Report

Annex F. Training Curriculum

Annex G. Minigrids Sites Feasibility Study Data Collection Format of the EEU

Annex H. Mini-grid Prefeasibility Study Report

Mini Grid Compiled Site Selection Report.

Annex I. Fudes Mini-Grid Feasibility Study Report

Fudes_ Tigray Region Mini-Grid_Project.VC

Annex J. Sarba Mini-Grid Feasibility Study Report

Sarba_ Oromia Region Mini-Grid_Pro

Annex K. Xaarey Mini-Grid Feasibility Study Report

Xaarey_ Somali Region Mini-Grid_Pro

Annex L. ToR for AMP National Consultant

ToR for AMP National Consultant.p

Annex M. TOR for DREI Analysis

TOR for DREI Analysis.pdf

Annex N. Terms of Reference-international firm

Terms of Reference-internation

Annex O. MoWE Request Letter for One-time Support

IP Request Letter.pdf

MoWE Request Letter.pdf

Annex P. MoPD Request Letter for Support

MoPD Support Letter on AMP.pdf

Annex Q. Agency Notification on Amendment

Agency_Notification_ Amendment_ID_1047

Annex R. Mid Term Review Report

MTR AMP Report_final clean co

Annex R. Capacity Need Assessment Report

CNA_Productive Use of Energy.pdf

ADV_P063_capacity building Waste_2603

ADV_P063_Capacity Building PUE_260304

ADV_P063_Capacity Building Grid arrival_

ADV_P063_D3.4_ Operational Guideline

ADV_P063_D3.3_De commissioning Strate

ADV_P063_D3.2_W aste market and regu