

# Annual Report for FY 2019

AWP Programme/Project Progress Report

UNDAF Pillar: Pillar 1: Sustainable Economic Growth and Risk Reduction

UNDAF Outcome:

**Outcome 1:** Favorable legal and regulatory environment are designed for small-scale off-grid renewable energy investments in rural areas, and modalities for stakeholder training to comply with and implement the new standards and regulations are in place by 2020.

**Outcome 2:** Greater awareness among rural populations about the benefits and qualities of renewable energy for household and productive uses, as well as awareness among RET enterprises about the availability of SFM and business support created by 2020.

**Outcome 3:** By 2020, replicable business model for wider scale-up across other developing countries by adopting an integrated approach to addressing demand and supply-side barriers is created.

**Outcome 4:** By 2020 Business incubation programme commenced to support greater entrepreneurship in RET investment.

**Expected Project Output(s):**

## **Component 1: Strengthened Regulatory and Legal Framework based on National Standards**

**Output 1.1** Improved and new standards are in place for domestic cook-stoves and solar lighting products

**Output 1.2** New regulations for enforcement of standards is in place

**Output 1.3** Stakeholders have been trained in implementation and adherence to the new standards and regulations

## **Component 2: Rural Public Awareness Campaign on Renewable Energy Technologies**

**Output 2.1** Public awareness campaign to end-users for small-scale RETs designed and implemented through national and regional media

**Output 2.2** Showcasing of specific RETs introduced through technology road shows by hired RET enterprises

**Output 2.3** Awareness campaign to RET-enterprises for SFM and business incubation services designed and implemented

## **Component 3: Sustainable Financial Mechanism (SFM) for RETs for rural households**

**Output 3.1** Risk capital for Financial Service Providers established.

Output 3.1.1 Pre-Investment Technical Assistance

Output 3.1.2 Risk Capital Grants

**Output 3.2** Credit Risk Guarantees Fund established

**Output 3.3** Technical assistance provided for FSPs to deploy SFM for RETs

**Output 3.4** Knowledge management and dissemination provided

**Component 4: Business Incubator to Promote Greater Entrepreneurship for Investment in RETs**

**Output 4.1: Business incubation support programme initiated at MoWIE**

Output 4.1.1 Linking activities with the Entrepreneurship Development Programme

**Output 4.2** Basic business advisory support granted to RET enterprises

**Output 4.3** Capable innovators enrolled for advanced business mentoring and advisory service

**Output 4.4** Monitoring of RET enterprises development established

**Programme/Project:** Promoting Sustainable Rural Energy Technologies (RETs) for Household and Productive Uses

**Reporting Period [EFY]:** January-December, 2019 (Annual)

**Implementing Partner:** Ministry of Water, Irrigation and Energy

**UN Agency:** UNDP

Planned Activities	Output Indicators and Annual Targets	Cumulative Annual results achieved Current Fiscal Year Per Target/Indicator	Target Met <sup>4</sup>	Expenditure reported <sup>5</sup> in USD
<b>OUTCOME 1:</b> Favorable legal and regulatory environment are designed for small scale off-grid renewable energy investment in rural areas and modalities for stakeholders training to comply with and implement the new standards and regulations are in place by 2018.	Status of development and enforcement of RET hardware standards by Government of Ethiopia (GoE)  Number of participants benefiting from trainings (gender-disaggregated)	New regulations for enforcement of standards in place.  Over 500 individual stakeholders across the country have been trained in implementation and adherence with the new standards and regulations (30% women)		
<b>Output 1.2:</b> New regulations and procedures for enforcement of the standards are in place		A national standards implementation strategy (Pre-export Verification of Conformity (PVoC) manual) drafted, a validation workshop conducted and the manual endorsed. The PVoC manual published in 1,500 copies and distributed to stakeholders	2	24,627
<b>Output 1.3:</b> Stakeholders have been trained on how to comply with new standards and regulations	New regulations for enforcement of standards are in place 1 clause	Training on the newly developed PVoC manual /implementation strategy given to 150 participants (males and females) from federal and regional level institutions.  Experience sharing and capacity building activity conducted in Nepal for five days in collaboration with UNCDF under component three and a total of 15 implementing partners staff participated  Training on standards and promotion of technologies provided at region level	2	125,223

		(Afar and Gambella) to a total of 873 participants (443 males and 430 females) from energy bureaus and RET enterprises		
<b>Output 1.4:</b> Enforcing the approved standards in two pilot regions		It was planned to select at least one clause for enforcement, but due to the discussion with concerned bodies, agreement has been reached to make all the clauses of the national standards mandatory for enforcement.	1	4,500
<b>OUTCOME 2:</b> Greater awareness among rural populations about the benefits and qualities of renewable energy for household and productive uses as well as awareness among RET enterprises and the availability of SFM and business support created by 2018.	Number of RET enterprises using SFM or applying for business incubation services.	300,000 RET items sold directly at road shows. At least 1000 appearances of promotions in media. 200 RET enterprises using SFM. 500 RET enterprises applying for business incubation services.		
<b>Output 2.1:</b> Public awareness campaign to end-users for small scale RETs designed and implemented through national and regional media	Number, size and length of appearances of promotions in media.	Regional energy bureaus broadcast radio and TV messages: Somali region using two local languages (using radio and TV) and Benishanguel-Gumuz using regional FM radio in Amharic and three local languages (Berta, Mao and Komo) and local community radio in Gumuz and Shinasha languages a total of more than 154 repetitions	3	32,800
		An assessment study on the impact of spot radio messages and technology road show has been made in four regions (Amhara, Oromia, SNNP and Tigray) and the final report of the assessment has been produced.	2	9,000
<b>Output 2.2:</b> Showcasing of specific RETs introduced through technology roadshows by hired RET enterprises	Type, item prices and estimated efficiency of technologies directly sold at road shows.	Third round technology road show conducted in three regions of 6 woredas namely SNNP (Sodo Zuria and Analemo), Oromia (Adama and Dodola), Somali (Kebridehar and Degehabur). And as a result, 689 ICS and 311 Solar Technology products sold.	2	94,204
		Within all regions, 1500 print media products such as posters, leaflets, brochures, etc have been planned to be prepared and distributed with various local languages, but except 1,374 leaflets printed and used for its purpose in Somali region alone.	3	5,500
		At region level with the help of the regional energy bureaus, 26 RET enterprises have participated in market demonstration activities and promoted		5,796

		their enterprises and products. As a result of this and other related activities, a total of <b>214,344</b> different types of ICS and a total of <b>147,018</b> different size solar technology products disseminated		
<b>Output 2.3:</b> Awareness campaign to RET enterprises for SFM and business incubation services designed and implemented		Awareness creating and raising messages broadcasted about the SFM and business incubation on radio using three different local languages throughout the country for 22 days	2	8,575
<b>OUTCOME 3:</b> By 2020 replicable business model for wider scale up across other developing countries by adopting an integrated approach to addressing demand and supply side barriers is created.		With support from financial mechanism and awareness campaigns, investment and deployment of at least 200,000 additional small-scale solar energy technologies and of an additional 600,000 improved cook stoves, worth USD 15 million have been mobilized		
<b>Output 3.3:</b> Technical Assistance to DBE and FSPs on SFM for RETs (Operationalization of CRGF)		Following the capacity building works, 8.85 million ETB CRGF was issued to five FIs and 18 million ETB loan was disbursed for 4 RET suppliers both for solar energy and ICS technology products suppliers during the fiscal year.	3	32,800
<b>Output 3.3.1:</b> Training and Capacity Building to DBE provided	Volume of investment mobilized by FSPs participating in the project.	Different capacity building trainings were given to a total of 127 FIs' staffs and managers (60 bank branch managers, 67 MFIs' branch managers and 3 DBE staff on various topics: Sustainable Financial Mechanism and RET financing, CRGF operational manual and Expression of Interest preparation, CRGF and how to operationalize it.	2	26,200
<b>Output 3.3.2:</b> EOI Process and selection of MFIs and Commercial Banks		In order to enhance participation of FIs and mobilize more energy investment loan, second round due diligence visit was conducted. By doing so, five MFIs (Dedebit MFI, Omo MFI, Benishangul-Gumuz MFI, Somali MFI and Harbu MFI) were included for the mobilization of more energy investment loan.	2	5,000
		In the fiscal year a total of 244,216 RETs (132,897 solar energy technologies (127,581 for male HHs and 5,316 female HHs); and 111,319 ICS (4,453 for male HHs and 106,866 for female HHs) were disseminated in different parts of 7 Regional States (Afar, Amhara, Benishangul-Gumuz, Oromia and SNNPRs, Somali and Tigray).	2	
<b>OUTCOME 4:</b> By 2016 Business incubation support	Numbers of enterprises that launch micro-businesses to	120 enterprises launch micro-businesses to sell either small –scale solar		

program initiative at MoWIE	sell either small scale solar technologies or improved cook stoves (or both)	technologies or improved cook stoves (or both) with at least a 25% success rate (i.e. still in business and profitable after 12 months)  12 enterprises develop their business based on innovative RETs further due to investment grants and training received.		
<b>Output 4.1:</b> Business incubation support programme initiated at MoWIE through a programmatic approach that links existing activities of initiatives such as EDC, FeMSEDA/ ReMSEDA and CleanStart enhanced by MoWIE		Based on the findings of the technology skill need assessment, a training of trainers on the identified technology skills capacity gap provided to 114 participants from nine regions in both ICS (53 males and 4 females) and representatives of enterprises engaged in installation and maintenance of solar energy technology products (35 males and 22 females)	2	22,192
<b>Output 4.2:</b> Basic business advisory support granted to approximately 120 RET enterprises /micro-enterprises/ individual businesses with targeted grants to allow rural innovators to emerge.		Provision of business advisory services provided to 35 RET enterprises at region level through the trained BDS advisors.  BDS advisors review meeting conducted in three regions to initiate the service provision to selected enterprises in the regions	2	20,800
		A total of 19 award winner (15 RET enterprises and 4 individuals) have been selected for the second-round grant award and each has got USD 8,000.00.	3	166,000
<b>Output 4.4:</b> Monitoring of RET enterprises development established; The start-up and growth of clean energy technologies and monitor its main social, economic and environmental impacts throughout the project lifetime accelerated.		Extensive monitoring and evaluation activities carried out at regions and on more than 18 award winner enterprises.	2	4,000
<b>Project Management</b>				

		<p>The ninth project steering committee meeting on August 20, 2019 at Getfam hotel and the first urgent project steering committee meeting on November 19, 2019 at the Ministry of Water, Irrigation and Energy conducted</p> <p>Four project review meeting with project staff conducted on quarterly basis.</p> <p>At least four field level monitoring and evaluation of conducted in the nine regions by the project staff in collaboration with other project implementing partners</p> <p>Two days project review meeting conducted with regional energy bureaus</p> <p>Providing office equipment and materials such as laptops and printers fulfilled for the newly recruited project staff</p>	2	204,106
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## **Narrative Report**

### **Project Background**

Promoting Sustainable Rural Energy Technologies (RETs) for Household and Productive Uses project complements the Ethiopian Energy Policy, the Ethiopian Climate Resilient Green Economy Strategy, the Initial National Communication of Ethiopia to the UNFCCC and the Sustainable Energy for All (SE4All) initiative. The project aims to reduce Ethiopia's energy-related CO2 emissions by approximately 2 million tonnes CO2e by promoting renewable energy and low greenhouse gas (GHG)-producing technologies as a substitute for fossil fuels and non-sustainable biomass utilization in the country, with a focus on rural household appliances for cooking, lighting, heating and productive uses. The activities proposed in the project are designed to remove barriers that hamper the wide-scale use of off-grid renewable energy technologies in households and productive uses in rural areas of Ethiopia, where extending the grid is simply not feasible in the short-run and where the ability to pay for larger-scale solutions is often limited.

By the end of the project period, the project has anticipated to save 35.5 million mega-Joules of energy using improved cook stoves and solar energy technologies through benefiting about 800,000 households (600,000 in different types of improved cook stoves and 200,000 in different types of solar energy technology products) from project supported access to RETs. Moreover, the project has also planned to provide financial support for investment in the sector through Sustainable Financial Mechanism for about 200 RET Enterprises and promote business incubation process in the energy sector. It also aimed to set up legal frameworks that protect and promote the effective utilization of standardized RET products through the application of standards.

In order to achieve the project objective, and address the identified barriers, the project's interventions have been organized into four components: (1) Strengthened regulatory and legal framework based on national standards; (2) Rural Public Awareness Campaign on Renewable Energy Technologies; (3) Sustainable Financial Mechanism (SFM) for RETs for rural households; and (4) Business Incubation to Promote Greater Entrepreneurship for Investment in RETs. The four components consisted of a combination of de-risking instruments (Component 1) and market-enabling activities (Component 2 and Component 4) that will combine together with a financial support mechanism (Component 3) to help transform the market for off-grid renewable energy technologies in rural communities. The Ministry of water, Irrigation and Energy is the implementing partner working in close collaboration with UNDP. The Ethiopian Environment, Forest and Climate Change Commission, Development Bank of Ethiopia and UNCDF are also responsible

parties for the implementation of some of the project activities.

## **Description of results**

### **COMPONENT 1. Strengthening Regulatory and Legal Framework Based on National Standards**

In the reporting period, the project planned to identify mandatory clauses of national standards on solar energy technology products and held discussion with the relevant stakeholders (Ethiopian Standards Authority, Ethiopian Conformity Assessment Enterprise, Ethiopian Energy Authority and Ministry of Trade and Industry). Based on the discussion, it is agreed that after developing the implementation strategy, it is inevitable to make all the clauses included in the national standards mandatory. In short, the development and endorsement of an implementation strategy will directly make the national standard mandatory.

In the fiscal year 2019, the project also planned to develop an implementation strategy that enable the enforcement of the national standards on solar energy technology products with a power rating up to 350 Wp. Accordingly, with the lead of MoWIE, a task force members of ten institutions (Ethiopian Energy Authority, Ethiopian Conformity Assessment Enterprise, Ethiopian Standard Agency, Development Bank of Ethiopia, Ethiopian Custom Commission, Ministry of Trade and Industry, Ministry of Water, Irrigation and Energy, Ethiopian Solar Energy Development Association, World Bank-IFC and GIZ) and a technical working group comprised of experts from six relevant institutions (Ethiopian Energy Authority, Ethiopian Conformity Assessment Enterprise, Ethiopian Standard Agency, Ministry of Trade and Industry, Ministry of Water, Irrigation and Energy and Ethiopian Solar Energy Development Association) established and drafted an implementation strategy document named as Pre-Export Verification of Conformity (PVoC) manual. The manual developed based on the experiences obtained from different neighboring countries which are currently using the system and best international practices. Once, the manual is developed, a two days validation workshop organized involving different stakeholders working in the sector including regional energy bureaus. In the validation workshop, a total of 35 participants (34 males and 1 female) attended the workshop and provided feedback to enrich the document. The technical working group incorporated the relevant comments and suggestions provided by the participants, finalized the document and submitted to MoWIE. After careful review of the document, the Ministry of Water, Irrigation and Energy officially sent the document to Ministry of Trade and Industry of implementation. Following the finalization and endorsement of the manual, the project office published the manual in 1,500 copies and distributed to the relevant stakeholders for reference and use.

As a follow-up activity, in the same fiscal year the project planned to build the capacity of different actors at all levels focusing on institutions which play a vital role in the importation of solar energy technology products in the country so that the enforcement of the national standards realized. Based on this, a two days training and popularization workshop session organized in three rounds to participants mainly experts from Ethiopian Customs Commission and its branch offices, Ministry of Trade and Industry and its branch offices, Ethiopian Energy Authority, Development Bank of Ethiopia, and regional Energy Bureaus. As a result, a total of 144 participants (115 males and 29 females) trained on the PVoC manual and the training sessions have also helped participants to get information on the procedures and processes followed by the Ministry of Trade and Industry, and Ethiopian Customs Commission in handling the importation of solar energy technology products in the country.

At region level, following the training provided at federal level, training on the implementation of standards and promotion of technology products given to 51 participants (41 males and 10 females) from energy bureaus at all levels; and 30 ICS producers (22 males and 8 females) in Gambella region. In a similar manner, in Afar region training on standards and promotion of technology products provided to a total of 792 participants on both technology types; 414 participants (203 males and 211 females) on solar national standards and 378 in ICS (177 males and 201 females) were trained.

### **COMPONENT 2: Rural Public Awareness Campaign on Renewable Energy Technologies**

Regular rural public awareness activities on the use and benefit of renewable energy technologies is one of the key major activities in the project. In the fiscal year, different activities have been planned for accelerating the dissemination of rural energy technologies throughout the country. One of the activities was to further broadcast radio and TV messages in different local languages at region level using regional FM radio stations. Based on this, Somali regional Energy bureau has broadcasted spot radio and television messages in Somali language using local FM radio and TV stations two times, and Benishanguel-Gumuz broadcasted spot radio messages

using regional FM radio in Amharic and three local languages (Berta, Mao and Komo) and local community radio in Gumuz and Shinasha languages a total of more than 154 repetitions. In addition to this, 1500 print media products such as posters, leaflets and brochures have been planned to be prepared and distributed within the regions in various local languages, however, only 1,374 leaflets printed and distributed in Somali region.

The project also planned to conduct the third-round technology roadshow in three regions and two woredas per region. Following the plan, the three regions were SNNP (Sodo Zuria and Analemo woredas), Oromia (Adama and Dodolla woredas), and Somali (Degehabur and Kebridhar woredas). For the technology roadshow, the SNNP and Oromia regional Energy Bureaus each have identified and selected 10 enterprises (5 enterprises working on installation and maintenance of solar energy technology products and 5 ICS producers and distributors). Following the request from the Somali regional Energy bureau, the project office identified and selected three improved biomass stoves producers at federal level which have better experience in producing and selling improved biomass stoves in addition to the local producer groups. The main reason for bringing the federal level-based enterprises in the roadshow is that the regional energy bureau officially notified that there are no such enterprises in the region that can serve the purposes of the roadshow. Moreover, engaging well-established enterprises will have the advantage of sharing experiences to enterprises and individuals working at region level and also a potential for creating business interaction among enterprises. For the solar home systems, the project office recruited seven solar energy technology importer companies following the standard procurement process. The solar companies were directed to bring solar home systems that have third party certification and guarantee. Recruitment of the promotional company was done by UNDP through delegation of the implementing partner. Following the standard procurement procedure, UNDP recruited Zeleman Communication and Advertising Company to coordinate the field level promotional activities.

The roadshow being in SNNP region Sodo Zuria and Analemo woredas, followed by Oromia region in Adama and Dodolla woredas. Finally, the third-round technology roadshow concluded at Somali region in Degahbur and Kebridhar woredas. As a result of the technology roadshow a total of 689 improved biomass stoves and 311 Solar Energy Technology products were sold. The roadshow enabled to reach a total of 23,400 persons throughout the three regions. The roadshow also created a business interaction opportunity to 46 regionally based small and medium scale RET enterprises. In the roadshow a total of 35 RET suppliers (25 regional and 2 federal Improved cook stove producers and distributors, and 8 solar energy technology product importers and distributors) participated. In addition, a group of experts from the Ministry of Water, Irrigation and Energy, and Environment, Forest and Climate Change Commission joined the technology roadshow activity in two rounds and monitored all the activities as well as provided the necessary technical support in the field.

In the reporting period, it was planned to support 50 enterprises to promote their products in the regions' selected places where people often gathered so that enterprises at region level promote their technology products in public areas. Accordingly, regions have been organizing awareness raising and technology promotion activities in the form of demonstration in market areas where communities gather. In Oromia region in 8 towns (Zeway, Bulbula, Tulu Bolo, Gedo, Harato, Siree, Dodola, and Arsi Negele) by involving 16 RET suppliers, in Benishangul-Gumuz in 5 areas by involving 10 RET suppliers, market-based demonstration conducted. With this and other activities, in the fiscal year it is planned to disseminate a total of 150,000 different types of improved biomass stoves and 50,000 solar energy technology products. Based on the plan, a total of 214,344 ICS distributed in Afar (4,649), Amhara (84,065) Benishangul-Gumuz (24,524), Gambella (840), Harari (1,099), Oromia (38,612), SNNP (27,415), Somali (5,120) and Tigray (28,020) regions. In a similar manner a total of 147,018 different size solar technology products distributed in Afar (2238), Amhara (74,091), Benishangul-Gumuz (2635), Gambella (830), Oromia (13,753), SNNP (10,645), Somali (8,785), and Tigray (33,741) regions.

In the fiscal year, it was planned to conduct an assessment study on the impact of spot radio messages broadcasted and technology road shows conducted in terms of supporting the technology solutions dissemination throughout the country particularly focusing in the off-grid areas. Based on the plan, an impact assessment held in four regions (Amhara, Oromia, SNNP and Tigray) by forming two expert groups from the MoWIE in collaboration with the respective regional, zonal and woreda level energy bureau experts, and relevant information obtained from the report produced.

In line with the different awareness raising activities, promotion of the SFM through media was planned in the fiscal year. Based on that awareness creation and raising messages broadcasted about the SFM and business incubation on radio using three different local languages throughout the country for 22 days in collaboration with DBE



### **COMPONENT 3: Sustainable Financial Mechanism (SFM) for RETs for Rural Households**

In the reporting period, different capacity building trainings were given to a total of 127 FIs' staff and managers (60 bank branch managers, 67 MFs' branch managers and 3 DBE staffs on various topics. These topics include Sustainable Financial Mechanism and RET financing, CRGF operational manual and Expression of Interest preparation, CRGF and how to operationalize it. Based on the information they got from these training, these trained personnel have been providing different supports in effectively operationalizing the CRGF. In addition, a three days' workshop was organized by PAMIGA (Participatory Microfinance Institutions for Africa) for 33 Different banks and MFIs personnel on how to conduct due diligence and appraise RET Suppliers loan request.

In the fiscal year, it is planned to increase the number of financial intermediaries in order to enhance their participation and mobilize more energy investment loan. Based on the plan, list of financial institutions identified, expression of interest sent and second round Due Diligence visit conducted. As a result, five MFIs (Dedebit MFI, Omo MFI, Benishangul-Gumuz MFI, Somali MFI and Harbu MFI) were included for the mobilization of more energy investment loan from the guarantee fund facility.

Following the different capacity building works, ETB 8.85 million CRGF was issued to five FIs and ETB 18 million loan was disbursed for 4 RET suppliers both for solar energy and ICS technology suppliers in the fiscal year. Through these and the pervious loan provided, in the reporting period a total of 132,897 different sizes of solar energy technology products (127,581 for male HHs and 5,316 for female HHs) and 111,319 ICS (4,453 for male HHs and 106,866 for female HHs) disseminated. Altogether, 244,215 RETs disseminated in the fiscal year. These technologies were disseminated in 7 Regional States (Amhara, Oromia and SNNPRs, Tigray, Somali, Benishangul-Gumuz and Afar).

In the fiscal year, it is also planned to conduct an international experience sharing visit to one of the resembling country Nepal involving the project implementing partner staff comprised of five institutions (MoWIE, EFCCC, DBE, UNDP and UNCDF). Accordingly, UNCDF in collaboration with UNDP organized and facilitated the international experience sharing visit in Nepal for five days with a total of 15 participants. The experience sharing visit was focusing on the rural energy financing, the role and participation of financial institutions in the energy technology dissemination, varieties of technology solutions, government structure that is in place and the experience of disseminating standard rural energy technology solutions to off-grid communities.

### **COMPONENT 4: Business Incubator to Promote Greater Entrepreneurship for Investment in RETs**

In the fiscal year, it was planned to provide competition based small grant financial support for 45 RET enterprises. Accordingly, a call or announcement was made for 60 days in seven languages broadcasted and only 48 applicants submitted their application. Following that a jury of 12 different institutions have evaluated the applicants' documents and finally out of the 48 applicants 26 were selected for further ground level verification. Two teams of experts comprised from the jury members assigned to conduct the ground verification exercise. The two team conducted the verification, identified 19 eligible applicants and presented the findings and the recommended award winners to the approval body. The approval body comprised of MoWIE, EFCCC and UNDP in the presence of the project office evaluated the processes followed to evaluate the applicants, carefully reviewed the recommended award winners, held discussion on different observations, and finally approved all the eligible award winners presented by the evaluation jury. As a result, 15 RET enterprises and 4 individuals a total of 19 applicants each got USD 8,000.00 grant award in the fiscal year 2019.

Based on the findings of the technology skill need assessment, a training of trainers' technology skills capacity building training arranged and conducted to selected model RET enterprises and regional energy bureau experts from the nine regions in both technology types. On the training a total of 114 participants from nine regions in both ICS (53 males and 4 females) and representatives of enterprises engaged in installation and maintenance of solar energy technology products (35 males and 22 females) have got TOT training on product diversification, maintenance, promotion and marketing, as well as book keeping. The trainings were provided in three rounds theoretically and practically for both technology types in parallel. The technology skill capacity building training was provided in by MoWIE and EFCCC experts, and the promotion, marketing and book-keeping training was given by EDC experts using the memorandum of understanding signed between MoWIE and EDC.

Provision of business advisory support to RET enterprises and conducting review meeting of BDS advisors at region level are among the activities planned in the fiscal year. Accordingly, some regions have initiated the service provision activity and are providing the advisory services to 35 RET enterprises working on improved biomass stoves production and dissemination. And three regions (Amhara, Oromia and SNNP) have conducted the meeting with the trained BDS advisors and agreed on the number of RET enterprises

targeted (Amhara – 25, Oromia – 50 and SNNP - 25) to get such services and on the approach to be followed.

### **Project Management:**

- Two project steering committee meetings (the ninth project steering committee meeting and the first urgent project steering committee meeting) conducted. Similarly, project review meeting with project staff and implementing partner staff held regularly on quarterly basis.
- Based on the recommendation of the mid-term review as well as the guidance of the project steering committee meeting, two bio-energy experts recruited to provide technical support on the implementation of project activities at region level. In a similar manner the recruitment of the solar energy experts is under way. The delay for the recruitment of the solar energy experts is due to the absences of applicants following the vacancy announcement.
- It was planned to undertake different monitoring and evaluation activities on the field to support regional energy bureaus and monitor their progress. As a result, project staff have undertaken field-based monitoring visit and provide technical support in the nine regions.
- Extensive monitoring and evaluation activities have been carried out at regions and on more than 18 award winner enterprises in the fiscal year 2019. In a similar manner, a monitoring and evaluation activity has been undertaken in two regions (Oromia and SNNP) by the project Monitoring and Evaluation Officer and the MoWIE Ethical and Anti-Corruption directorate. Moreover, the project manager with DBE consultant have conducted monitoring and evaluation in two regions (Amhara and SNNP) in consultation with the regional energy bureaus. Similarly, regional energy bureaus conducted a quarterly and in some cases in less than a quarter a field level monitoring and technical support to zonal and woreda level implementing actors in their specific regions.
- In the fiscal year, it was planned to conduct project performance review meeting with regional energy bureaus and implementing partners. Accordingly, a two days project performance review meeting was conducted together with regional energy bureaus and implementing partner staff. A total of 30 participants attended the review meeting.
- The project also planned to support the office capacity of implementing partners at region and federal levels taking into consideration of the limited resources available. With this ground, in the reporting period, it was planned to fulfil office equipment and materials such as laptops and printers for staff working on the project. Based on this, three laptops have been procured at regional energy bureaus levels for use.

### **Budget Utilization**

The project allocated a total annual budget of USD 1,186,578.00 to be utilized within the reporting period. Accordingly, the project utilized a total amount of USD 688,817.44 within the reporting period. The delivery per outputs against the work plan is shown in the below table.

Table 2. Delivery per outputs against work plan

Outputs	Allocated Advance (USD)	Delivery Amount (USD)	Remark
AWP Output 1. Favorable legal and regulatory environment created for small-scale off-grid renewable energy investments in rural areas and stakeholders are trained to comply and implement the new standards and regulations.	154,350	154,350	
AWP Output 2. Greater awareness created among rural populations about the benefits and qualities of renewable energy for household and productive uses	153,375	153,375	
AWP Output 3 By the end of project, more than 290,000 low-income households and micro-enterprises (1,500,000 beneficiaries) will have sustainable access to clean energy through micro-finance. It is envisaged that CleanStart, in partnership with the UNDP-implemented, GEF-financed project, will create a replicable business model for wider scale-up across other developing countries by adopting an integrated approach to	244,000	172,200	
AWP Output 4. At least 120 small-scale enterprises and manufacturers are successfully producing and profitably selling RETs both for household consumption and for productive uses.	430,748		Because of limited number of grant award winners found, the remaining budget carried over to the next fiscal year
Project Management	204,106	204,106	Reprogramming of some budget allocated in this category made, and some budget moved to component 2

**Implementation challenges and good practices (including coordination and management)**

**Implementation Challenges**

Regional energy bureaus have shown limited capacity in terms of timely implementing project activities and utilizing the allocated budget and timely reporting accordingly.

Shortage of foreign currency for solar energy technology product importers.

The presence of prolonged instability in different parts of the country affected project activities particularly activities related to field works such as conducting regular monitoring and evaluation activities.

**Good Practices**

- Continuous follow-up of and technical support to regional energy bureau focal persons to move the implementation of project activities in their respective regions by carrying out regular communication and close supervision.
- Introduction of market demonstration awareness raising activity following the technology roadshow approach
- In consultation with the project steering committee, working with the Ministry of Innovation and Technology to take advantage of the already established system and network in implementing the RET innovative ideas competition activity
- Maintaining existing partnership with the major implementing parties and relevant stakeholders as well as strengthening the project team spirit for effective coordination and management of project implementation; and establishing new ones with like-minded development actors has been one of the good practice observed in the fiscal year.

**Project sustainability strategy implementation**

In order to make the implementation of the project activities sustainable, the project follows a national implementation modality and thus, almost all project activities are being implemented using the existing government system and, with the direct and full involvement of government experts and officials. Most of the activities that are being implemented have national level relevance and impact, so that all relevant stakeholders are highly engaged in the process. Moreover, in the reporting period, regional energy bureaus represented by their assigned focal persons are actively involved in the implementation of the project activities and owned the project.

**Lessons learned**

The technology roadshow being implemented throughout the regions in rounds have brought mobilization of RET suppliers and concerned actors to promote RETs. However, due to the limited number of days spent on the roads, the number of technology products disseminated are very small in number as compared to the target set for the indicator of this specific activity in the project document. Thus, following the technology roadshow, the project office in consultation with the regional energy bureaus have introduced market demonstration activities in cluster areas at region level. This is helping regional energy bureaus to reach to better number of end-users and disseminate huge number of RET products

The number of grant award winners in the RET innovative ideas competition is small when compared with the targets set in the project document. Thus, devising a mechanism to reach to and attract more applicants is one of the lessons that needs to be considered in the coming fiscal year.

<b>Recommended Actions/ improvements/ revisions for FY 2019 AWP including justification</b>	<b>Time Frame</b>	<b>Responsible body</b>
Supporting regions to intensify market demonstration activities at woreda, zone and region levels	February - December 2020	Project Office, MoWIE ad EFCCC
The third and fourth rounds RET innovative ideas competition activity will be implemented in collaboration with Ministry of Innovation and Technology	February - June 2020	Project Office, MoWIE, UNDP

Report prepared by: \_\_\_\_\_

Report certified by: \_\_\_\_\_

Name/Designation: \_\_\_\_\_

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Date: February 17, 2020

Date: February 17, 2020