



Launch of Energy SME Grant Project Information for applicant businesses

The Energy Water and Sanitation Authority (EWSA) and the World Bank have launched a project in collaboration with GVEP, The Global Village Energy Partnership, to promote Small and Medium Enterprises in the energy sector in Rwanda.

The ESME Trust Fund is financed by the Russian Federation and administered by the World Bank. It aims to foster local private sector entrepreneurship and investment in the provision of energy services in remote, un-served and under-served regions in Sub-Saharan Africa and to increase access to reliable, sustainable and affordable modern energy services.

Pre-investment assistance and financial support to mini-hydropower projects

The Project will support mini-hydropower projects in Rwanda by assisting them with completing the technical site assessments, the feasibility studies, the business plans and Environmental Impact Assessment (EIA) reports as well as the financial structuring of the projects. EWSA is providing partial subsidies for such projects in order to close existing financing gaps.

Private sector enterprises that have identified a mini-hydro site that they intend to develop and require support may express their interest in participating in the project by filing an application to GVEP for technical and business assistance.

GVEP will provide support to companies so that they are able to submit high quality applications that meet the grant requirements and restrictions in relation to the subsidies from EWSA but applications can be submitted independently to EWSA.

The full application for subsidies from EWSA is contingent upon a range of criteria to be fulfilled.

- Requirements for the application for subsidies from EWSA include, a full business plan, technical feasibility study and signed PPA;
- The total contribution to a single project is limited to US\$600,000 and cannot exceed 50% of project costs;
- The project owner's equity contribution must be a minimum of 15% on the costs of the project;
- The developer's IRR cannot exceed 25% based on 10 years;
- A technical evaluation committee at EWSA will conduct a site visit and assess the proposal against specified criteria to make a decision on the grant contribution.

Marketing and distribution support to off-grid lighting companies

The Project will also support distributors of low-cost off-grid lighting products. The Private Sector Federation (PSF) and GVEP will provide advice on marketing and business plans and the expansion of their rural distribution networks.

EWSA will provide grant-financing support to selected enterprises to implement those marketing activities and increase product sales. The full application for funding from EWSA is contingent upon a range of criteria to be fulfilled, which includes Lighting Africa certified products and a convincing business plan.

- Distributors need to provide a detailed marketing plan how resources will be spend; GVEP and PSF are jointly provide advice on developing the proposal from a concept to a complete application;
- The maximum amount that a company can request for such activities is capped at US\$ 100,000. It is suggested that the implementation period for the grant should be between 12 and 24 month, depending on the time of the application;
- The proposed marketing activities shall be exclusively for products certified by Lighting Africa as having met their Minimum Quality Standard and whose costs at are below US\$ 100 per product or product package. Solar Home Systems are a different market segment, which is not targeted under the ESME Project;
- The applicant firm must be registered in Rwanda and have at least a yearly turnover of US\$25,000 for their whole business (which may include other related products). If the enterprise is a subsidiary of a foreign firm active in distributing off-grid lighting products, this will be taken into account.
- PSF will assist the enterprises in dealer identification, matching and training as well as in local marketing activities.

EWSA is the responsible implementing agency for the Project and in charge of the subsidies. GVEP provides in-kind support in the pre-investment phase to micro-hydro developers and the suppliers of off-grid lighting products.

For further information please contact:

David DISCH
Sustainable Markets Adviser
GVEP International
P.O. Box 76580 – 00508 Nairobi, Kenya

Niyibizi MBANZABIGWI
ESME/SEDP Focal Person
Energy Water and Sanitation Authority
P.O. Box 537 Kigali, Rwanda

david.disch@gvepinternational.org

nmbanzabigwi@ewsa.rw