



Africa Mini-grids Program in Somalia (AMP)



The Africa Mini-grids Program (AMP) in Somalia aims to expand clean energy access by improving the financial viability and scaling up investment in low-carbon mini-grids through cost-reduction levers and innovative business models.



BACKGROUND

As part of the UNDP-supported, GEF-financed Africa Mini-grids Program (AMP), the AMP in Somalia seeks to “support access to clean energy by increasing the financial viability, and promoting scaled up commercial investment, in low carbon mini-grids in Somalia, with a focus on cost reduction levers and innovative business models”. The baseline situation is characterized by a low electrification rate (35%), the lack of electricity grid infrastructure, and the predominance of and reliance on diesel mini-grid systems, owned and operated by private Electricity Service Providers (ESPs), charging remarkably high tariffs. The project strategy corresponds to the unique nature of the energy sector in Somalia, and the AMP’s concentration on clean energy, by focusing on digital transformation and institutionalization of ongoing initiatives to expand the adoption of solar PV technologies and promote hybridization of existing diesel mini-grid systems as a financially viable path to driving down tariffs and reducing GHG emissions in Somalia.



QUICK FACTS

Project Duration: Jan 2022 - Dec 2027

Total Budget: \$4 million

Focus Area: Resilience and Climate Change

Implementing Partners: Ministry of Energy and Water Resources (MoEWR) in Mogadishu, Ministry of Energy and Minerals (MOEM) in Hargeisa, Energy Regulatory Commission (ERC), Puntland State Authority for Water, Energy, and Natural Resources (PSAWEN) in Garowe, Somalia Bureau of Standards (SBS), Somaliland Quality Control Commission (SQCC).

Contributing Partners: Global Environment Facility (GEF)



KEY ACHIEVEMENTS so far...

- Supported the development of National Mini-grid Policy and Regulations
- Digital Readiness Assessment (DRA) and Digital Strategy for the mini-grid sector developed
- Strengthened Somalia's electricity regulation by supporting licensing and tariff frameworks and building NEA capacity, enabling a unified licensing system, licensing 20+ ESPs, and improved design of cost-reflective tariffs for sustainable, bankable mini-grids.
- National consultative dialogues were held on the minigrid delivery model to enable minigrid development and a fully private sector model was adopted.
- A comprehensive minigrid techno-economic analysis on Derisking Renewable Energy Investment (DREI) analysis was conducted to inform investment and policy decisions.
- Dedicated DREI technical working group established to implement the recommendations and trained on DREI methodology.
- Conducted assessment on institutional setup for rural electrification, resulting in the identification of targeted capacity building on technical, managerial and regulatory issues.

EXPECTED RESULTS

- 1** Stakeholder ownership in a national mini-grid delivery model is advanced, and appropriate policies and regulations are adopted to facilitate investment in low-carbon mini-grids.
- 2** Innovative business models based on cost reduction operationalized, with strengthened private sector participation in low-carbon mini grid development.
- 3** Financial sector actors are ready to invest in a pipeline of low-carbon mini-grids and concessional financial mechanisms are in place to incentivize scaled-up investment.
- 4** Digital and data are mainstreamed, across stakeholders, into local mini-grid market development.
- 5** Increased knowledge, awareness and network opportunities in the mini-grid market and among stakeholders, including benefitting from linkages to international good practice.

GENDER INCLUSION

- The Inception Workshop held in February 2024 included six women out of twenty-eight attendees who played a crucial role in voicing the needs and priorities from a women's perspective.
- The Gender Action Plan will be adopted as designed to track gender-specific progress, particularly through gender-disaggregated indicators.
- The Gender Action Plan will ensure that gender considerations are thoroughly integrated into the project interventions, aligning with the key barriers identified in the Gender Analysis and Action Plan.
- Gender-related aspects will be consistently reflected in the project's reporting, aligning with the results framework across all components at all levels.

CONTACT US

UNDP Somalia
Country Office, Mogadishu
Project Manager: hassan.a.ahmed@undp.org
General Inquiry: registry.so@undp.org
<https://www.undp.org/somalia/projects/AMP>

Nairobi Support Office
UNON, UN Avenue,
Block D5, POB 28832,
Nairobi, Kenya

 undp.org/somalia
 @UNDPsomal
 @undpsom
 @undpsomal

