AFRICA MINIGRIDS PROGRAM

AFRICA MINIGRIDS PROGRAM ESWATINI

- **Eswatini has a population of 1.3 Million**
- **Current electrification is estimated at 85%**
- **90% of urban areas have access to electricity**
- **69% of the rural areas have access to electricity**

Eswatini has a high rate of use of traditional fuels such as wood and paraffin in most of its outlying areas which is a challenge since domestic and commercial use of wood fuel is unsustainable and associated with indoor pollution which causes respiratory diseases. Wood fuel also contributes to deforestation which in turn contributes to increased Green House Gases in the atmosphere and subsequently leads to climate change. Eswatini is also a net importer of electricity with most of its imported power coming from Eskom in South Africa. It is therefore important to increase renewable energy in the country's primary fuel mix in line with Goal 7 under the United Nations (UN) Sustainable Development Goals (SDG's) and the National Energy Policy (2018) which promote Affordable and Clean Energy.

About the Africa Minigrids Program

The Africa Minigrids Program "AMP" is a country–led technical assistance program for minigrids, active in an initial 21 African countries, including Eswatini. The AMP, which promotes clean energy, is expressly targeting early-stage minigrid markets, seeking to establish the enabling environment for subsequent private sector investment at scale. The comprehensive program is a multi-partner effort funded by the Global Environment Facility (GEF), led by the United Nations Development Programme (UNDP) in partnership with the Rocky Mountain Institute (RMI) and the African Development Bank (AFDB) linking up with a wide array of minigrid stakeholders in Africa and beyond. The project is being implemented by Eswatini Energy Regulatory Authority (ESERA) as the Responsible Party, on behalf of The Ministry of Natural Resources and Energy (MNRE) which is the programme Implementing Partner (IP).

Programme objective

The objective of the AMP is to support access to clean energy by increasing the financial viability and promoting scale-up commercial investment in renewable energy minigrids in Africa, with a focus on cost-reduction levers and innovative business models. For Eswatini, the focus of the AMP is on establishing a springboard for renewable energy minigrids development, building data and knowledge resources and proof of concept business models that can inform planning, de-risk investments and encourage private sector participation in the country.

The Program expectation is a reduction in total costs of minigrids development and an overal reduction in the unit cost of electricity where innovative business models are used yielding economic benefits for investors and end-use customers. Eswatini's AMP thereby seeks to prove this concept at a pilot scale, with prospects of rolling it out at a larger and wider scale in the future.

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Project Strategy

The AMP will be rolled out in three components namely:

COMPONENT 1
Policy and regulation

COMPONENT 2
Business Innovation and Private sector

COMPONENT 3
Digital Knowledge Management and Monitoring and Evaluation

Expected Results

Under the policy and regulation component, the AMP will produce a map showing suitable locations of minigrids in the country and additionally identify minigrid delivery models through a national stakeholder consultative meeting. The program will also capacitate stakeholders on the various models of minigrids delivery and additionally look at Derisking of Renewable Energy Investment (DREI) to propose the most cost effective basket of policy and financial derisking instruments. Under the business model innovation and private sector engagement component, the AMP will expand the existing Mvundla minigrid and develop another minigrid pilot in Bulimeni, under Nkwene Inkhundla to both incorporate Productive Use of Energy (PUE). Further to that, the digital, knowledge management, and monitoring and evaluation component will yield to the development of digital platforms for the two minigrids pilots.

Contribution to Sustainable Development Goals (SDG's)

The AMP is expected to directly contribute to five SDG's which include goals 3, 5, 7, 8 and 13 which are aimed at;

- Ensuring access to affordable, reliable, sustainable and modern energy for all
- Increasing the share of renewable energy in the Global Energy Mix
- Achieving gender equality through the empowerment of all women and girls
- Ensuring health and well-being as well as promoting inclusive and sustainable economic growth.