



JOINT SDG FUND

Joint Programme Document and Fund Transfer Request

- Template -

Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance

Eligibility Check

Does the proposal address one or more of the following sectors affected by the global crisis? Select all relevant sectors.	<input type="checkbox"/> Food	<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Finance
What are the areas of intervention that will be implemented by this proposal? Select all relevant intervention areas.	<input checked="" type="checkbox"/> Data collection/analytics <input checked="" type="checkbox"/> Help devise comprehensive preventative package of response measures <input type="checkbox"/> Testing / catalysing new integrated policies, financing solutions, programmes		
Is the proposal developed under the RC leadership to mobilize the UNCT to effectively and efficiency respond to the crisis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Does the proposal contribute to results in the UNSDCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Is the proposal building on and topping up an existing joint programme supported by the Joint SDG Fund?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If yes, please follow the specific guidance as per communications from the Secretariat)</i>		

Cover-page

MPTFO Project Reference Number	<i>(Leave blank, for automatic population in Atlas)</i>
Country	ERITREA
Region	RBA
Joint programme title:	Nation-wide Rural Energy Supply, Delivery and Demand Analysis for a Medium Term (10 years) Rural Solar PV off-grid electrification plan
Outcomes(s): <verbatim from CF>	

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Duration:	Maximum 6 months, no later than 31 December 2022
Anticipated start and end dates:	06/2022 to 12/2022 (for Top-ups, extensions to no later than 31 December 2022)
Short description	This project is intended to collect data, analyse and help devise comprehensive preventive package on the existing energy challenges in Eritrea which has been further exacerbated by the Ukraine-Russia crisis.
Resident Coordinator	Amakobe Sande amakobe.sande@un.org
UN Joint Program RCO focal point	Issa Conteh issa.conteh@un.org Name: Senior Development Coordination Officer, Strategic Planning and RCO Team Leader; T (+291-1) 151166 ext. 3213 · M (+291) (0)77-23650
PUNO Lead agency JP Focal point (UNDP)	Adam Habteab adam.habteab@undp.org
Other PUNOs JP focal point	UNICEF, sbeyene@unicef.org
Total budget:	\$250,000
Source of funds:	
a) UN Joint SDG Fund	Up to \$250,000 (\$400,000 for MCOs)
• UNDP	25,000
SDG Targets directly addressed by the Joint Programme	<p>SDG 5, SDG 7, SDG 11, and SDG 13</p> <p>Cooperation Framework (CF) Outcome 4: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management <i>Share of total energy consumption (renewable and non-renewable)—target: Percent with access – > 60%</i></p> <p>CF Output 4.2: Access to modern, renewable, and affordable clean energy sources and services increased 4.2.1 % household with access to modern clean energy (renewable) and/or technology 4.2.1 % population with access to electricity/non-renewable energy</p> <p>CF Output 4.3: Capacities of communities and national institutions are enhanced to mitigate, adapt and mainstream climate change and disaster risks</p>

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	<p>4.3.1: # of key public institutions with integrated climate adaptation and climate-related disaster risk reduction strategies and action plans</p> <p>4.3.2: # of key public institutions enabled to integrate mitigation, adaptation, and disaster risk reduction into sector strategies and programmes</p> <p>4.3.3: # of communities with operational development plans that explicitly address climate-related hazards and disaster risk</p>
<u>Gender Marker</u>	<p>Select only one from the options below</p> <p><input type="checkbox"/> GEN3: Have gender equality/women empowerment as the primary or principal objective.</p> <p><input checked="" type="checkbox"/> GEN2: Make a significant contribution to gender equality/women empowerment.</p> <p><input type="checkbox"/> GEN1: Make a limited contribution to gender equality/women empowerment</p> <p><input type="checkbox"/> GEN0: Make no contribution to gender equality/women empowerment</p>

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JOINT PROGRAM DESCRIPTION

Situation Analysis

Eritrea relies heavily on the importation of fuel for electricity, transportation, and business. The Ukraine crisis and sanctions on Russia have worsened the already huge and unmet energy demand. There has been erratic power supply impacting offices, business operations and movement of people and goods. Energy, especially fuel, is a highly subsidized product in Eritrea. First, subsidies are not sustainable and second if long-lasting solutions are not found in the immediate future, the situation will become untenable.

The energy sector in Eritrea is characterized by two key features: i) lack of access by more than three-quarters (78%) of the country's population to modern commercial energy and ii) consequent dependence on biomass fuels, and its total reliance on imported oil. Over 70% of the population reside in rural areas and derive 93% of their energy from traditional biomass fuels, mostly fuelwood, dung, and agricultural residue. In rural area 97% of the population lack access to electricity compared to 22% in urban areas. Electricity consumption per capita remains at an extremely low 60 kWh/year, very low even compared to the African average of about 500 kWh/year. Forest off-take rate in Eritrea is 2.4% - 2.8% of stock although the recommended sustainable harvest threshold for Sub-Saharan Africa is 1.25%.

Eritrea totally depends on oil-fired electricity is unsustainable. It puts heavy burden on the meagre foreign exchange reserves of the country, and it is one of major contributors to greenhouse gas emission in the country. The exclusive dependence on imported oil makes the power sector vulnerable to increases in oil price and the unfolding oil crisis in the world which forced the Eritrean Electric Corporation (EEC) to ration electricity, critically affecting the performance of the power-dependent sectors of the economy. Moreover, from a climate policy perspective, the generation of electricity from fossil fuels is polluting and, in many countries, gradually phased out or reduced.

The low generation capacity of the power sector, has further limited the spatial coverage and dependability of electricity service, denying 97% of the rural population access to cleaner energy and limiting opportunities for improving the living conditions of rural people, particularly the poor.

Low access to energy stifles wellbeing at an individual level as well as socio-economic development at a national level. Where schools and hospitals cannot depend on reliable electricity, the provision of key social services becomes a greater challenge than it already is. Where water for irrigation agriculture cannot be pumped, crops are not grown, and food insecurity prevails. Where manufacturing and trade is interrupted through power cuts, efficiency decreases, and the economy cannot expand and diversify.

There are efforts to diversify the energy mix in the country and reduce the heavy dependence on fossil fuel and biomass because of their social, economic, and environmental impacts and the growing oil price hike and supply chain challenges due to unpredictable crisis and climate change. Despite these efforts, however, the progress remains low and uneven across the country. Among the key barriers in the country's energy sector to achieve universal and sustainable energy access (human capacity and limited investment being the other two key barriers) is lack of information on the spatial situation and

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	<p>power needs of various rural locations throughout the country. The country currently does not have comprehensive evidence-based energy sector or sub-sector.</p> <p>It against this background that the UNCT Eritrea and participating UN Agencies (UNDP, and UNICEF) propose to support the Government of the State of Eritrea to prepare and operationalize a Nation-wide Rural Energy Supply, Delivery and Demand Analysis for Rural Solar PV off-grid electrification plan.</p>
Programme Strategy	<p>Max 1000 words, summarizing the proposal, including (1) the rationale and relevance of the proposed approach; (2) the expected outputs and their contribution to addressing the impact of the global crisis, CF outcome(s), and related SDG; (3) How the JP results translate into medium-term policy and/or financing solutions; (4) Focus on vulnerable groups; (5) The role of wider UNCT and other stakeholders. Outline any potential risk you foresee in carrying out the strategy and how you plan to mitigate against such risk, if any.</p> <p>a) the rationale and relevance of the proposed approach</p> <p>Among the key barriers in the country's energy sector to achieve universal and sustainable energy access (human capacity and limited investment being the other two key barriers) is lack of information on the spatial situation and power needs of various rural locations throughout the country. The country currently does not have comprehensive evidence-based energy sector or sub-sector and to have one, there is a need to:</p> <ol style="list-style-type: none"> i. Understand the current and projected situation of the national grid and traditional isolated grids in terms of likely expansions, densification of connections, and capacity increases/ reliability in the near and medium term. ii. Understand the layout and potential power to be used in those areas determined to be either long-term off-grid or long-term underserved by the grid. iii. Better understand the potential off-grid electricity RE resources, especially solar and wind, for such areas. iv. Understand the ability of local communities and businesses to pay for power, their demand for electricity, and how this may be enhanced by stimulation of productive uses. v. Understand the total scale of the off-grid opportunity for electricity of various types in Eritrea and vi. understand the level of local capacity and the status of providers for various types of off-grid electricity in Eritrea. <p>All these considerations, particularly the spatial and economic ones, will need to be integrated into an analysis via either geospatial modelling or equivalent "home-grown" approach to assess the best types of RE off-grid installations for various locales that are confirmed to be indeed of such installations.</p> <p>As a first step for realization of the country's aspiration for universal and sustainable energy access is to have a robust, evidence-based energy plan through comprehensive energy data collection and analysis.</p> <p>The assessment of the energy supply, deliver and supply and preparation of the Plan shall be done with the help of both qualified international and national consultant with full participation and consultation of stakeholders and the potential beneficiates (rural pastoral and agropastoral communities including vulnerable groups).</p>

The assessment shall be a composite of quantitative and qualitative data collection and analysis methods and the team of experts for the assessment and preparation of the nation-wide rural electrification plan shall be composed of:

- Lead International off-grids renewable energy Technical Expert for Project Development
- International Social and Environmental Safeguards Expert
- Gender and Energy Specialist Consultant
- Mini-grids Technical Expert
- International of—grid Expert on Policy and Regulations for Project Development
- National gender, safeguards, and stakeholder engagement Expert
- National renewable energy expert/Engineer
- International Renewable Energy Economist
- National socio-economist
- Field support staff

b) the expected outputs and their contribution to addressing the impact of the global crisis, CF outcome(s), and related SDG.

Upon completion and operationalization of this nation-wide plan, Eritrea would be in a better position to move away from exclusive dependence on imported oil-fired electricity to a more carbon neutral economy by diversify and moving to renewable energy mix in the country.

The proposed project is in line with the Eritrean Energy strategy as reflected in its NDC commitment, Water Sector policy (2009), Environmental Protection and Management Regulations, Legal Notice 127/20017, Integrated Water Resource Management Action Plan, 2009 and Renewable Energy Sub-Sector Policy, 1997.

The project squarely aligns with access to clean, affordable, and sustainable energy objective of the CF (CF Output 4.2 Access to modern, renewable, and affordable clean energy sources and services increased). It will contribute to achievement of the national SDGs on clean & affordable energy, clean water, gender equality, improved education, and poverty reduction while meeting ecological goals at the same time.

The project also aligns with the “Agenda 2063—The Africa we want” and contributes to the achievement of at least 8 different SDGs, including SDG 6 (Clean Water) and SDG 7 (Renewable Energy). It is also in line with many African countries and regional institutions initiatives to develop and or replicate and even upscale low-carbon development pathways.

Expanding access to clean energy will play a crucial role in achieving nearly every one of the Sustainable Development Goals, including those related to agricultural production, health outcomes, educational performance, water systems, access to infrastructure, and reducing inequalities.

c) How the JP results translate into medium-term policy and/or financing solutions.

The nation-wide Rural Energy Supply, Delivery and Demand Analysis for Rural Solar PV off-grid Energy electrification plan will be designed to provide a roadmap for a medium term (5-10 years) action plan.

The National Rural electrification plan is expected drive more informed, focused, and impactful rural energy policy programs and contribute to addressing the challenge of well-being and energy provision in rural areas including vulnerable groups (poor women, women, headed households, girls, people with disability and the elderly. Moreover, it is also anticipated to inform private sector thinking on renewable energy investment.

The Action plan with indicative bankable renewable energy projects will be an important instrument for partnership and resource mobilization effort by the Government of the State of Eritrea and UNCT Eritrea.

d) Focus on vulnerable groups

The national rural electrification assessment and plan will focus on the rural population who (97%) do not have access to modern/cleaner energy limiting their opportunities for improved living conditions, particularly the vulnerable groups.

e) The role of wider UNCT and other stakeholders.

The UNCT will provide overall oversight and quality assurance on this intervention to ensure the delivery of tangible results over the duration of the project. The UNCT will further ensure financial resources are channeled to the right activities. The UNCT will also maintain close contact with the ministry leading the implementation of these activities to ensure challenges and risks are mitigated and addressed promptly.

f) Outline any potential risk you foresee in carrying out the strategy and how you plan to mitigate against such risk, if any.

No significant potential risk is foreseen as the project is largely technical support. The Energy assessment and plan shall be prepared by both International and national counterparts with full ownership of the government and relevant stakeholders spearheaded by the Ministry of Energy and Mines

**Governance and
implementation arrangements**

This project is clearly aligned with the Cooperation Framework of Eritrea and situated within the Planet Results Group for Eritrea. The Co-chairs of the Results Group will ensure the project implementing agencies (UNDP and UNICEF) are guided in line with the guidance and anticipated results of this funding opportunity. UNDP is the lead agency and will be supported by UNICEF in the implementation. UNDP will carry out all activities of the project under the supervision of the RC and UNCT. The RCO will work very closely with UNDP and UNICEF to ensure effective day-to-day implementation of the activities in the project. The RCO, under the leadership of the RC, will further ensure monthly meetings are held with all parties concerned to flag and address issues, challenges, and risks. There will also be updates meetings every other month between the project implementation team and the RC and/or UNCT to share update and seek guidance on activities that

are being impacted by other events. The RCO will guide and support UNDP and UNICEF in producing at least two quarterly reports to inform the RC and UNCT on the implementation progress as well as the Office of the SDG Joint Fund.

Overall, the RC will ensure effective accountability on the project by setting out clear guidance and indicators on accountability by the project implementation team and the UNCT will provide general quality assurance and oversight to ensure timely delivery of the project and its anticipated results.

Legal context

Agency name: UNDP

Agreement title: Basic Agreement Between the Government of The State of Eritrea and The United Nations Capital Development Fund

Agreement date: June 5, 1995

Workplan Template										
Outcome		CF Outcome 4: By 2026, people in Eritrea have benefited from climate resilient, sustainable environment and natural resources management								
Output	Target/s	List of activities	Time frame (15 June—31 December 2022)		PLANNED BUDGET				UNDP/UNICEF involved	Implementing partner/s involved
			July-- October	November- December	Overall budget description	Joint SDG Fund (USD)	UNDP Contributions (USD)	Total Cost (USD)		
CF Output: Access to modern, renewable, and affordable clean energy sources and services increased	Evidence-based nation-wide Rural Energy Supply, Delivery, and Demand established	Delineation of future on-grid versus off-grid rural areas			TA—professional fee for both international and national consultants (10 experts in total) (including DSA, transportation cost, communication, and other miscellaneous expenses)	175,000	15,000	190,000		Ministry of Energy and Mines, Eritrean Electric Corporation Authority
		Delineation of sedentary versus nomadic rural population: Analysis of sedentary versus nomadic characteristics of population by specific areas, with resulting data covering rural			PMU operating cost (Transportation, DAS for fieldwork, communication, stationery					Ministry of Land, Water and Environment Ministry of Agriculture

		areas nationwide				supplies, printing, and binding costs,)					
		Determination of layout of villages				PMU organized inception and stakeholder validation workshops					
		Assessment of rural ability to pay for power and capacity needs									
		Rural RE resource assessment									
CF Output: Capacities of communities and national institutions are enhanced to mitigate, adapt and mainstream climate change and disaster risks	Evidence-based nation-wide Rural Renewable Energy Plan with indicative bankable project ideas competed and operationalized	Geospatial rural RE electrification plan: Plan covering all rural areas of Eritrea that designates the optimal type of RE electrification system for each location.					75,000	10,000	85,000		
		Preparation of geospatial rural off-grid RE plan:									

		Cost benchmarking and sourcing channel identification										

Monitoring, accountability, financial management, and public disclosure

Standard text – do not change

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. **The Convening/Lead Agent will develop a simple final narrative report and submit it to the Joint SDG Fund Secretariat, through the Resident Coordinator no later than two (2) months after the operational closure of the programme activities.**

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat.

UNDP will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting.

UNDP at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

The Project will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent. The programmatic UN entity of the Facility shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Project in accordance with its own regulations, rules, directives, and procedures. The entity shall establish a separate ledger account for the receipt and administration of the funds disbursed to it

by the Administrative Agent. Indirect costs of the Participating Organizations recovered through project support costs will be 7%. All other costs incurred by UNDP in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. UNDP and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Risk Management

See further instruction below (delete the instructions before finalizing the ProDoc)

Risks	Risk Level: (Likelihood x Impact, as per instructions)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Global pandemic persists or new epidemic emerge disrupting programme implementation	Medium	Likely	Major	There are existing structures and measures for dealing with any new spike in COVID-19 cases and the UN is continuously updating its Business Continuity Plan to ensure there will be no complete halt in operation as a result of an outbreak	UNCT and Government of the State of Eritrea (GoSE)
Partnership and cooperation with government suffer setback due to external risks and uncertainties	High	Minor	Moderate	The RC and UNCT are always in close touch with the leadership of the Government to reaffirm partnership and maintain trust	RC/UNCT
Programmatic risks					
Procurement delays and local suppliers unable to meet UN supply demands due to existing sanctions	High	Possible	Moderate	All procurement related items will be identified at the early stage of project and action taken on which agency leads what procurement.	UNDP
ICT and local electricity disruptions affecting daily operations	Medium	Possible	Minor	UNDP is putting measures in place to address ICT and electricity challenges through replacement of old parts and	UNDP

				beefing up the solar backup system in the office	
Institutional risks					
UN operational challenged due to sanctions on national institutions	High	Unlikely	Minor	The UN has developed a sanction monitoring tool and constantly tracking key indicators on changes on the tracking tool	RC/UNCT
Fiduciary risks					
Inflation trends continue to rise impact on the real value of commodities	Medium	Unlikely	Insignificant	Prices are highly subsidised or controlled by the Government and action are regularly taken to curb hike in prices	GoSE
Payments impacted as a result of fluctuations in exchange rate	Low	Rare	Insignificant	The country operates a fixed exchange rate system, and it is unlikely that will change in the next six months	GoSE

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Likelihood		Occurrence	Frequency	Consequence	Result
Very Likely		The event is expected to occur in most circumstances	Twice a month or more frequently	Extreme	An event leading to massive or irreparable damage or disruption
Likely		The event will probably occur in most circumstances	Once every two months or more frequently	Major	An event leading to critical damage or disruption
Possibly		The event might occur at some time	Once a year or more frequently	Moderate	An event leading to serious damage or disruption
Unlikely		The event could occur at some time	Once every three years or more frequently	Minor	An event leading to some degree of damage or disruption
Rare		The event may occur in exceptional circumstances	Once every seven years or more frequently	Insignificant	An event leading to limited damage or disruption

Consequences					Level of risk	Result
Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)	<p>Immediate action required by executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Risk cannot be accepted unless this occurs.</p> <p>Immediate action required by senior/executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.</p> <p>Senior Management attention required. Mitigation activities/treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.</p> <p>Management attention required. Specified ownership of risk. Mitigation activities/treatment options are recommended to reduce likelihood and/or consequence. Implementation of monitoring strategy by risk owner is recommended.</p>
Very likely (5)	Medium (5)	High (10)	High (15)	Very High (20)	Very High (25)	
Likely (4)	Medium (4)	Medium (8)	High (12)	High (16)	Very High (20)	
Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	High (15)	
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)	
Rare (1)	Low (1)	Low (3)	Medium (3)	Medium (4)	High (5)	Medium
						Low

Budget per UNSDG Categories

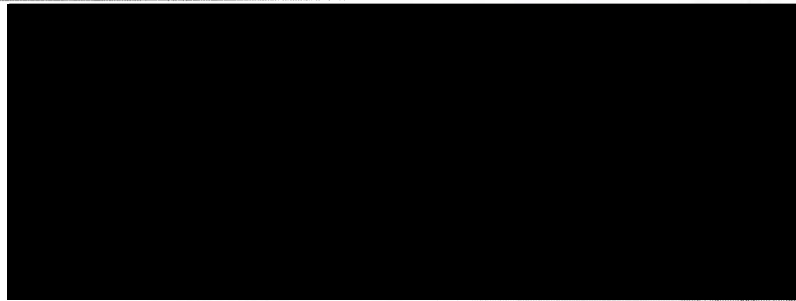
UNSDG BUDGET CATEGORIES	UNDP		TOTAL	
	Joint SDG Fund (USD)	UNDP Contribution (USD)	Joint SDG Fund (USD)	UNDP Contribution (USD)
1. Staff and other personnel	6,750	25,000	6,750	25,000
2. Supplies, Commodities, Materials	10,000		10,000	
3. Equipment, Vehicles, and Furniture (including Depreciation)	20,000		20,000	
4. Contractual services	179,000		179,000	
5.Travel	8,000		8,000	
6. Transfers and Grants to Counterparts	-		-	
7. General Operating and other Direct Costs	9,895		9,895	
Total Direct Costs	233,645		233,645	
8. Indirect Support Costs (Max. 7%)	16,355		16,355	
TOTAL Costs	250,000	25,000	250,000	25,000

Signature of Joint Programme document and Fund Transfer Request as per UNSDG budget categories.

I hereby confirm that the funds requested are in accordance with the approved Work Plan & Joint Programme Document. * I also certify that the copy transmitted to the MPTF Office is a true copy of the original which is secured by the RC Office. I have received documentation from Participating Organizations demonstrating Committed amounts where applicable. I also confirm that the PUNOs' indirect cost does not exceed 7%.

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**RESIDENT COORDINATOR
SIGNATURE**



**UNDP Representative
SIGNATURE**

