



UNIVERSAL  
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UNOPS



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PROGRAMME NOTE

SIERRA LEONE

# SALONE OFF-GRID RENEWABLE ENERGY ACCELERATION (SOGREA) - WORK PACKAGE 5.3



## SALONE OFF-GRID RENEWABLE ENERGY ACCELERATION (SOGREA)

Salone Off-Grid Renewable Energy Acceleration (SOGREA) Initiative is an EU funded program designed to scale up the mini-grid sector Sierra Leone, strengthen its sustainability, expanding and diversifying solutions for access to electricity off the main grid and accelerating local development. SOGREA is implemented by the United Nations Office for Project Services (UNOPS) in close partnership with the Government of Sierra Leone (GoSL).

## MINI-GRID INVESTMENT SUPPORT

Administered through the SEforALL's Universal Energy Facility (UEF), with specific window opened for Sierra Leone, SOGREA will support the setting up of new mini-grids using a milestone-triggered CAPEX grant investment support model.

Under this model, private sector entities will be fully responsible for financing the development, construction, ownership and operations of the mini-grids, and can apply to obtain SOGREA financial support (in form of grants) to cover part of the capital expenditure associated with the mini-grid infrastructure.

## HOW THE SOGREA INVESTMENT SUPPORT FOR DEVELOPMENT OF NEW MINI-GRIDS WILL WORK:

SOGREA will provide grant investment support (partial financial support) to private sector entities that develop and operate GMGs for the initial setting up of green mini grids. While fully responsible for financing the development and construction of the green infrastructure concerned, these private sector entities can apply to obtain SOGREA financial support of up to EUR 520 per connection, with the aim of covering part of the capital expenditure associated with its development.

**SOGREA investment support will be disbursed in the form of grants in a phased manner. The disbursement of each grant instalment will be contingent upon the recipient achieving specific, predetermined milestones based on clearly defined technical specifications. These milestones will serve as checking points to verify progress in accordance with agreed terms.**

**Site Identification:** In collaboration with the GoSL, on-site assessment of several mini-grid priority locations will be conducted to verify and validate the potential of envisaged mini-grid locations, ensuring that the data accurately reflects field realities. Upon completion of the assessment, a list of priority sites compiled by the GoSL will be published by Q4 2025 for private entities to select and make site-specific applications on the programme. The possibility of developers also identifying sites not on the priority list will be explored and communicated to private developers in due time

**Application and grant award procedures:** Application and grant award procedures will be developed in line with the UEF Operating Manual and the Mini-grid Regulations for Sierra Leone and communicated in due time.

**Minimum Technical Specifications:** Compliance with clear and transparent minimum technical specifications will be mandated in the application and grant award procedures in line with the UEF Operating Manual and the Mini-grid Regulations for Sierra Leone. Compliance will be required for (i) approval of applications and signature of grant agreements (ii) verification of the achievement of the milestones, which is a precondition for the issuance of grant disbursements.

**SOGREA Funding Window:** By Q4 2025, the Universal Energy Facility (UEF) will set up specific funding application windows which will be opened for applications to both local and international private operators. The call for applications will be hosted on [www.universalenergyfacility.org](http://www.universalenergyfacility.org) and [www.seforall.org](http://www.seforall.org), as well as other UNOPS platforms.

The funding applications will be administered through a secure web-based IT portal in a transparent and efficient manner. The portal functionalities include submission and review of project applications, mini-grid design, financial projections, remote integration and verification of electricity connections, data analytics and reporting, as well as grant disbursement.

The SOGREA investment support will only cover part of the required CAPEX, as it will leverage other sources of financing from the private sector entities. The exact amount of the available grant will be determined and communicated in the application and grant award procedures.

Prior to the award of any investment support agreement, the following parameters must be approved, which will also form further the basis of the grant disbursement. The mini-grid site design, characterized by the targeted generation and battery storage capacity, and the total number of customer connections considered to be realistic.

Grant disbursements will be made under a reimbursement mechanism upon achievement of the agreed project-milestones by the private sector entities, i.e. no pre-financing payments are envisaged. Also, the SOGREA investment support is expected to contribute towards the delivery of cost reflective electricity tariffs based on the Multi-Year Tariff Order Tool, making electricity more affordable to businesses, households, public institutions and other customer categories within communities.



**Milestone-Triggered CAPEX Investment Support Payments:** Selected Mini-grid operators will receive milestone-based payments following signature of the grant agreements as outlined in the table below.

#	MILESTONES	DESCRIPTION
1	Equipment arrives on site	A percentage of the grant amount per connection multiplied with the number of connections agreed to be in place at milestone 3 (with evidence of all major project equipment)
2	Mini-grid commissioning	A percentage of the grant amount per connection multiplied with the number of connections agreed to be in place at milestone 3.
3	Mini-grid certified to operate in line with agreed standards	100% of the grant amount per connection multiplied with the number of connections certified to operate in line with agreed standards. Operator can submit several claims reports within the investment support deployment period.

## CONTEXT & CHALLENGES

Based on Levelized Cost of Energy (LCOE) assessments, the Government of Sierra Leone (GoSL) has identified mini-grids as the most suitable means to electrify a significant number of settlements across the country.

However, the upfront cost of developing, constructing and operating Green Mini-Grid projects in remote or underserved communities in Sierra Leone is high, while the revenue potential is low due to limited energy consumption and end-user affordability.

In collaboration with the GoSL, UNOPS and the European Union, the UEF seek to address these challenges by bridging the project viability gap, ensure end-user affordability, and expedite mini-grid project delivery to accelerate the achievement of universal energy access across Sierra Leone.

## THE STATUS OF GoSL REGULATORY ENVIRONMENT

Encouraged by the electrification of more than 100 communities using mini-grids, the GoSL aims to electrify an additional 250 communities through mini-grid infrastructure by 2028. The GoSL is committed to implementing cost-reflective tariffs and providing a conducive, sustainable environment for private sector investment. With support from SEforALL and collaboration with the private sector, the GoSL has revised the Multi-Year Tariff Order (MYTO-2). Additionally, the EWRC Act has been enacted, and the mini-grid regulation is currently with parliament for approval. All these efforts are targeted towards strengthening the sector's framework.

## OBJECTIVE

To scale up access to affordable, reliable, sustainable and modern energy in Sierra Leone. The Universal Energy Facility (UEF) is a multi-donor financing facility that provides milestone-based investment support (in the form of catalytic grants) to private sector entities that develop and operate mini-grid infrastructure with the aim to significantly increase energy access rates for households, businesses, educational and health facilities, and other productive use of energy beneficiaries.

## EXPECTED OUTCOMES

- Encourage private sector entities to invest in the development and operation of mini-grids infrastructure by helping to mitigate the perceived investment risks.
- Enhance the commercial viability of the mini-grids, support end-user affordability and bolster the rural economic development of the communities.
- Improve the quality and reliability of energy services delivered to rural customers.

## APPROACH

### A | ADVOCACY

Providing thought leadership and communicating broadly on the need to transition to similar investment support approaches. Working to raise awareness and bring together key global and local stakeholders to support this objective.

### B | EXPERT ADVISORY SUPPORT

Working with the Government of Sierra Leone, private sector entities, financial institutions and other partners to help create enabling market environments.

### C | RESULTS-BASED ACCELERATED GRANT DEPLOYMENT

Establish an innovative milestone-based grant investment support mechanism which provides financing upon the achievement of agreed project milestones.

## UEF PROGRESS TO DATE

Since 2020, the UEF have identified a significant pipeline of new mini-grid projects that requires catalytic grant funding to derisk and further unlock private capital investment.

So far, three UEF cofunded and private sector owned mini-grid projects were successfully commissioned in Sierra Leone, bringing reliable electricity access to hundreds of households, businesses, as well as health and educational facilities. By Q4 2025, the UEF aims to launch new investment funding windows dedicated to Sierra Leone and attract additional private developers into the Sierra Leone market.

#### FUNDING PARTNER:



European Union

#### IN PARTNERSHIP WITH:

Ministry of Energy, Sierra Leone  
Sierra Leone Electricity & Water Regulatory Commission (SLEWRC)

#### CONTACT

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