Energy Through Demand-Side Subsidies

Concept Note

Liberia

endev

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Abbreviations	
ATP	Ability to Pay
CRM	Customer Relationship Management
DSS	Demand Side Subsidy
EnDev	Energising Development
FM	Fund Manager
GoL	Government of Liberia
ICS	Improved Cookstoves
IS	Indirect Subsidy
IVA	Independent Verification Agent
LESSAP	Liberia Electricity Sector Strengthening and Access Project
MaPI	Market Performance Index
MPI	Multidimensional Poverty Index
MSME	Micro, Small and Medium-Sized Enterprises
NDC	Nationally Determined Contributions
OGS	Off-grid Solar
OGTF	Off-grid Task Force
PAYG	Pay-as-you-Go
RBF	Results-based Financing
RREA	Rural and Renewable Energy Agency
SHS	Solar Home Systems
SSS	Supply Side Subsidy
WB	World Bank
WFP	World Food Programme
WTP	Willingness to pay

1. Context

Liberia is one of the poorest countries in the world, with more than 52% of its 5.2 million inhabitants living in poverty. Inadequate access to healthcare, education, and basic utilities remains a major challenge facing the country. Despite steady growth in the last decade, electricity access in Liberia remains at a low 27.5% nationwide, with rural areas disproportionately affected (less than 5%) compared to urban areas (20%).[1] Off-grid solutions, such as mini-grids and solar products, are the primary means of electricity access, accounting for approximately 21% of the population, while the national grid accounts for only 7%.

Energy is a priority for the Government of Liberia (GoL). The National Electrification Strategy (NES) provides a roadmap for achieving universal access to electricity by 2030, with the national grid serving 70% of the population, mini-grids serving 11%, and off-grid solar (OGS) products serving 19%. To achieve this target for the off-grid sector, the Renewable Energy Strategy and Master Plan (RESMAP)[2] published by the Rural and Renewable Energy Agency (RREA) aims to provide access to 250,000 solar products and 250,000 improved cookstoves (ICS) by 2030.

However, several challenges must be addressed to reach the GoL's off-grid electrification target. This includes, in particular, the challenge of last mile distribution to remote and rural customers due to infrastructure constraints, limited supply chains and the affordability gap faced by many Liberians.

Energising Development (EnDev) and RREA through the Liberia Electricity Sector Strengthening and Access Project (LESSAP) funded by the World Bank are seeking to pilot a new market-based, results-based financing (RBF) approach by providing incentives for the distribution of solar home systems (SHS) in Liberia. Demand-side subsidies (DSS) are complemented by supply-side subsidies – henceforth called Indirect Subsidies (IS) – provided by the RREA. EnDev has allocated EUR €1.88 million for the DSS component, while LESSAP contributes USD $1.55 million for IS disbursement. This joint implementation approach helps overcome the affordability gap, accelerate electricity access for low-income households, and support the development of the OGS market in Liberia to ensure long-term sustainability.

2. Objective

The objective of the DSS pilot is to bridge the affordability gap for off-grid solar products and foster market expansion in vulnerable, hard-to-reach counties in Liberia in partnership with the GoL and the World Bank. This pilot aims to provide:

- Access to off-grid solar products for an estimated 44,700 people in eligible locations.
- A model of targeted demand-side subsidies that can be adapted and scaled by the GoL, e.g., through RREA.
- A model of implementing a joint DSS and IS RBF project in partnership with government.

[1] World Bank (2021). Liberia Electricity Sector Strengthening and Access Project – Project Appraisal Document. The World Bank. Available at: https://documents1.worldbank.org/curated/en/127771615860080105/pdf/Liberia-Electricity-Sector-Strengthening-and-Access-Project.pdf
[2] RREA (2018). Rural Energy Strategy And Master Plan For Liberia Until 2030. Rural and Renewable Energy Agency (RREA). Available at: LIBERIA-RURAL-ENERGY-STRATEGY-AND-MASTER-PLAN.pdf (gestoenergy.com)

In addition, the pilot is expected to generally strengthen Liberia's OGS companies, especially MSMEs, through capacity building and coaching of participating companies throughout the pilot duration. Indirect benefits also include providing support and thus strengthening the capacities of RREA for the implementation of complex RBF projects, and a heightened awareness for energy access products through targeted awareness-raising campaigns.

3. Beneficiary targeting

3.1 Target population

The pilot aims to facilitate energy access for households living in the poorest and most vulnerable regions in Liberia. The Multidimensional Poverty Index (MPI), which considers factors such as health, life expectancy, education, energy access, and income levels, was used to classify and rank counties according to their socio-economic vulnerability.[3][4] The more vulnerable, the higher the affordability challenge for OGS products.

EnDev implements the RBF in eight counties: Gbarpolu, Grand Cape Mount, Bong, Bomi, Nimba, Sinoe, River Cess, and Grand Kru. These counties rank amongst the most vulnerable in the MPI, and/or are in geographical proximity to each other, and therefore included to reduce risks for product leakages and mitigate potential social tensions arising due to varying eligibility across regions.[5]

In addition to living in eligible counties, beneficiaries must also not have existing electricity access in the home and may only benefit once from the subsidy. This ensures that project funds are devoted to first-time access.

[3] UNDP, OPHI. 2022. 2022 Global Multidimensional Poverty Index (MPI): Unpacking deprivation bundles to reduce multidimensional poverty. New York!

[4] Liberia Institute of Statistics and Geo-Information Services (LISGIS), Ministry of Health [Liberia], and ICF. 2021. Liberia Demographic and Health Survey 2019-20. Monrovia, Liberia and Rockville, Maryland, USA: Liberia Institute of Statistics and Geo-Information Services (LISGIS), Ministry of Health, and ICF.

[5] Subsidy leakages describe the risk of having subsidies captured by people which are not intended as beneficiaries (e.g., wealthier than the target population, or people outside the targeted region), thus reducing the intended impact. Hence, to reduce the risk of geographic leakage, EnDev selected remote counties at Liberia's western border with Sierra Leone as pilot counties. These counties are less accessible, compared to central Liberia, making traveling to those counties less attractive for people that would falsely claim residency in the pilot areas only to profit from the subsidy.

Figure 1: Ranking of Liberian counties according to Multidimensional Poverty Index (MPI) and Market Performance Index (MaPI, IS only)

Ranking of counties according to **Multidimensional Poverty Index (MPI)***

Category*	Rank	County	MPI*
Most vulnerable (A)	1	River Cess	0,00
	2	Gbarpolu	0,07
	3	Grand Bassa	0,08
	4	Bong	0,15
	5	Grand Cape Mount	0,19
	6	Grand Kru	0,27
	7	Nimba	0,30
Medium vulnerable (B)	8	Lofa	0,33
	9	Bomi	0,38
	10	Grand Gedeh	0,40
	11	Maryland	0,45
	12	River Gee	0,46
Least vuln. (C)	13	Sinoe	0,51
	14	Margibi	0,55
	15	Montserrado	1,00

Population less vulnerable

Ranking of counties according to **Market Performance Index (MaPI)**

Category*	Rank	County	Market-PI
Most vuln. (A)	1	Maryland	0,00
	2	River Gee	0,09
	3	Gbarpolu	0,20
	4	Grand Gedeh	0,26
Medium vulnerable (B)	5	Bomi	0,31
	6	Bong	0,36
	7	Grand Cape Mount	0,38
	8	Grand Bassa	0,42
	9	Grand Kru	0,45
	10	Sinoe	0,47
Least vulnerable (C)	11	River Cess	0,52
	12	Lofa	0,56
	13	Nimba	0,58
	14	Margibi	0,62
	15	Montserrado	1,00

More mature SHS/OGS markets

* The MPI has been inverted and normalized for this ranking.
DSS pilot counties are highlighted in orange.

The complementary IS element, funded by the World Bank and implemented by RREA, aims to overcome market barriers and incentivise companies to expand into more remote areas. IS subsidy levels are based on a separate 'Market Performance Index (MaPI)' which considers company presence, historic sales, and population density. The IS also helps companies to expand into DSS pilot regions. Figure 1 provides an overview of the county ranking of both the MPI (DSS) and MaPI (IS) and the positioning of the two DSS pilot counties therein.

3.2 Targeting mechanism

The pilot employs a geographic targeting approach due to a lack of more granular national data, i.e. the entire population of the selected counties is eligible for DSS. Due to the lower accuracy of geographic targeting, the pilot furthermore utilizes an element of self-selection: by limiting eligible products to Tier 1 SHS with a max. panel capacity of 20 Watt, EnDev ensures that only the most basic SHS are subsidised, making the subsidy less attractive for households with higher purchasing power.

EnDev also explores a more granular targeting approach under a 'sub-pilot', providing higher subsidies to vulnerable women across Bong and Nimba through a voucher-based delivery mechanism. The sub-pilot targets members of a local women´s cooperative, United Women for Sustainable Development, as well as the 'Ultra Poor' of BRAC's Accelerating Impact for Young Women (AIM) programme.

Instruments and tools:

To prevent product leakage, fraud, or abuse, EnDev utilizes a digital tool (hosted by Kobo Toolbox) to confirm beneficiary eligibility and register sales at the point of sale. The tool ensures that beneficiaries live in eligible counties and only benefit once from the subsidy.

4. Affordability gap and subsidy level

4.1 Eligible products

The pilot supports Tier 1 SHS with a max capacity of 20W[6]. Eligible products must be Verasol-certified[7] and have a minimum warranty of 24 months.

All systems meeting these requirements are eligible for a subsidy. As such, beneficiaries are empowered to choose the best solution for basic energy access according to their own needs and financial capabilities.

Figure 2 provides an overview of typical SHS products available in Liberia, which fall under the above eligibility criteria. These products, between 6 to 15 Watts of capacity, are available (as of 2023) at average cash prices of USD 140 or Pay-As-You-Go (PAYGO) prices of USD 197 (repayment periods ranging between 6 to 32 months).

Figure 2: Reference OGS products and companies in Liberia



4.2 Affordability gap

A baseline study and additional household affordability study indicated an Ability to Pay (ATP) for electricity access suggested levels of approx. USD 4 per month among the target population, translating into subsidy levels beyond USD 100 per product. However, given the lack of granular data for household level targeting and the need to use geographic targeting, such high subsidy levels would further add to the already increased risks of spill-over and market distortion associated with geographic targeting[8].

Thus, EnDev decided to employ a more conservative approach. The ATP is based on available World Bank data.[9][10] The World Bank uses a standard 5% share of total household expenditures to estimate a household's ATP for energy, i.e., an average ATP of USD 7.84 per month per household averaged over the eligible counties. While this approach doesn't target the poorest of the poor, it mitigates the heightened risks of spill-over effects and market distortion associated with assuming a much lower ATP (and thus higher subsidy) in a geographic targeting approach.

Figure 3: ATP, affordability gap and incentive level

[6] The Multi-Tier Framework for Measuring Access to Electricity. Energy Sector Management Assistance Program (ESMAP). Available at: Electricity | Multi Tier Framework (esmap.org)
[7] https://verasol.org/
[8] see footnote 5.
[9] World Bank (August 2022): SHS Affordability Analysis: Data from Multi-Tier Framework Survey (2017) and Household Survey (2016)
[10] Liberia – Multi-Tier Framework (MTF) Survey, available at: https://datacatalog.worldbank.org/search/dataset/0037961/Liberia---Multi-Tier-Framework--MTF--Survey

Average PAYGO Terms for Tier 1 products		ATP		Affordability Gap and Incentive Level	
Average Tier 1 Price (USD)	Average PAYGO period* (months)	ATP (USD per month)	Absolute ATP over PAYGO period (USD)	Absolute DS Incentive Level (USD)	Relative DS Incentive Level (-)
196.80	15	7.84	117.66	79.14	40%

*Average PAGO repayment period based both on currently offered PAYGO repayment periods as well as surveyed companies plans to increase PAYGO periods in the short-term. This takes into account the most vulnerable communities would generally opt to purchase products at longer repayment periods, thus increasing affordability

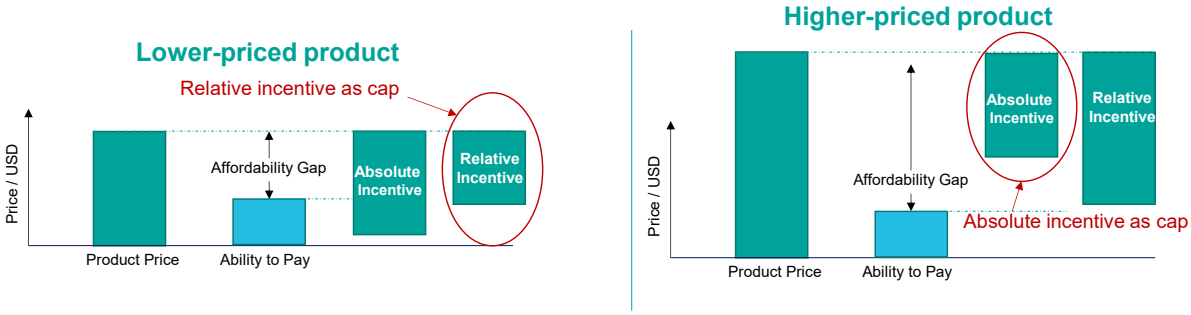
The Affordability Gap is thus determined by taking the average price of eligible SHS (USD 196.80) across average PAYG period (15 months), weighed against the estimated energy expenditure of eligible customers multiplied with the average PAYG period ("Absolute ATP"), see Figure 3. Thus, the average affordability gap ("Absolute DS Incentive Level") equals approximately USD $80.[11]

For the sub-pilot, an affordability study indicated an average ATP of approximately USD 2.50 per month. With a PAYG period of 15 months, the average affordability gap was approximately USD 160, and the relative subsidy level set at 80%.

4.3 Calculation and adjustment of subsidy level

Based on the ATP calculation (Section 4.2), the subsidy level is set at a level of 40% the product price (i.e., a relative subsidy level), not to exceed a price cap of USD 80 per sale (i.e., absolute subsidy level). Using a relative subsidy level combined with a maximum price cap avoids over-subsidizing either higher-priced products or lower-priced products (Figure 4). To cover the remaining amount, beneficiaries contribute monetarily to the purchase of their product. The beneficiary contribution is fundamental to creating ownership, empowering beneficiaries, promoting sustainability, and motivating companies to provide after-sales service.

Figure 4: Relative and absolute subsidy level (max. price cap)



[11] For comparison, the indirect subsidy (IS) component ranges between USD $21, USD $35 to USD $50 depending on the remoteness of the county.

There is a single subsidy level for all eligible Tier 1 products (apart from those sales under the sub-pilot). For products sold on instalment basis and/or PAYG, the DSS may be used to reduce the initial deposit as well as the monthly instalment amount, depending on the discretion of participating companies.

The subsidy level is reviewed and, if needed, adjusted periodically throughout the implementation period based on updated income and affordability metrics, product uptake (i.e., sales figures) from the pilot, as well as evidence that market distortion has not occurred.

5. Subsidy delivery

5.1 Delivery channel

EnDev uses an RBF approach in partnership with the RREA. The DSS and IS elements of the RBF are implemented jointly using the same tools, processes and procedures to ease participation.

For the DSS element, the RBF channels the DSS by engaging an approximate 20 qualified companies in Liberia to reach eligible recipients. This approach not only promotes the growth of the private sector but also enhances energy accessibility in the most underprivileged regions of Liberia. Funds are directly disbursed to participating companies upon achievement of agreed milestones, in this case verification of eligible sales (see Section 6) by an **independent verification agent (IVA)** and approval of the verification reports by EnDev.

EnDev has hired BRAC, the Liberian branch of the Bangladesh-based micro-finance institution and international NGO, to act as the **Fund Manager (FM)**. Their extensive experience in development initiatives, deep local knowledge, extensive outreach, robust monitoring and evaluation systems, and capacity-building expertise position them as a suitable partner for implementing this RBF program. The FM accompanies the company application process, handles incentive disbursements, and coordinates the submission of sales and claim verification reports.

The identification and selection of the participating companies for the RBF is based on a competitive public tendering process with robust selection criteria, including:

- Legal Compliance: Companies must demonstrate adherence to legal requirements and regulations, ensuring proper registration with relevant authorities and compliance with institutions such as the Liberia Business Registry (LBR), National Social Security and Welfare Corporation (NASSCORP), and Liberia Revenue Authority (LRA).

- Labor and Environmental Standards: Companies are expected to meet high labour and environmental standards, including the absence of forced labour and child labour, compliance with waste trade regulations, a dedicated gender policy, and a strong track record of environmental and social responsibility. In lieu of an existing gender policy, companies may credibly demonstrate interest to participate in related capacity building and develop a gender policy during the implementation of the pilot.

- Business Operations: Successful companies exhibit strong business operations, such as a viable business plan and commercial business model targeting rural customers in Liberia, or comparable experiences in the region, and demonstrate the ability to pass on the subsidy to consumers (i.e. consumer price reduction). They should have dedicated marketing and sales staff, a clear ownership transfer process for PAYG

models, and effective customer tracking and monitoring systems. Additionally, to meet the program requirements companies must sell quality-certified products and provide a credible warranty (minimum 24 months) and after-sales service.

- Pre-existing access to subsidies: Companies that already benefit from other subsidies and/or grants are not eligible unless they can unequivocally prove the separation between programs and thus avoid double counting results. External funding received e.g. for organizational development or staffing may be exempted.

These criteria are tentative and are further elaborated in the operations manual.

Business Development Support:

Given that the majority of companies in the Liberian OGS sector are small and lack the capacity to participate in the RBF, the FM provides targeted coaching to empower more MSMEs to join the pilot and strengthen the OGS sector. In addition, companies may benefit from the RVO-funded Energy Enterprise Coach (EEC), which provides support to MSMEs, through cohort-based and specialized training in value creation, marketing, and business operations to drive market competitiveness.

In addition, the DSS pilot supports capacity building initiatives for selected Liberian OGS companies through an Accelerator Program, implemented by Bloom Bank. This program provides one-to-one training and strategic guidance to six companies, focusing on financial management and investment readiness.

5.2 Subsidy disbursement

Companies are allowed to submit claims on a quarterly basis after reaching a minimum number of subsidised sales. Subsidy disbursements are made based on timing of claim submission and verification of claims.

The FM delivers the DSS directly to participating companies for every eligible sale following independent verification. The full DSS is paid in one instalment following the product sale and verification, regardless of payment modality (cash vs. PAYG).

6. Verification and monitoring

Each RBF claim is subject to independent verification through the Independent Verification Agent (IVA). Verification is performed to mitigate risks for fraud and collusion and to guarantee fair and transparent operations of the RBF fund. Furthermore, verification ensures that companies only sell to eligible customers in vulnerable communities, that the products have been installed, that customers are making payments, and that there are no significant after-sales issues with the products sold.

The verification consists of four steps (see Table 1; see EnDev RBF Verification Product for more details) and is conducted in line with GIZ's data projection rules.

Table 1: Verification Process

Steps	Description	Sample size
Step 1: Data consistency	The data consistency check includes screening for redundancy, duplicates, incompleteness, contradictory entries, repossessions, or other issues.	100% of data consistency check.
Step 2: Phone verification	For steps 2 and 3, a sample is taken using statistical sample size calculation and sampling methods. Phone verification is conducted for 80% of the total sample. In this step, the IVA remotely contacts and interviews customers following an agreed standard questionnaire.	About 80% of representative sample
Step 3: Field verification	The IVA physically verifies the presence of the SHS at the customer's residence and can directly observe the quality of energy access products or services as well as compliance with eligibility requirements.	About 20% of representative sample
Step 4: Validation of results	The final verification report is compiled by the FM and, after a four-eye check by EnDev and RREA, then presented to the company.	n/a

Based on the verification results, the amount to be disbursed is calculated.

7. Communication and outreach

Communication and awareness are crucial for the success of the DSS pilot. A detailed communications and awareness raising outlines the aim of:

- Ensuring visibility of key project information and achievements in line with donor requirements.
- Promoting ownership and buy-in of key stakeholders (i.e. local and national government, beneficiaries, companies, development partners, donors, etc.)
- Increasing awareness of the pilot as well as on renewable energy technologies and their benefits more generally.

Various communication channels (including local and national government, participating companies, etc.) are utilized to facilitate awareness raising. This also includes a project kick-off meeting and onboarding of companies to the project, led by the FM.

Further communication methods include, but are not limited to:

- **Structured meetings with national and local governments (including traditional leaders), community members and target groups**: These meetings provide an opportunity to raise awareness for the RBF, eligibility criteria, subsidy levels, and sales conditions. These meetings also provide an opportunity to raise awareness regarding quality SHS/products.

- **Printed communication material and local radio programs designed for target beneficiaries**: These additional communications channels complement other awareness raising activities. Apart from providing general information on products and sales modalities, these materials also help to sensitise the broader community on the needs of the target group to avoid social tension. Gender-specific communication approaches are also be developed and implemented.

These awareness raising activities as well as marketing efforts of participating companies will likely reach the broader community and may create positive spill-over effects by increasing sales beyond the DSS pilot.

8. Risk mitigation

Risk	Probability	Potential impact	Mitigation measures
Leakage of subsidised products into the commercial market (e.g. through reselling, theft, ineligible customers)	Medium	Medium	• Rigorous verification based on statistical sampling and continuous reviews of results ensures early detection of leakages. • In case product leakages are detected, EnDev will act swiftly and – if necessary – enact modified guidelines to close loopholes. • By employing a lower subsidy level, the pilot minimizes the risks associated with its broad, geographic targeting approach (s. section 4.2).
Intended beneficiary not reached	Medium	High	• Continuous monitoring of impact and intended reach, • Possible adjustment of subsidy levels depending on, e.g., market uptake, signs of market distortion, etc. • Exploration of more specific targeting approaches in partnership with Ministry of Gender, local NGOs, cooperatives etc.
Fraud or collusion by participating companies	Medium	Medium	• Fraud: Rigorous due diligence and verification processes to mitigate fraud risks, including strict thresholds for maximum shares of 'failed' cases during verification leading to exclusion from programme.
Misappropriation of funds by fund manager	Low	High	• Selection of a renowned, international microfinance institution and NGO as fund manager: Bangladesh-based BRAC • Regular audits
Risk of social tensions due to perceived inequality	Medium	Medium	• Communication materials and campaigns as well as information sessions for / with local government (e.g., townhalls) will help explain the programme to beneficiaries • RREA: Grievance/information hotline
Low demand due to limited willingness / ability to pay	Medium	High	• EnDev will continuously monitor the results of the pilot, and if necessary, adjust subsidy levels. • Additionally, EnDev will try to engage other data bases, such as the Liberia Household Social Registry, for refining

			its targeting approach and thus allowing for higher subsidy levels at a later stage of the pilot
Limited financial or technical capacity of individual companies to implement activities	High	High	• EnDev – through the Fund Manager – will offer capacity building on financial management, sales, marketing and distribution for participating MSMEs a priori to pilot launch and continuous business development support and coaching throughout implementation of the pilot
Lack of sufficient in-country stock	High	High	• EnDev- through the Fund Manager – provided advanced payment up to 30% of the contract value directly to suppliers for purchase of stock orders facilitating the entry of additional suppliers in the Liberian market including establishment of bonded warehouses.
Liberian presidential elections (October 10) impact project timeline due to political instability and/or changes of government priorities	Low	High	• Close monitoring of situation on the ground and exchange with GOL partner ministries and agencies
Limited financial liquidity of participating companies	High	High	• Both RREA and BRAC will provide advance payments for stock purchase and ensure efficient verification and on-time disbursements to support cashflow operations

9. Key implementation stakeholders

9.1 Roles and responsibilities

EnDev Liberia takes lead on the design, implementation, and monitoring of the DSS pilot project. The operations manual is developed by EnDev in consultation with the FM and RREA, and details implementation processes and procedures, required tools and documents, as well as the final subsidy amounts and schedules. Together with RREA, EnDev is also responsible for contracting the IVA, selecting eligible companies together with the FM, and overseeing the implementation. EnDev approves sales verification reports for DSS claims and therewith disbursements. Additionally, EnDev is responsible for contracting the external communications consultant to conduct awareness raising activities.

EnDev also contracts Bloom Bank to deliver business development support to selected off-grid solar companies in Liberia.

Furthermore, as a key support partner to the RREA, EnDev shall also act in a coordinating role between the DSS and IS elements.

9.1.1 Rural Renewable Energy Agency (RREA)

The Rural Renewable Energy Agency (RREA) is a key governmental body in Liberia, tasked with accelerating rural economic transformation through renewable energy. RREA and EnDev share joint responsibilities for the conceptualization of the joint RBF pilot (see Section 9.1). Additionally, RREA is responsible for contracting, management and disbursement of IS funds in coordination with the World Bank.

9.1.2 The World Bank

The World Bank funds the LESSAP programme and thus acts as a key partner in the conceptualisation of the joint RBF, an in particular for the IS element. During implementation, the World Bank forms part of a joint steering committee with EnDev and RREA, as well as oversee and supervise RREA's role in the RBF.

9.1.3 BRAC Liberia

BRAC Liberia acts as the fund manager administering the DSS funds on behalf of EnDev Liberia. The relationship between BRAC Liberia and EnDev Liberia is formalised through a Grant Agreement. BRAC's core responsibilities include:

- Maintaining relevant accounts and managing the DSS funds, including keeping track of claims and disbursements to suppliers, processing disbursements upon approval by EnDev, filing reports (invoices/reports), etc.
- Developing standard processes and procedures for the DSS pilot together with EnDev.
- Participating in company selection, signing contracts, and acting as the first point of contact for participating companies.
- Issuing advance payments to participating companies for purchasing stock.
- Offering capacity building of MSMEs prior to pilot launch and providing continuous business development support and coaching throughout implementation of the pilot.
- Supporting the claiming process and coordinating with the IVA.
- Facilitating information sessions and other methods of communication.

9.1.4 Independent Verification Agent (IVA)

The IVA may be a consulting firm or a consortium of experts and is responsible for:

- Verifying claims submitted by companies, as instructed by EnDev (see Section 6).
- Clarifying outstanding questions and reporting on issues from companies.
- Preparing and sharing verification reports with EnDev, the FM, and companies.

9.1.5 Bloom Bank

Bloom Bank is a Pan-African banking institution which aims to support businesses and institutions by providing capital, technology, and financial expertise. Within the DSS pilot, Bloom Bank serves as the implementing partner for the Accelerator Program, a specialized business development initiative for selected Off-Grid Solar (OGS**)** companies.

Bloom Bank´s core responsibilities include:

- Delivering hands-on training on enhanced financial management and robust financial reporting
- Providing strategic guidance and business development support to drive operational efficiency
- Equipping companies to effectively engage in grant programs and enhancing their overall finance readiness.

9.1.6 Coordination and stakeholder engagement

EnDev closely coordinates its interventions through the Off-Grid Task Force (OGTF), a working group of donors and stakeholders active in Liberia's energy access sector, headed by RREA and supported by the Beyond the Grid Fund for Africa (BGFA).

Furthermore, through its well-established network in Liberia, EnDev continuously exchanges and aligns its interventions with other donors. Specifically, EnDev closely coordinates its interventions with the existing BGFA RBF, which also supports SHS, to avoid double counting of results.

10. Exit strategy

10.1 Scale-up

WB has generally expressed interest to scale a successful pilot through RREA's LESSAP subject to budget availability. Upon completion of the DSS pilot led by EnDev, the DSS element could be integrated into the RBF and continued by RREA, thereby taking DSS to scale by providing subsidies to vulnerable counties across Liberia. The current joint RBF approach ensures close and consistent coordination, which helps facilitate a smooth hand-over process.

10.2 Phase out

In case a scale-up through RREA and the WB, as described above, is not possible, the project aims to facilitate a smooth phase out at the end of the project period. Potential phase out measures include the use of specific language (i.e., "discount" instead of "subsidy", "limited time / availability", etc.) in communication materials from the start, and clear communication to all involved stakeholders ahead of the project end-date. Where feasible, individual project outcomes, developed tools (e.g., the eligibility tool) or materials are captured and handed over to local partners for continued use after the end of the project.