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Backstopping Mandate for the “Private Sector Participation in Hydropower Development (PSP Hydro)” Project in Rwanda

The PSP Hydro project, carried out in the framework of the Energising Development (EnDev) Rwanda Program, aims to provide access to electricity. The Program provides “viability gap financing” and technical assistance for small and medium-sized businesses to install and operate micro hydropower plants. PSP hydro has a pipeline of 3 projects between 300 kW and 1.3 MW which have been assessed for eligibility of EnDev financing by analyzing feasibility studies and business plan.



Country:

Rwanda

Project Period:

Jan - Dec 2016

Services Provided:

Backstopping & Technical Advice

Name of Staff involved and functions performed:

Project Manager: [Hedi Feibel](#), hydropower expert and hydrologist

Project Officer: [Martin Bölli](#), hydropower expert for technical design, tendering and tender evaluation

Name of Client(s)

GIZ, Deutsche Gesellschaft für Internationale Zusammenarbeit

Description of the Project:

Control any potential cost inflation of bidders who try to maximise EnDev viability gap financing to avoid “over-subsidisation” and thus to guarantee efficient and effective use of the available fund.

- 1) Evaluate draft project proposals (feasibility studies and business plan) for 3 hydropower projects (300 kW - 1.3 MW) focusing on deviations between companies’ bid offer and submitted draft project proposal. Skat’s experts are checking changes in technical design with regard to their legitimacy and impact on load factor, CAPEX, OPEX, revenues and thus the gap financing applied for.
- 2) Evaluation of final project proposals for 2 projects in terms of compliance with original bid offer, providing recommendations on possible deviations and general quality of detailed technical design.
- 3) Provision of advice on technical detail questions on hydropower and mini-grids during construction monitoring

Activities: Analysing the technical and financial details of the studies (e.g. hydrological analysis and determination of design flow, design of civil structures and electro-mechanical equipment, type of turbine, produced electricity, profitability calculations etc.); check of consistency and appropriateness under local conditions, also with regard to easy operation

and maintenance, formulate recommendations.

Results: 3 short evaluation reports on draft MHP project proposals and 2 evaluation reports on final MHP project proposals to support GIZ's decision making in viability gap financing.