



THE MANTRA PROJECT CONCEPT PAPER

CONTRIBUTION TO ACHIEVING THE POST-2015
SUSTAINABLE DEVELOPMENT GOALS



SPANDA
FOUNDATION

Empowering Transformation

*Culture, Education, Health & Environment, Economics and Research
for the Sustainable Advancement of Peace, Knowledge and Understanding*

LAAN VAN MEERDERVOORT 70 | NL - 2517 AN THE HAGUE - NETHERLANDS
T&F +31 (0)70 346 76 25 | INFO@SPANDA.ORG | WWW.SPANDA.ORG



A Mantra for a Green Earth

Hundreds of solar panels and micro loans to empower women in sustainable agriculture in the districts of Bo and Pujehun in Sierra Leone.



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IMPLEMENTING
AGENCY

Spanda Foundation (Spanda) | An International Civil Society Organization (ICSO) for development to catalyze sustainable long-term systemic change in culture, education, health & environment, economics and research.

Spanda is a The Hague (Netherlands) based entity with the ANBI tax status (equivalent to US IRS 501 (c)(3) tax exemption) subject to the Dutch laws, and in Consultative Status with the United Nations Economic and Social Council (ECOSOC).

OTHER
PARTICIPATING
ENTITIES

Consortium of NGOs, microfinance institutions (MFIs), public and private cooperation and funding partners.

INTRODUCTION

Spanda commenced work on the Mantra Project (Mantra) at the beginning of 2010. Since its inception, thorough research and studies in the fields of renewable energies, microfinance and sustainable agriculture have led to the structuring of a pro-development innovative project to alleviate poverty and revitalize communities in developing countries by empowering people to lead lives of self-reliance, meet their own basic needs and attain economic self-sufficiency.

In particular, Mantra:

- i ~ combines the implementation of a basic microfinance scheme with the provision of renewable energies; and
- ii ~ provides educational and professional training in the conduct of micro economic activities and in the use of green energies in sustainable agriculture.

The project will be implemented through a consultative and participatory process, with the full involvement of local communities and their representatives occurring from the initial start up phase.

The management model is based on the efficient and active participation of the local communities in the management/control of the services provided.

Although the microfinance model will be adapted to the specific local needs and in agreement with the project management on site, a general structure of the microfinance services is envisaged based on the key role of one or more subjects acting locally as energy providers and as microfinance institutions, both interacting on one side with Spanda, which will avail the technical and financial assets for the startup, and, on the other side, with the target groups of both individuals and agro-cooperatives to activate and maintain the intended services.

MAIN GOALS
/ OBJECTIVES

Mantra intends to alleviate poverty by providing access to energy equipment, financing instruments and relevant training in developing countries in order to foster sustainable agriculture, thereby empowering local communities in creating or expanding micro-economic activities.

Mantra seeks to model sustainable environmental, social and economic behaviours in harmony with its core vision and to create the framework within which the selected micro-entrepreneurs and their communities can shift towards practices that can contribute to the sustainable development of their life.

Through the implementation of the Mantra Project, Spanda aims at:

- a ~ procurement (either by purchase, leasing, or as a donation) and installation of solar energy equipment, as well as other equipment to supply energy for community and income-generating purposes;
- b ~ providing, through local microfinance institutions, micro-loans to agro-micro female entrepreneurs for income-generating activities as well as for the purchase of additional equipment;

TARGET GROUP
/ BENEFICIARIES

- c ~ providing training for the use and maintenance of the equipment by the energy provider and users;
- d ~ the provision of education and training capacity building in relation to trade, savings, health insurance and banking; and
- f ~ the provision of savings accounts through the local microfinance institutions to users of the solar equipment, with the goal of improving living standards and promoting the economic empowerment of women especially.

Spanda intends to encourage the beneficiaries to be responsible green micro entrepreneur and will select beneficiaries that will adopt sustainable products and practices in a collaborative effort to find ways to make their micro-business eco sustainable.

In the selection of the beneficiaries, Spanda will carry out a due diligence work to make sure that they bring a high level of environmental and social responsibility to their day to day work and incorporate ecological considerations into all decisions. Spanda will encourage local beneficiaries to build up healthy soil, recycle compost, re-purpose materials, minimise the use of electricity and maximise energy efficiency.

In order to encourage and support green practices that improve health, safety, working and life conditions, Spanda will select beneficiaries that:

- ~ use products from local sources and more recycled, recyclable, biodegradable and sustainable materials;
- ~ exercise practical applications of waste reduction and pollution prevention;
- ~ maximize the proper disposal of materials including composting and recycling;
- ~ provide a healthy workplace with minimal environmental impacts;
- ~ use LP natural gas (propane) as opposed to gasoline;
- ~ utilize environmentally friendly transport;
- ~ reduce emissions from all micro-business related activities and decrease overall footprint;
- ~ are advocates in their activities for sustainability and green practices;
- ~ pursue short- and long-term environmental protection;
- ~ educate their communities about ways in which they can be greener;
- ~ do not use artificially produced fertilizers, chemicals, herbicides and pesticides but use natural fertilizers, reclaimed waste materials, and recycle nutrients into the soil;
- ~ arrange for the responsible recycling of many of their micro-business-related products including paper, glass, aluminium cans and plastic.

As detailed below, the target groups consist of Rural Villages and Communities in general, and individual and cooperative Female Agro-micro Entrepreneurs in particular.

a ~ *Rural Villages and Communities*

The part of the project dedicated to the provision of renewable energies aims at offering rural villages and communities affordable, locally generated green energy to supply agro-micro entrepreneurs, communities and village cooperatives.

The project intends to cover sustainable energy requirements for lighting, water pumping, desalination and sanitation, milling and grinding, fencing and small-scale machinery operation.

b ~ *Empowerment of Female Agro-micro Entrepreneurs*

The microfinance part of the project aims at implementing formal and sustainable microfinance networks by giving female agro-micro entrepreneurs adequate training, easy access to credit, engendering in them the importance of saving, and foster both locally and internationally their marketing capacity.

PROJECT STRATEGY
/ APPROACH

Capacity development plays a key role in Mantra and cuts across all activities to establish locally owned, sustainable development initiatives. The primary vehicle is a series of specific cooperation agreements with local governments, agencies, NGOs, MFIs, training institutions, villages, and chiefdom councils that, sharing Spanda goal, will adopt sustainable products and solutions.

As the project matures, local partners will start to take on responsibility for managing their own capacity development activities.

Mantra will facilitate microfinancing services through partnerships with established and reputable microfinance institutions with a proven business model in rural operations. Spanda, directly or indirectly, will provide the incentives, capital and training, required for the establishment/development of small scale businesses, as well as the solar equipment to supply energy to the target groups.

Mantra aims to differentiate itself from its partnering MFIs by offering a separate and independent set of requirements for loan eligibility. To facilitate loans to those communities that would generally not qualify for microfinance, Mantra will support group lending schemes to reduce interest rate and mitigate risk, as well emphasising and advocating the procurement of photovoltaics.

SPECIFIC CONTENT
/ RATIONAL

In developing countries electrical infrastructure extends only to a small proportion of the population – mainly within the large urban centres – and even then, the demand for power far outweighs the capacity of the producers.

Mantra intends to provide rural micro-agro entrepreneur with a reliable and environmentally sustainable off-grid electrical power supply, independent of the national infrastructure. This would lead to significant benefits and allow the introduction of non battery/kerosene operated appliances that could help the target groups to improve their own standards of living.

Renewable energies will replace the traditional use of diesel, wood and kerosene burners that contaminate the environment and create health hazards, particularly among women and children. In addition, the project provides social benefits such as the development of the capacity of income electrical service management, the improvement of local technical skills, and a positive impact on the social capital.

The energy installations supported by the project include off-grid solar power units, energy-efficient electricity grid, LED lamps and any other sustainable energy system with proven technology. The equipments main components have a life expectancy of at least 15 years, and will be maintained and upgraded by the local installers. Experience has shown that ordinary maintenance of photovoltaic equipment is better performed by trained women than trained men.

Spanda deems that lifestyle enhancements and household electrification must be subsequent to business expansion, as entrepreneurial activities serve as the best model for self empowerment and poverty alleviation. This is why Mantra intends to implement a structured microfinance scheme for the benefit of the target groups.

EXPECTED RESULTS
/ IMPACTS

The analysis of a group of MFIs operating in areas of low socio-economic development shows that demand for microfinance services is strong (cfr. *Mantra Companion Series* research papers in Annexes D).

Statistically, women are more responsible than men in terms of loan repayment, management and investment. As a result, they are preferable as loan recipients as the MFIs risk is greatly reduced.

Through the provision to Female Micro-agro Entrepreneurs who practice income-generating activities such as raising livestock, dairy cooperative, growing

of vegetables, crops and the like; and of training and easy access to low interest micro-loans, Mantra expects to engender in them the importance of saving, to enable them to engage in more income-generating activities to increase their wealth and invest in their micro-agro businesses, to accompanying them through a solid proven capacity building itinerary to market their goods; purchase medicines, pay for health care and education, make home improvements and build a better future for themselves and their children.

Furthermore, Mantra expects to develop self-confidence and assertiveness in women, secure a sense of self-worth, help them gain status in their families and communities; and finally, to obtain the power to control their own lives within and outside the home as well as increase their ability to influence the direction of social change towards a more just social and economic order.

By providing solar power to rural communities, Mantra aims to supply electricity not otherwise available due to the inadequately developed electrical infrastructure. Through the benefit of electricity, the communities overall quality of life and economic mobility will be significantly improved, as they would no longer have to rely on environmentally unsustainable hydrocarbons and bio-mass for performing daily business. In addition, the provision of solar equipment would increase the ability of local businesses to function, diversify and expand, while transfer of skills in regards to installation and maintenance of solar panels will facilitate the growth and expertise locally, paving the way for future in-country solar entrepreneurship.

By implementing a solar scheme within a given village/community, Mantra will greatly contribute to the environmental micro-restoration of over deforested areas by offering an energy alternative to bio-mass, minimizing the effects of over logging, increased desertification and depauperated bio-diversity. The new electrical supply will also allow for improved water storage and irrigation, eventually leading to improved soil nutrients, enhanced nutrition, food security and enhanced household income.

This will lead to the expansion and promotion of similar projects worldwide through CSOs, government agencies and other institutions as well as promoting partnerships for large scale commercial projects of all kinds.

Western Africa | Sierra Leone: community villages in the districts of Bo and Pujehun.

The project will initially be implemented in small villages of around 100/200 people. If successful, it would be replicated in other communities.

Identification of beneficiaries will be done through local NGOs and community leaders. This implies that various leaders meetings will be held as an entry point to illustrate the purposes, goals and objectives of the project.

The sustainability are drawn on Spanda devised Fourth Bottom Line Clean Code encompassing the economic, social, environmental and human rights dimensions.

Economically | The microfinancing itself has already proved to be an efficient and sustainable model to provide sources of finance to people in developing countries.

To benefit an ever growing number of beneficiaries and target groups, the project will collect the interest paid out of the loans in a revolving fund to be used to provide further loans.

Socially | The project will concentrate on serving communities rather than individuals, due to the experiences of other MFIs in providing group loans. This will in turn assist in the process of building trust, cohesion and solidarity within the group/community, in conjunction to empowering and elevating the status of women.

Furthermore, the project will enhance economic sustainability by training local people in installing and maintaining the solar panels, providing training on business skills for the beneficiaries.

Environmentally | The proliferation and grass roots advocacy of independent, renewable and sustainable power supply will serve as a successful and attractive model which could be widely replicated within developing rural communities.

Human and Social Rights | The Project enhances the rejection of any form of corruption, discrimination and of forced and child labour; it safeguards dignity and freedom, the equality of gender and human being; it protects labour and health, no violation of human and social rights came to pass along its way.

Spanda will implement a constant, participatory, and self-reflecting monitoring and evaluation system based on the development impact assessed through the user feedback in the areas of awareness, empowerment, economic impact, and organizational aspects. Mantra effectiveness will be measured by the level of satisfaction of the project local beneficiaries as a result of their individual, economic and social development. The preferred instruments to be used are questionnaires and minutes of community meetings, which will be analysed and published online in the Mantra website (www.TheMantraProject.org)

The project manager will act as the immediate link between the implementing agency and the donors, and, in conjunction with the accountant, will ensure that financial checks and expenditures are as specified in the project budget and as required by the funding partner. The project manager will also be expected to issue progress reports on quarterly basis, taking into account the objectives set out in the plan.

The project manager will convene annual meetings with donor representatives and stakeholders to discuss issues relating to the progress of the project. In such forums, weaknesses and strengths will be pointed out and remedies to ensure continuity will be defined, books of accounts will be checked and financial reports read out. Minutes and proceedings will be forwarded to the donors.

For the sake of transparency, independent impromptu observers sent from time to time by the donors to oversee and report on the progress of all the activities of the project will be welcomed.

The project monitoring structure will culminate into mid and end term evaluations during this initial project phase to pave ways for possible continuation or termination. This will assess the impact of the project and of its success.

The project shall strictly follow the expenditures budget lines and the reporting system of the donor ledger book entries and will be verified with all the necessary supporting documents.

Once the project is implemented, photovoltaic maintenance will require a multi-faceted approach, with an emphasis on individual operatives and maintenance. In the case of technical complications requiring outsourced maintenance, particular attention will be paid on costs minimization.

Spanda pledges to educate, conduct research, and provide expertise through the project initiation, development and implementation of demonstration trials, to ensure the target communities are well versed in both the operational aspects of the solar technology and sustainable agriculture.

A number of operational challenges exist in Sierra Leone, systemic of many developing countries, such as corruption and limited repayment abilities of the borrowers. It is difficult to speculate upon how the monitoring process will function in the events of a default in the repayment of the sums loaned. Spanda and the partnering MFIs in close contact will strive to minimize such events and, if they occur, they will try to remedy both through extra judiciary settlements and through existing and pre-determined legal procedures depending of the gravity of the event of default.

The monitoring of all stages of the project development/implementation will include initial research, weekly stakeholders meetings, electronic (internet and/or telephone) communication and consistent internal and external reports.

Finally, the project will rely on worldwide networking with the potential stakeholders including crowd-sourcing and on-line fundraising at all levels from grassroots initiatives to large scale commercial projects.

PERIOD OF IMPLEMENTATION

2014-2016 (36 months).

IMPLEMENTED UNITS

200 | 1 UNIT = 1 solar equipment + 1 micro-loan | YEAR 1 = 100 | YEAR 2 = 50 | YEAR 3 = 50

BUDGET REQUIREMENTS IN EURO

YEAR 1 = 487,810 | YEAR 2 = 341,876 | YEAR 3 = 341,876 | GRAND TOTAL = 1,171,563.

Whilst donor funding is essential in the 36-month period of implementation of the project, the scheme longevity relies upon self-sufficiency in order to retain the communities own identity and autonomy.

3 YEARS BUDGET PLAN**THE DETAILED BUDGET IS AVAILABLE UPON REQUEST**

ITEMS	YEAR 1	YEAR 2	YEAR 3
PURCHASE OF SOLAR EQUIPMENTS	309,238	203,718	203,718
PROGRAMME IMPLEMENTATION ON SOLAR ENERGY SYSTEM	84,900	84,900	84,900
PROGRAMME IMPLEMENTATION ON MICROFINANCE	36,140	18,142	18,142
SETTING-UP LOCAL OFFICE	4,570	—	—
OFFICE OPERATION COSTS	9,350	9,350	9,350
PUBLIC RELATIONS	6,400	1,400	1,400
LEGAL CHARGES	5,300	2,000	2,000
SUB TOTAL	455,879	319,511	319,511
CONTINGENCIES (7%)	31,913	22,366	22,366
TOTAL	487,810	341,876	341,876
GRAND TOTAL			1,171,563

ANNEXES

- A ~ The Mantra Project Solar System – Description & Quotation
- B ~ The Mantra Project 3 Years Budget Plan
- C ~ Pro-Bono Legal Assistance
- D ~ *The Mantra Companion Series* – Researches & Studies
 - D1 ~ *Moving On. Sierra Leone Report 2009*
 - D2 ~ *Post-conflict Action and Microfinance in Sierra Leone.*
 - D3 ~ *Compare. Practices and Results of a Selection of Solar Power/Microfinance Projects in Sierra Leone.*
 - D4 ~ *A Mantra for a Green Earth. Preliminary TBL Forecast Impact.*
 - D5 ~ *Human Rights, Microfinance & 'Going Green' in Sierra Leone*
 - D6 ~ *Social and Political Perspectives on Microfinance. Sierra Leone*
 - D7 ~ *Green Microfinance & Sustainable Agriculture in Sierra Leone*

ADDITIONAL COMMENTS

Spanda Foundation aims to gain the funding for the Mantra project through donations and from governmental and non-governmental funding partners.

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CONTACT PERSON AND ADDRESS

Project Leader: Dr Sahlan L. Momo
 Spanda Foundation
 Laan van Meerdervoort 70 | 2517AN The Hague | Netherlands
 Email momo@spanda.org | +31 70 3467625

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