**Agreed by UNDP Resident Representative / UNDP Director:**

|  |  |  |
| --- | --- | --- |
|  | Signature | Date*:*  |
| Ignacio Artaza,UNDP Country Director |  |  |

***INITIATION PLAN***

***for a GEF Project Preparation Grant (PPG) or
Programme Coordination Budget (PCB)***

****

Programme Period: 2013-2018

Programme Component: Climate Change

PPG Title: Grid-Connected Small-Scale Photovoltaic Systems

ATLAS Award ID: 00072826

ATLAS Project ID: 00085852

Duration: 11 months

Management Arrangement: DEX

Total budget: USD 180,000

Allocated resources: \_\_\_\_\_\_\_\_\_\_\_\_

* Cofinancing USD 100,000
* Other:
	+ GEF USD 80,000
	+ Donor \_\_\_\_\_\_\_\_\_
	+ Donor \_\_\_\_\_\_\_\_\_
* In kind contributions \_\_\_\_\_\_\_\_\_

**Country:**  Egypt

Relevant UNDAF Outcome(s) and Indicator(s):

The Government of Egypt, private sector and civil society have complied with Multilateral Environmental Agreements, adopted policies, and implemented operational measures towards a green and sustainable economy and society, including, among the others, EE, RE, low carbon cleaner technologies, SWM, POPs, ODS, and CDM.

Relevant CP/CPAP Outcome(s) and Indicator (s):

Government of Egypt adopting and effectively implementing Sound Climate Change adaptation and mitigation policies and programmes focusing on vulnerable sectors, groups and high risk geographic location while promoting protected areas and biodiversity

Expected Project Outcome (s) and Indicator (s):

* Installation of 4 MW of PV in small units (most of a few kWs), and development of easily replicated, scalable installation unit
* Increased investments in solar PV power systems
* Increased installed capacity of locally-designed, installed and maintained solar PV systems; increased number of solar PV system components that are locally manufactured.
* A network of local financial institutions providing dedicated funds to finance PV systems, especially for those who lack credit worthiness; increased number of solar PV system projects that are funded by local financing institution

Project Output(s) and Indicator(s):

Project Proposal

**Brief Description of Initiation Plan**

This project preparatory phase will be implemented through the Direct Implementation Modality. During the implementation of the PPG, UNDP Egypt will hire a National Project Coordinator with an experience in solar energy projects and one admin person. The coordinator will work closely with UNDP CO as well as national and international consultants on the preparation of the full size GEF proposal. The specific responsibilities of the Project coordinator will include, but are not limited to, drafting work plans, the timely implementation of PPG activities and delivering PPG outputs, ensuring proper management of the PPG financial resources, recruiting and supervising national and international consultants, liaising with different stakeholders, securing necessary co-funding and organizing necessary consultation meetings that will be implemented under full supervision of UNDP CO. The National Coordinator will also provide monthly substantive updates.

**GEF PPG/PCB approved grant document and TBWP**

**Project PREPARATION GRANT (ppg)**

**Project Type:**

**type of Trust Fund:**

 

 **Submission date**: January 16, 2013

**GEF Project ID:** **5064**

**GEF Agency Project ID:** **4998**

**Country(ies):** Egypt

**Project Title:** Grid-Connected Small-Scale Photovoltaic Systems

**GEF Agency(ies)**:

**GEF Focal Area(s):**

1. **Project preparation Timeframe**

|  |  |
| --- | --- |
| Start date of PPG | 05/01/2013 |
| Completion date of PPG | 04/30/2014 |

1. **Proposed project preparation activities ($)**

|  |
| --- |
| Describe the PPG activities and justifications: The proposed project aims to address impediments to the dissemination of PV power and create conditions for the autonomous long-term development of PV in the Egyptian market. Specifically, the proposed project intends to achieve these aims through the following: supporting the establishment of a regulatory framework that allows the installation of PV systems; coordinating with the national electricity regulator and the power distribution companies to allow the connection of PV systems to the grid and the sale of power from these systems to the grid; establishing a purchase price (tariff) for PV power that encourages private investors to invest in renewable energy systems; and establishing a technical knowledge base and supply chain that help to reduce the cost of PV.As part of the activities to finalise the required documentation for final CEO endorsement, the PPG activities will focus on each of the project components, as well as on important inter-linkages between the different components. The regulatory environment in Egypt has been changing rapidly, a trend that is expected to continue (and even accelerate) with the recent arrival of a new government. Care will be taken to 'future proof' the project design - that is, to ensure that it is consistent with (and, indeed, contributes to strengthening) the anticipated regulatory framework of the future.Specific project preparation activities will focus on: conducting a more detailed assessment of the market (retail, production, O&M), cost and revenue profiles and GHG reduction potential of small decentralized PV systems in Egypt; mapping and coordinating stakeholders, and mobilising particular sectoral constituencies (e.g. in the financial community); feasibility assessments of potential sites for roll-out of PV units; and laying the groundwork for sustainable financing mechanisms for PV uptake.Eleven months is considered to be an appropriate project preparation period given Egypt’s current circumstances. Egyptians will be voting for a new parliament and a new constitution in late 2012/early 2013, which will inevitably lead to a slow-down in Government and, indeed, among donors and the private sector as donors and firms adopt a ‘wait and see’ attitude before agreeing to participate in initiatives such as the GEF project. Civil disturbance is not anticipated on a large scale but cannot be wholly discounted; such disturbance would further impact Government performance and distract policy-makers. It is in UNDP’s and the Government’s interest if project preparation can be compressed and all efforts will be made to do so. Nonetheless, given the unique Egyptian context, the 11-month PPG timeline is appropriate, presented on the understanding that we will endeavour to deliver the CEO Endorsement Request more quickly if circumstances allow. |
| List of Proposed Project Preparation Activities | Output of the PPG Activities | **Trust Fund** | **Grant Amount** (a) | **Co-financing** (b) | **Total**c = a + b |
| Conduct of Logical Framework Analysis (LFA) workshop and stakeholder consultations, including conclusion of discussions on project implementation and management arrangements  | Project Planning Matrix (defined project goal, objective, outcomes, outputs and activities, including success indicators, as well as delineation of responsibilities among the stakeholders); concluded project implementation arrangements |  | 10,000 | 13,000 | 23,000 |
| Stakeholder and project mapping exercise, and detailed design of the project activities associated with each project Component: i.e. Component 1 (Construction, installation and grid-connection of PV systems), Outputs 1.1-1.2; Component 2 (Policy, institutional and regulatory framework), Outputs 2.1-2.8; Component 3 (Strengtheningthe PV technology supply and maintenance chain), Outputs 3.1-3.5; and Component 4 (Create a financing framework to support the development of PVsystems (and renewable systems in general), Outputs 4.1-4.4.  | The key project stakeholders will be identified and their roles in the project will be defined through a multi-stakeholder process. This process will also allow the identification of any ongoing projects and projects under formulation that can have synergies with the proposed project. This process will allow: (i) the stakeholder/institutional needs (including particular sector-specific needs) to be better assessed; and (ii) better identification of co-financing for the proposed project. This activity will also avoid duplication of activities and hence increase the efficiency and cost-effectiveness of the proposed project |  | 15,000 | 20,000 | 35,000 |
| Detailed collation and analysis of existing and planned legal and regulatory frameworks to support grid-connected renewable energy (notably GOO, FiT, Grid Code, PPAs) to ensure full integration and coordination with the GEF project | Detailed mapping and understanding of the fast-evolving regulatory environment, so as to ensure 'future proofing' of the GEF project and its harmonious integration into, and support for, the future national regulatory framework  |  | 31,000 | 30,000 | 61,000 |
| Conducting a more detailed market analysis for small decentralised PV systems, including feasibility assessments of potential sites for PV unit installations | Detailed market assessment of retail, production and O&M capacities and bottlenecks, economics, GHG reduction analysis, and site roll-out plan for PV unit installations |  | 24,000 | 25,000 | 49,000 |
| Finalising the UNDP Project Document and CEO Endorsment Request with related additional analysis and information gathering | Finalized UNDP Project Document and CEO Endorsment Request |  |       | 12,000 | 12,000 |
| **Total Project Preparation Financing**  |  | **80,000** | **100,000** | **180,000** |

1. **Financing plan summary for project preparation grant: ($)**

|  |  |  |
| --- | --- | --- |
|  | **Project Preparation**  | **Agency Fee**  |
| Grant Amount  | 80,000 | 7,600 |
| Co-financing  | 100,000 |  |
| **Total** |  180,000 | 7,600 |

1. **PPG Amount requested by agency(ies), focal area(s) and country(ies) 1: N.A.**

 1 No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

1. **PPG Budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost Items | Total Estimated Person Weeks for Grant (PW) | Grant Amount ($) | Co-financing ($) | Total($) |
| Local consultants \* | 15.00 | 37,500 | 35,000 | 72,500 |
| International consultants\* | 9.00 | 36,000 | 15,000 | 51,000 |
| Travel |  | 3,000 | 10,000 | 13,000 |
| Miscellaneous (e.g. workshop organisation, office facilities) |  | 3,500 | 15,000 | 18,500 |
| Baseline market analysis, including site search and feasibility assessments for potential PV unit installations |  |       | 25,000 | 25,000 |
| **Total PPG Budget** |  | 80,000 | 100,000 | 180,000 |

\* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the
 required detailed information. This table is the sum of all local and international consultants presented in Annex A.

1. **GEF Agency(ies) Certification**

|  |
| --- |
| This request has been prepared in accordance with GEF policies and procedures and meets the GEF LDCF/SCCF Trust Fund criteria for project identification and preparation. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Agency Coordinator, Agency Name | Signature | Date *(Month, day, year)* | Project Contact Person | Telephone | Email Address |
| Adriana DinuUNDP/ GEF Officer-in-Charge | Adriana_signature.png | January 16, 2013 | Robert Kelly Regional Technical Advisor Climate Change Mitigation  | +263 4884 580 | robert.kelly@undp.org |

**Annex A**

**Consultants Financed by the Project Preparation Grant (PPG)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Consultant** | **Position / Titles** | **$/****Person Week1** | **Estimated PWs2** | **Tasks to be Performed** |
|  | Solar Energy Market Analysis Expert  | 2500 | 15.00 | Detailed market assessment of retail, production and O&M capacities and bottlenecks; economic analysis; GHG reduction analysis of PV applications in Egypt; and site survey and feasibility assessments for potential PV unit installations to serve the finalisation of the required project documentation. |
|  | GEF project formulation expert | 4000 | 9.00 | Updated and detailed baseline analysis, project log-frame (including facilitation of the log-frame workshop), risk and GHG reduction analysis, detailed project budget, implementation and financing arrangements, terms of reference of the key project experts and analysis and other key requirements. |

**1**Provide dollar amount per person week

**2**Provide person weeks needed to carry out the task

PPG

1.0

**Total Budget and Work Plan - this must be annexed to all PPG, MSP, FSP and EA proposal**s

|  |  |
| --- | --- |
| **Award ID:**  | 00072826 |
| **Award Title:** | Grid-Connected Small-Scale Photovoltaic Systems |
| **Business Unit:** | EGY10 |
| **Project Title:** | Grid-Connected Small-Scale Photovoltaic Systems |
| **Project ID: PIMS no.\_\_\_\_\_\_\_** | 00085852: 4998 |
| **Implementing Partner (Executing Agency)**  | UNDP |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **GEF Outcome/Atlas Activity** | **Responsible Party/** **Implementing Agent** | **Fund ID** | **Donor Name** | **Atlas Budgetary Account Code** | **ATLAS Budget Description** | **Amount Year 1 (USD)** | **Total (USD)** | **See Budget Note:** |
| **OUTCOME 1:** Proposal Preparation | **UNDP** | **62000** | **GEF** | 71200 | International Consultants | 36,000 | 36,000 | x |
| 71300 | Local Consultants | 37,500 | 37,500 | x |
| 71600 | Travel | 3,000 | 3,000 |  |
| 75700 | Workshops | 3,500 | 3,500 |  |
|  | **Total GEF** | **80,000** | **80,000** |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Summary of Funds: [[1]](#footnote-1)** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **GEF** |  | **80,000** | **80,000** |  |
|  |  |  |  | **TOTAL** |  | **80,000** | **80,000** |  |

1. Summary table should include all financing of all kinds: GEF financing, cofinancing, cash, in-kind, etc.  etc [↑](#footnote-ref-1)