



**United Nations Development Programme
Libyan Arab Jamahiriya
Initiation Plan**

Project Title: Formulation of a "GECOL Capacity Strengthening" project

Expected CP Outcome(s): Economic reform in the productive and services sectors deepened

Expected Output(s): GECOL Capacity Development strategy formulated

Executing Entity: UNDP Libya

Implementing Agency: General Electricity Company Of Libya (GECOL)

Brief Description

GECOL has recognised a need to enhance its capacity, particularly the capacity of its corporate core, which handles planning and project management. UNDP will support this endeavour through offering its assistance in the development of an initiation plan, a necessary first step to strategic and targeted institutional and human capacity building.

This initiation plan does fall in the area of capacity building which is one of the objectives of UNDP's Country Programme 2006-2010.

| | |
|-----------------------------------|--------------------------------------|
| Programme Period: | 2006 - 2010 |
| Key Result Area (Strategic Plan): | Mainstreaming environment and energy |
| Atlas Award ID: | _____ |
| Start date: | 01.07.2010 |
| End Date | 30.06.2011 |
| PAC Meeting Date | _____ |
| Management Arrangements | NEX |

| | |
|-----------------------------|---------------------------|
| Total resources required | <u>LYD 110,700</u> |
| General Manag. Support (3%) | <u>LYD 3,321</u> |
| Total allocated resources: | <u>LYD 114,021</u> |
| Funding Source: | |
| Libyan Government | <u>LYD 114,021</u> |

Agreed by (General Company of Electricity of Libya)
Director General
Eng. Belgassem Mohamed Onais

Agreed by UNDP
UNDP Resident Representative
Ms. Costanza Farina

LIST OF ACRONYMS

| | |
|---------|---|
| CDR | Combined Delivery Report |
| CO | Country Office |
| CP | Country Programme |
| GECOL | General Company of Electricity of Libya |
| GMS (%) | General Management Support |
| UNDP | United Nations Development Programme |
| NEX | National Execution Modality |
| NPC | National Project Coordinator |

I. SITUATION ANALYSIS

For the past few decades, the Libyan government has placed considerable emphasis on the expansion of the energy sector, and by 2005 almost 100% of the country had access to reliable electricity supplies. However, Libya's growing economy and expanding population has increased demand for electricity. Forecasts have suggested that demand for electricity is set to increase by 5% annually. The General Electricity Company of Libya (GECOL), is the solely responsible for electricity distribution, transmission and generation throughout the country, and is determined to match demand with a substantial investment programme anticipated over the next ten years. To do this, it is hoping to double Libya's generating capacity.

In order to achieve these ambitious targets, GECOL has recognised a need to enhance its capacity, particularly the capacity of its corporate core, which handles planning and project management. UNDP will support this endeavour through offering its assistance in the development of an initiation plan, a necessary first step to strategic and targeted institutional and human capacity building.

The increase in Libya's electricity generation capacity is essential to supporting expanding industry, and to ensuring adequate living standards for the country's population. In this regard, the project will contribute towards Country Programme outcome of 'Economic reform in the productive and services sectors deepened.' In addition to this, the project focuses primarily on national capacity development, an area that is essential to UNDP's development approach.

II. STRATEGY

In order for GECOL to keep pace with ever increasing demand for electricity in the country, it will require strategic investment in the country's electricity infrastructure, as well as the adoption of modern, efficient technologies in the areas of electricity generation, distribution and transmission. Renewable energy sources will also have to be considered. To achieve these aims, GECOL has recognised the need to develop its capacities, particularly in the spheres of planning and project management.

UNDP Libya will provide initial support to this capacity development initiative, through assisting in the development of an initiation plan, to plan and strategise GECOL's capacity development activities. This will involve a detailed desk review covering regional best practices, comparative studies, an evaluation of management staff, strategic planning and the identification of relevant partners. Following this, a national workshop will be held in order to attain mutual agreement and adherence to a unified strategy for capacity development.

The project will be carried out under the National Execution (NEX) modality. GECOL will provide funds for the project, will assign staff and will lead logistical arrangements. UNDP Libya will provide expertise and will assist in the recruitment of national and international experts.

1. ANNUAL WORK PLAN

Year: 2010-2011

EXPECTED OUTPUT: GECOL capacity development strategy formulated

| BASELINE | | INDICATORS | | TARGETS June 2010 |
|--|--|--|--|--|
| Strong expression of interest from GECOL but expectations need to be clarified | | Necessary information available for GECOL in order to develop strategy | | Q3 & Q4 2010: 1 Desk Review Report, Q1 – Q2 2011: 1 Evaluation Report, 1 Workshop, 1 Strategy, 1 Project Document |
| No partnership with UNDP | | Clarification of potential cooperation areas with UNDP | | |

| PLANNED ACTIVITIES <i>List activity results and associated actions</i> | TIMEFRAME | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|--|-----------|----|------|----|---|---|--------------------|------------|
| | 2010 | | 2011 | | | Funding Source | Budget Description | Amount LYD |
| | Q3 | Q4 | Q1 | Q2 | | | | |
| Activity 1 – Desk review Best practices in the region and mostly relevant to GECOL Comparative study Identification of potential partners | | | | | 1 consultant under supervision of UNDP CO | International consultant (71200) | 24,600 | |
| Activity 2 – Management team's strategic planning capacities evaluated Management staff needs assessment Recommendations | | | | | 2 consultant under supervision of UNDP CO | International consultant (71200) | 24,600 | |
| Activity 3 – Communication & Consultation Introduction workshop to present & launch initiative (February) Restitution & planning workshop (June) <ul style="list-style-type: none"> o Day 1 – presentation of findings o Day 2 - planning | | | | | UNDP CO | International consultants (71200) Local consultant (71300) Travel (71600) Audio-visual and printing production costs (71400) Hospitality (72700) Miscellaneous (74500) | 61,500 | |
| TOTAL | | | | | | | 110,700 LYD | |

RISK ANALYSIS

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted , updated by | Last Update | Status |
|---|--|-----------------|--|----------------------|--|-------|------------------------|-------------|--------|
| | Availability of suitable International consultants | June 2010 | HR It is difficult to find suitable consultants who have thorough knowledge of the technical subjects and can communicate effectively in Arabic | P= 3 I= 4 | - Advertising consultancy vacancies will widen the pool and eliminate the risk - Recruitment of a good part time translator will improve the communication effectiveness. | NPC | | | Stable |

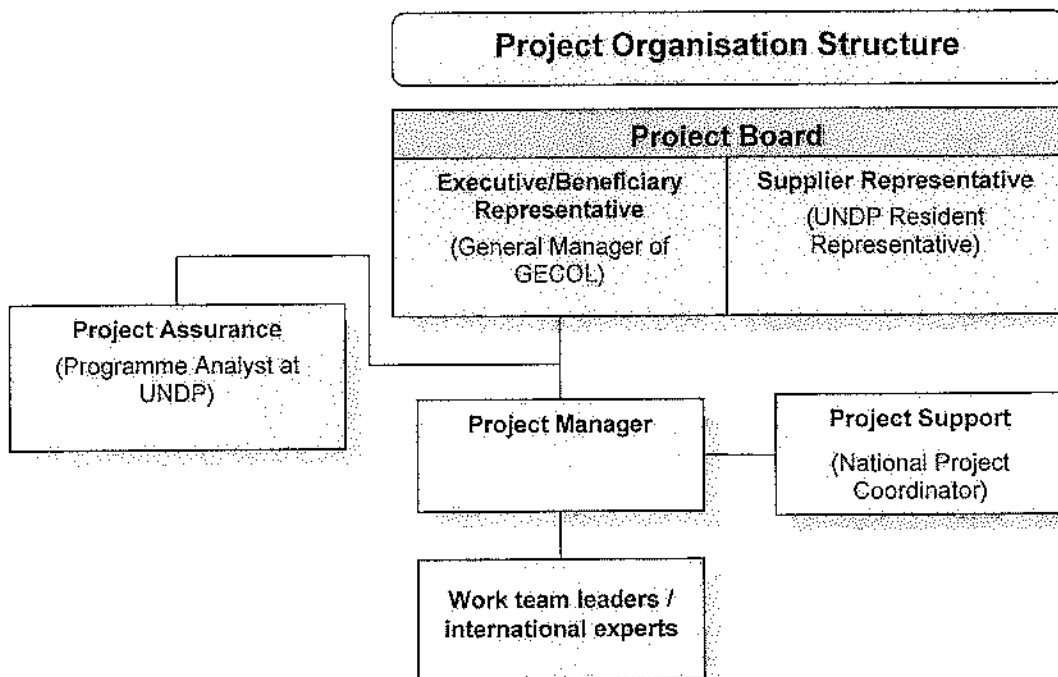
V. MANAGEMENT ARRANGEMENTS

The project will be implemented through the National Execution modality (NEX), where the General Company of Electricity will be the implementing partner.

Through the NEX modality, the project will be administered and managed in accordance with the rules and regulations of the Libyan Government. For the administrative support which may be provided by UNDP Libya, upon request of the Implementing Partner, the rules and regulations of UNDP will be applied.

A project board will be established and the General Company of Electricity will be the executive and beneficiary of the Project Board. The project board is responsible for making executive management decisions for the project, including approval of project revision. The project board will also provide overall guidance and approve activities of the project under this document, including corresponding budget, technical feasibility of the project, and ensuring the realization of project benefits to the project beneficiaries.

The following diagram explains the composition of the project structure:



The project board will consist of the General Manager of the General Electricity Company, and the UNDP Resident Representative for Libya.

It is envisaged that the General Company of Electricity will lead the project management team to monitor the project management and coordinate the preparation of progress reports which will be submitted to the members of the Project Board. The General Company of Electricity has the authority to run the project on a day-to-day basis on behalf of the Project Board and within the constraint laid down by the Project Board. A Project Manager is responsible for the overall management of the project on behalf of the General Electricity Company, and will remain responsible for delivering the outputs of the project, the actual implementation, input management, and sound administrative management, while a National Project Coordinator is responsible for providing project support to the Project Manager. The Project Manager's prime responsibility is to

ensure that the project produces the results specified in the project document, to the required standards of quality and within the specific constraints of time and cost.

UNDP will provide both technical and administrative support to ensure results-oriented management, proper administration of funds, maintain project accounts, facilitate experts/consultants recruitment and identifying well-known and trusted training firms. Financial transactions will be subject to annual audits undertaken by internationally certified auditors.

A UNDP Programme Executive will be responsible for the Project Assurance, including project administration using ATLAS system for timely and efficient delivery of the activities and for effective financial monitoring under the project document. and All team leaders / international experts will work under the guidance of the Project Manager, reporting directly to the him/her, and will be responsible towards him/her for delivering the their tasked work package.

GECOL will mobilise the financial resources into UNDP Bank Account and UNDP is accountable for managing the resources allocated to the project to achieve expected results in accordance with the work plans and project document. All payment should be duly completed and signed by GECOL's authorised signature. UNDP will generate the Combined Delivery Report (CDR) that summarizes all project expenditures on annual basis. GECOL certifies the CDR and returns it back to the UNDP-Libya CO for audit purposes later by international auditors.

The project is subject to auditing at least once in its lifetime, in accordance with UNDP rules and regulations.

VI. MONITORING FRAMEWORK AND EVALUATION

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results.
- An Issue Log shall be activated in Atlas and updated by the Project Manager, with support from the UNDP Programme Executive, to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the ATLAS
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

In addition to the ongoing monitoring, a first-year review report shall be prepared and feed into a first-year project review.

- **Phase 1 Review Report:** A Review Report of Phase 1 (1st year) shall be prepared by the Project Manager and shared with the Project Board. As minimum requirement, a summary of results achieved against pre-defined annual targets at the output level.
- **Phase 1 Project Review:** Based on the above report, a project review shall be conducted during the fourth quarter of the first year, to assess the performance of the project and provide recommendations to the preparation of the Phase 2 of the Project.

VII. LEGAL CONTEXT

This Initiation Plan shall be the instrument referred to as such in Paragraph (I) of the Standard Basic Assistance Agreement between Libya and the United Nations Development Programme, signed by the parties on 20 May 1976. The host country implementing agency (GECOL) shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The administration and the financial transactions of the project activities will comply with LIBYA NEX Guidelines.

The UNDP Resident Representative in Libya is authorized to effect in writing the following types of revision to this Project Document, provided he/she assured that other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document.