



INITIATION PLAN TEMPLATE
FOR A GEF PROJECT PREPARATION GRANT (PPG)

Project Title: Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress

Country: LESOTHO

Expected CP Outcome(s): By 2017 Lesotho adopts environmental management practices that promote a low-carbon climate-resilient economy and society, sustainably manages natural resources and reduces vulnerability to disasters.

Outcome indicator(s): Number of national/sectoral policies and strategies that promote low-carbon, climate resilient economy and society; Number of national/sectoral policies that promote conservation of natural resources;

Initiation Plan Start Date: 10 August 2014

Initiation Plan End Date: 31 May 2015

CPAP Programme Component: 2013 - 2017
ATLAS Project Award: 00080658
ATLAS Project ID: 00090269
PIMS Project ID: 5367
Management Arrangement: DIM

Total budget: **100,000 US\$**
Allocated resources:
• GEF **100,000 US\$**

AGREED BY UNDP RESIDENT REPRESENTATIVE

Resident Representative

Ms. Karla Hershey

Signature

Date: 12/08/2014

A. Brief Description of Initiation Plan:

This initiation plan is for development of a Full-Sized Project (FSP) on "Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress." The Concept Note (PIF) was approved by GEF Council Members via mail on April 1st 2014 (Annex 1).

During the initiation plan period, a number of studies and stakeholder consultations will be undertaken with the view to further develop the approved project concept (see GEF PIF attached in Annex 2) into a fully formulated project document.

A Project Preparation Grant (PPG) has been approved by the GEF Secretariat to prepare a Full-Sized Project Document for submission. The process will equally take into consideration the comments received from the GEF Secretariat in the final PIF review sheet (Annex 3) and those of all other relevant stakeholder for the project. The documentation to be produced must contain explicit explanations on how those comments were addressed in project design.

The PPG will allow for the recruitment of 1 local consultant and 1 international consultant (Annex 4) to work on the request for CEO endorsement and a complete UNDP Project Document (PRODOC) using the appropriate templates, including required letters of co-financing and all relevant annexes. These documents will be prepared under the guidance of the relevant UNDP/GEF Regional Technical Advisor and the UNDP Lesotho's Energy and Environment Team, working in close collaboration with key government officials, donors, NGOs, CBOs, and the private sector.

The PPG phase is expected to be completed within a period of 10 months, which is the internal target deadline for UNDP/GEF projects. **The Request for GEF CEO Endorsement and the UNDP Project Document (together with all annexes and supporting documentation) will therefore be finalized and submitted by the consultants no later than 30 May 2015.** It is very important to respect the deadline, which takes into account the period for internal UNDP clearances and government validation before final submission to GEF. Experience has shown that the GEF CEO is reluctant to provide project milestone extensions, as was the case in previous funding cycles.

The initiation plan will focus on undertaking studies to develop a detailed situational analysis as well as performance indicators for a full-sized project. This will be done through wide and inclusive consultations so that the stakeholder's views and concerns are addressed. The initiation plan will be in line with the outputs and activities outlined in the PIF. The final output of the initiation plan will be a UNDP-GEF project document and GEF CEO Endorsement template ready for submission to UNDP and the GEF.

The main project preparatory activities (grouped into four components) for the PPG phase are outlined below.

Component 1: Technical Review /design and Baseline Analysis

- I. The following specific data collection and analytical tasks are expected to be performed during the PPG phase:
 - Assessment of the extent, scope, current methods, trends/practices, main actors and challenges in the energy sector in Lesotho;

- Preliminary assessment of Lesotho's national energy supply, consumption and demand, disaggregated by sector, district, fuel source and application.
- Preliminary assessment of all current energy databases and information systems for data collection and management currently available within Lesotho's energy sector;
- Assessment of Lesotho's energy mix and access statistics by different users including rural communities;
- Preliminary assessment of the energy contribution towards economic development in Lesotho;
- Assessment of the a new EU-supported National Sustainable Energy Policy and Strategy and a new National Climate Change Policy and Strategy and its linkages with the project;
- Preliminary assessment of the contribution of the energy sector to Lesotho's greenhouse gas emissions (GHGs);
- Review findings of SE4A report for Lesotho and provide recommendations on the following:
 - Institutional and legal framework for energy sector in Lesotho;
 - Energy programmes and financing in Lesotho;
 - *Critical energy gaps and barriers regarding enabling business environment and to private investment in energy access, energy efficiency and renewable energy as perceived by local and international business community in a country.*
 - Energy efficiency in all energy applications in Lesotho;
 - Generation and applications of renewable energy sources in Lesotho
- Assessment of level of awareness and capacity of all energy staff and key institutions to decentralize energy services;
- Identification of specific sites for intervention under the project (for Component 3) will be carried out by consultants in consultation with stakeholders during PPG;
- Elaboration of the use of GEF funds for INV under Component 3: GEF funds under this Component will include a combination of TA and INV. TA funds will be used to support Outputs 3.1 and 3.3-3.5. Under Output 3.2, USD 1.5 million of GEF funds has been provisionally allocated for INV for a financial incentive mechanism to support financial closure of the investments supported by the selected and contracted village energy service providers. The exact type of financial incentive mechanism or non-grant instrument to be supported by GEF funds will be developed during the PPG phase and presented at CEO ER.
- Assessment of a potential to provide remote rural communities with energy from mini-grids and other clean energy technologies including establishment of village energy centres/schemes;
- Detailed data collection on energy suppliers and potential investors;
- Available data on any public-private sector/community partnerships in renewable energy including biomass energy production technologies and their effectiveness;
- Assessment of the needs of renewable energy dealers/retailers including information on access to financing (barriers/demand) by retailers in energy sector; type of improved renewable energy technologies most appropriate for off-grid schemes; availability of improved RETs in Lesotho and any information on lessons

learned thus far from other initiatives, as well as major barriers to their uptake and use; if possible a pre-feasibility analysis of potential off-grid schemes to be piloted in remote rural communities will be done during the PPG phase.

- Preliminary market assessment of the willingness of rural communities to pay a “market premium” for sustainable energy services on a scale that would make the scheme viable. Moreover stakeholder consultations at the PPG phase should identify retailers that are willing to support and invest in the scheme (which means that they would provide co-financing commitments at CEO Endorsement).
 - Assessment of the potential for establishing a designated national certifying entity that will continue to monitor and oversee the standards of proposed RETS.
 - Situational analysis of all current and proposed policy, legal and regulatory frameworks related to energy;
 - Assessment of the economics of the renewable energy technologies and market analysis, including any fiscal incentives in place or subsidies that affect the energy sector;
 - Collection of relevant information on types of Lesotho renewable potential resources with as much detail as possible on different locations, proximity to villages, local governance structures, reliance on biomass, land tenure systems, etc;
 - Potential for scale-up and development of financing mechanism for communities interested in receiving energy services from off-grid schemes;
- II. The development of comprehensive responses and design modifications in the project proposal submission to address all issues identified in the GEFSEC PIF review. Specifically the following issues need to be clarified/addressed by CEO Endorsement (as indicated in the GEFSEC review):
- By CEO endorsement, details are expected explicating the types of technical assistance (TA) and investments (INV) for component 1;
 - By CEO endorsement, details are expected on the consultations and coordination with other SE4ALL countries undertaking similar efforts;
 - By CEO endorsement, more details are expected on the types of financial mechanisms and consultations with solar energy access schemes developed under the BNEF FIRE initiative;
 - By CEO endorsement, Table B of approved PIF will be revised to indicate TA and INV on separate rows with appropriate co-financing;
 - By CEO endorsement, emissions benefits will be revised and updated based on the lifetime of the investments and estimated indirect benefits will also be added;
 - By CEO endorsement, more details are expected competitive process to selected bidder and the possibly the amount of co-financing that will be provided by each successful bidder.

III. The development of comprehensive responses and design modifications in the project proposal submission to address all issues identified in the GEF STAP (Scientific and Technical screening of the Project Identification Form) review; the STAP review will be provided to the consultants.

- By CEO endorsement, details are expected on who will undertake the energy survey and who will be interviewed. Again, details on establishment of rural energy demonstration systems in 60 villages are expected by CEO endorsement;
- By CEO endorsement, a spatial analysis will be incorporated into the baseline energy data collection that that will also incorporates land cover and land use that can be used to pinpoint areas of high or low suitability for future proposed renewable energy (RE) interventions, particularly wind, small hydro and bioenergy. This will also look at the importance and opportunities for water, energy, land/agriculture nexus so that all of these features are incorporated into data collection particularly for identification of sites for RE systems;
- By CEO endorsement, experiences of developing mini-electricity grids in many countries are expected to be examined. This will also take into consideration a fact that a design of each proposed village system differs with the renewable energy resources available and the demand profile. Available tools such as HOMER(1) or RETSCREEN(2) models will be used for assessing optimum systems of all available renewables and their overall risks;

- By CEO endorsement, details are expected cost assessments in order to optimise the systems. The issues of determining the load capacity and profile of a community, and the peak load to be met by the system will also be addressed. Again, the issues of linkages with energy efficient electric appliances such as LED lighting and increasing generation capacity in the future as demand for more appliances increases along with economic growth will also be looked at;
 - By CEO endorsement, details on the barriers and risks are expected to be well documented, including development of human capacity to ensure that maintenance and servicing will maximise the operating life of the energy systems;
 - By CEO endorsement, details are expected on how the present outlined projects have been useful to establish the baseline and details on how to ensure this GEF project builds on these studies where feasible and as outlined in STAP review (i.e. table on STAP advisory response);
 - By CEO endorsement, details are expected on robustness of the GHG emission avoidance the given uncertainties of land use and avoided deforestation.
- IV. A comprehensive response to any opportunities/risks identified during an environmental and social screening of the project proposal (ESSP) at PIF stage; the ESSP will be provided to the consultants;
- V. The PPG phase will include a detailed analysis of the linkages between this project and other related GEF-funded initiatives in the country, specifically the UNDP/GEF *Lesotho Renewable Energy-Based Rural Electrification Project* (LREBRE) project, Sustainable Land Management (SLM) project and UNDP/GEF-Small Grants Programme (SGP). LREBRE has already made a significant progress in raising awareness on RETs and building capacity of private sector in RE and most importantly generated lessons learnt for future RE interventions. On the other hand, the SLM project piloted techniques for the sustainable use of natural resources including biomass and also supporting policy frameworks related to biomass. GEF SGP based at UNDP under E&E programme, is also supporting communities to conserve and sustainably support their livelihoods with available ecosystem services in their locations among others introduction of clean energy technologies such as energy efficient stoves.
- VI. Integration of the project with relevant global, regional, national and provincial-level development plans, policies, budgets and complementary projects: On a global level, this project is one of a number of efforts towards achieving objectives of UN sustainable energy for all (SE4ALL) initiative. The project will build on Lesotho's Rapid Assessment and Gap Analysis for SE4ALL report.
- VII. Completion of the GEF Climate Change Mitigation tracking tool together with a detailed analysis of the project's direct and indirect contribution to the stated Greenhouse Gas (GHG) emission reduction targets; and

- VIII. Stakeholder consultations during technical review: The PPG consultants will mobilize and engage stakeholders during the project design and document these consultations in detail. A PPG inception workshop will be held with all relevant stakeholders at the start of the PPG process. The project design was devised based on consultations with a broad range of stakeholders in the energy sector in Lesotho and it is essential that the PPG phase build on those consultations and baseline investments.

Component 2: Institutional arrangements, monitoring and evaluation

The outputs of Component 1 will be used as technical input to Component 2 for the formulation of the UNDP-GEF project document.

- IX. Finalization of project results framework: Further define the results framework with appropriate objective-level and outcome-level quantitative and qualitative SMART **Error! Bookmark not defined.** indicators, and end-of-project targets. Special attention will be made to include socio-economic and sex disaggregated indicators. As noted in the PIF "A full break-down of all direct and indirect benefits from project activities will be provided at CEO Endorsement."
- X. Definition of monitoring and evaluation (M&E): A detailed M&E work plan will be developed, including clear identification of responsibilities and accountabilities, as well as an appropriate M&E budget. The plan will be based on the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy. Under Component #4 a variety of specific knowledge management and information dissemination activities will be funded under the project; a detailed list of activities will be developed during the PPG phase and presented at CEO Endorsement.
- XI. Define sustainability plan: The sustainability plan will outline the principles and guidelines for ensuring the long-term sustainability of project achievements. It will also outline an exit strategy, seeking the continuation of key activities/achievements without the need of long-term international financing.
- XII. A full assessment of all project-related risks with appropriate mitigation measures;
- XIII. Definition of management arrangements: The organisational structure governing the project will be decided. This will include identification of the project board.
- XIV. Stakeholder consultations during Component 2: Involve key agencies in the development of the project strategy to ensure a strong national ownership. In close collaboration with key government representatives and other stakeholders ensure full participation in the development of the project results framework and ensure agreement on the project objectives and outcomes. Undertake consultations to secure agreement(s) on project implementation arrangements; including roles, responsibilities, and accountabilities of lead and partner agencies. Document these consultations.

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Component 3: Financial planning and co-financing investments:

- I. Prepare a detailed multi-year budget following the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy.
- II. Ensure linkage and harmonization of the project with the relevant frameworks and indicators of the UNDP Strategic Plan (2014-2017).
- III. Explore multilateral and bilateral co-financing opportunities: Undertake series of consultations with partners to ensure a coherent and sustainable financing package for the project including post- GEF grant phase.
- IV. Ensure completion of required official endorsement letters: An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government. A co-financing guarantee will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who wish to provide cash or in kind contributions to the project.
- V. The detailed proposed structure, governance, fiduciary regulations and administrative elements of the financial scheme to be supported by GEF INV will be provided at CEO ER as well as matching co-finance. Additionally letters of support and proposed co-finance will be solicited from selected entities in Lesotho who can confirm their interest to become Village Energy Service Providers and mini-grid investors (these will be provided at CEO ER).
- VI. Stakeholder consultations during Component 3: Intensive consultations will be carried out with key stakeholders during project design where both government and non-government actors will be engaged to ensure that they are all well informed about the proposed initiative in order to strengthen national ownership. Negotiations on co-financing with key stakeholders carrying out projects of relevance to the proposed project will be carried out.

Component 4: Validation workshop

A validation workshop will gather representatives from all relevant stakeholders to present, discuss and validate the final draft project document.

- A **validation workshop** – facilitated by MEMWA and UNDP – will be held in Lesotho no later than March 2015 to gather representatives from all relevant stakeholders to present discuss and validate the final draft project documents and all materials developed by the consultants.
- Following this workshop, the international consultant – with strong support from the national consultant – will move as quickly as possible to finalize the complete package of documentation for clearance internally by UNDP for submission to the GEF Secretariat. Once GEF Secretariat comments have been received, the international consultant (with support from the national consultant) will prepare a 'UNDP Response to GEF Secretariat Comments' and then make changes to the text of the UNDP project document and GEF Request for CEO Endorsement with the ultimate objective of obtaining GEF approval of the full project.

- The complete documentation package to be submitted by PPG consultants' team should include the following documents:
 - i. Finalized UNDP Project Document with all relevant annexes
 - ii. Finalized GEF Request for CEO Endorsement
 - iii. Finalized GEF CCM Tracking Tool
 - iv. Finalized ESSP (Environmental and Social Screening Procedures)
 - v. All co-financing letters including official endorsement letter from GEF Operational Focal Point.

To finalize the documentation, the team of consultants, led by the international consultant, needs to take into account comments and feedback received from the following stakeholders

- ✓ Key stakeholders in Lesotho (Government, Private Sector, NGOs)
- ✓ UNDP Lesotho
- ✓ UNDP/GEF Regional Service Centre and UNDP/GEF HQ (New York)
- ✓ GEF Secretariat

Component 4 should see the complete documentation package being formally approved by the GEF Secretariat

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B. Project preparation activities work plan, timeframe, responsibilities and budget:

PPG Activity											Responsibility	Budget	
	1 (Aug)	2 (Sep)	3 (Oct)	4 (Nov)	5 (Dec)	6 (Jan)	7 (Feb)	8 (Mar)	9 (Apr)	10 (May)			
Recruitment process	x	x										Responsibility	US\$ 2,000
Inception workshop		x										UNDP/MEMWA/ Consultants	8,000
Component 1		X	x	x	x							Consultants	50,000
Component 2				X	X	X						Consultants	16,000
Component 3				X	X	X						Consultants	16,000
Validation workshop								x				UNDP/MEMWA/ Consultants	8,000
Component 4								x				Consultants	
Submission									X	x		UNDP/Consultants	
													100,000

C. Total Budget and Work Plan :

Award ID:	00080658
Award Title:	Acceleration for SE4A Progress
Business Unit:	LSO10
Project Title:	Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress
Project ID:	00090269
Implementing Partner (Executing Agency)	United Nations Development Programme (Lesotho Country Office)

GEF Activity	Outcome/Atlas	Responsible Party/	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount US\$
Project preparation grant to finalize the UNDP-GEF project document for project "Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress"		UNDP	62000	GEF TRUSTEE	71200	International Consultants	45,000
					71300	Local Consultants	25,000
					71600	Travel	10,000
					75700	Training, Workshops and Conferences	15,000
					74500	Miscellaneous Expenses	5,000
						PROJECT TOTAL	100,000

Annex 1: GEF CEO PIF approval letter



Naoko Ishii, PhD
Chief Executive Officer and Chairperson

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 E-mail: Nishii@TheGEF.org
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April 01, 2014

Ms. Adriana Dinu
 GEF Executive Coordinator
 United Nations Development Programme
 One United Nations Plaza
 304 East 45th St.
 FF Bldg., 10th floor
 New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that I have cleared the project concept detailed below for inclusion in the upcoming work program. I have also approved your request for project preparation grant.

Decision Sought:	Project Identification Form (PIF) Clearance for Work Program Inclusion and Project Preparation Grant (PPG) Approval
GEFSEC ID:	5742
Agency(ies):	UNDP
Agency ID:	5367 (UNDP)
Focal Area:	Climate Change
Project Type:	Full Size Project
Country(ies):	Lesotho
Name of Project:	Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress
Indicative GEF Project Grant:	\$3,500,000
Indicative Agency Fee:	\$332,500
PPG Grant:	\$100,000
PPG Agency Fee:	\$9,500
Funding Source:	GEF Trust Fund

Agency	Trust Fund	40% Fees to be committed at Council Approval	Fees to be committed at CEO Endorsement	Total (US\$)
UNDP	GET	\$133,000	\$199,500	\$332,500

This PIF clearance and PPG approval is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

Ms. Adriana Dinu

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April 01, 2014

Please submit your final project document for my endorsement no later than 18 months after Council approval of the work program.

Sincerely,



Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: GEPSEC Project Review Document
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

GEF ID: 5142 - Development of Coherence Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress

Annex 2: Approved PIF (available under separate cover)

Annex 3: GEF-PIF review sheet (available under separate cover)

Annex 4: Summary of Consultants Financed by the Initiation Plan

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/ Person Week ¹	Estimated PWs ²	Tasks to be Performed
International	International Lead Expert for the Preparation of the Project Document	3,000	15.00	<p>In approximately 15 weeks of total work throughout the duration of the PPG process (various tasks are expected to be done concurrently), the overall purpose of the consultancy is the preparation of a UNDP/GEF compliant full sized project. The International Lead Expert for the Preparation of the Project Document is expected to:</p> <ul style="list-style-type: none"> • Serve as team leader for other PPG consultant(s) and together be responsible for the timely drafting of the required documents for submission to the GEF strictly adhering to the deadlines agreed to and ensuring quality control. More specifically, the consultant will produce, with support from the other consultant(s), a UNDP Project Document with all requirements and an accompanying GEF CEO Endorsement Request (both using the appropriate templates with all supporting annexes) by May 2015. The consultant should be available for any further revisions to the project documents after submission to the GEF Secretariat. Key project drafting tasks will be accomplished under the guidance of the UNDP/GEF regional service center and the UNDP Lesotho Country Office, working in close collaboration with key government officials, donors, NGOs and the private sector. An early draft of the required submission documents will be submitted to the UNDP Country Office and UNDP/GEF technical staff at a date agreed at the inception workshop. • Play a pivotal role in developing a work plan and coordinating the input and outputs of all national consultants and sub-contractors (where applicable), overseeing quality. • Finalize the project results framework: Further define the results framework with appropriate objective-level and outcome-level quantitative and qualitative SMART2 indicators, and end-of-project

			<p>targets. Special attention will be made to include socio-economic and sex disaggregated indicators.</p> <ul style="list-style-type: none"> • Develop a detailed M&E work plan. • Define a sustainability plan which will outline the principles and guidelines for ensuring the long-term sustainability of project achievements. It will also outline an exit strategy, seeking the continuation of key activities/achievements without the need of long-term international financing. • Lead the identification of climate change risks associated with the project implementation and address any opportunities/risks identified during the initial environmental and social screening of the project proposal at PIF stage. • Plan all activities of the project. • Define the logical framework (including all outcomes and outputs) and work plan for the project. • Clarify the additionality of the proposed outcomes and activities, and ensure that the project approach is the most cost-effective according to GEF guidelines. • Complete the GEF Climate Change Mitigation tracking tool together with a detailed analysis of the project's direct and indirect contribution to the stated GHG emission reduction targets. • Propose institutional and implementation arrangements consistent with a GEF Full-Sized project and in synergy with already existing arrangements for other UNDP/GEF projects in the country. • Address all comments on the project design by the Scientific and Technical Advisory Panel and in the GEF review sheet. • Facilitate the process of confirming the co-funding and co-financing plan. • Assist in consultations (together with the national consultant) with all relevant stakeholders with regards to the proposal, including detailed budget, detailed TORs for all project staff, and a detailed activity and work plan, in line with GEF eligibility principles. • Based on the finalized project document, prepare a project profile summary based on UNDP-GEF guidance for the Govt to communicate the intended scope of the project. <p>The tasks foreseen will be carried in close collaboration with</p>
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				the Ministry of Energy, Meteorology and Water Affairs (MEMWA). Through these activities, the consultant will be pivotal in the mobilisation of co-financing for the project and in raising awareness among key stakeholders on the project and its objectives and strategy.
Local	Energy and Climate Change Expert	1,000	25.00	<p>In approximately 25 weeks of total work throughout the duration of the PPG process (various tasks are expected to be done concurrently), the overall purpose of the consultancy is the preparation of a UNDP/GEF compliant full sized project. The Expert(s) is expected to:</p> <ul style="list-style-type: none"> • Collect all data and perform all task under Component 1; • Work in a team spirit under the leadership of the Lead Consultant as regards completion of all deliverables listed under Components 2, 3 and 4. Assist in preparing the final draft of the FSP and Request for CEO Endorsement for submission by May 2015. • Analyze the project baseline in terms of current policies, projects and stakeholders that are relevant to the project; • Identify specific sites for project intervention and collect baseline information about the socio-economic situation in the targeted communities, including data disaggregated by gender; • Organize and coordinate consultations with government and non-government agencies, local project stakeholders and potential project partners; • Organize and facilitate technical and consultative meetings with local government and community stakeholders to assist in project definition; • Propose, based on participatory stakeholder consultations, a capacity development strategy for the project in line with the expected scope of the project; • Develop a communications strategy with communities and facilitate their participation; • Define project roles and responsibilities and propose suitable project management, implementation and reporting arrangements; • Assist in the design of the project's Knowledge Management and communications strategy; • Help build financing partnerships and mobilize co-financing resources. <p>The tasks foreseen will be carried in close collaboration with</p>

				the lead consultant, UNDP Lesotho and the UNDP/GEF RSC and Ministry Energy, Meteorology and Water Affairs (MEMWA).
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¹ Fee Provided in dollars per consultant per week.

² Estimated weeks needed to carry out the listed tasks during PPG period

Note: Consultants' rates (both local and International consultants) is indicative and subject to procurement guidelines of agencies and governments. Consultants will be hired in line with UNDP rates and procedures. Also, in accordance with both UNDP and GEF policies, no GEF project resources will be used to pay any government, agency, or NGO staff personnel.

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United Nations Development Programme



Empowered lives.
Resilient nations.

August 13, 2014

Dear Ms. Hershey,

Subject: PPG, Lesotho, Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress,
PIMS No. 5367 - ATLAS BU: LSO 10 - Proposal No.: 0080658 - Project No.: 00090269

I am pleased to delegate to you as the UNDP Resident Representative the authority to sign the Initiation Plan for the above-mentioned Project Preparation Grant (PPG) / Programme Cooperation Budget (PCB) on behalf of UNDP, and to commence development of the main project. The Initiation Plan, which amounts to a total of **USD 100,000.00 (One hundred thousand US Dollars)**, has received its final approval in accordance with the established GEF procedures (CEO approval letter attached for ease of reference).

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory GEF-specific project financial and results management requirements. In addition, a number of Advisory Notes have been prepared to support the implementation of Initiation Plans and UNDP supported GEF funded projects. These can be found in the UNDP-GEF Programming Manual at <http://intra.undp.org/gef>.

Next steps and mandatory GEF-specific requirements:

1. *Issuance of Authorized Spending Limit (ASL):* To facilitate a quick start to the PPG/PCB, once the Initiation Plan is signed, please kindly ensure that the Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached document, along with a copy of the signed cover page, is sent to **Mr. Lucas Black**, Regional Technical Advisor (RTA) in **Istanbul**.

Any proposed budget revisions should be forwarded to the UNDP RTA together with a clear explanation of the changes proposed as any significant changes require review and approval. In addition, please note that UNDPGEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

2. *GEF-specific project management requirements:*

- Any changes with respect to the objectives of the initiation plan will have to be discussed with and approved by the RTA, as they will have to be reported to the GEF.

Ms. Karla Hershey
Resident Representative
UNDP Maseru
Lesotho

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United Nations Development Programme

- The final project document and annexes must be ready by **May 31, 2015** as outlined in the Initiation Plan. The RTA will advise you of the expected timeline for submission of the final project document for the purpose of internal UNDP clearance prior to submission to the GEF Secretariat.
- All efforts should be made to completely commit the GEF PPG resources by the time the project document is submitted to the GEF for CEO endorsement. A report on the use of the PPG resources is included in Annex C of the GEF CEO Endorsement template.
- If the PPG activities and resources have not been fully completed/committed by CEO endorsement, the same reporting table must be submitted with the first project implementation report (APR/PIR) due one year after project document signature.
- This preparatory phase must be operationally completed in Atlas once the main project is endorsed by the GEF CEO. Financial closure should follow within 12 months, but preferably within the same calendar year.
- In order to accord proper acknowledgement to the GEF for providing funding, full compliance is needed with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at:
http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Full compliance is also required with UNDP's branding guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>.

In concluding, I would like to assure you of UNDP-GEF's and my personal commitment to a successful implementation of the Initiation Plan. The RTA is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Adriana Dinu
UNDP – GEF Executive Coordinator
and Director a.i.

cc: Mr. Abdoulaye Mar Dieye - Assistant Administrator and Bureau Director,
Mr. Joseph Oji - Country Advisor, RBA New York,
Limomane Peshoane, Programme Analyst,
Agi Veres, Deputy Resident Representative,
Mr. Lucas Black, Regional Technical Advisor, Istanbul, Turkey

United Nations Development Programme

Annexes

Annex 1 CEO approval letter for PIF



Naoko Ishii, PhD
Chief Executive Officer and Chairperson

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April 01, 2014

Ms. Adriana Dinu
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
304 East 45th St.
FF Bldg., 10th floor
New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that I have cleared the project concept detailed below for inclusion in the upcoming work program. I have also approved your request for project preparation grant.

Decision Sought:	Project Identification Form (PIF) Clearance for Work Program Inclusion and Project Preparation Grant (PPG) Approval
GEFSEC ID:	5742
Agency(ies):	UNDP
Agency ID:	5367 (UNDP)
Focal Area:	Climate Change
Project Type:	Full Size Project
Country(ies):	Lesotho
Name of Project:	Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress
Indicative GEF Project Grant:	\$3,500,000
Indicative Agency Fee:	\$332,500
PPG Grant:	\$100,000
PPG Agency Fee:	\$9,500
Funding Source:	GEF Trust Fund

Break-down of Indicative Agency Fee				
Agency	Trust Fund	40% Fees to be committed at Council Approval	Fees to be committed at CEO Endorsement	Total (US\$)
UNDP	GET	\$133,000	\$199,500	\$332,500

This PIF clearance and PPG approval is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

United Nations Development Programme

Ms. Adriana Dinu

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April 01, 2014

Please submit your final project document for my endorsement no later than 18 months after Council approval of the work program.

Sincerely,



Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: GEFSEC Project Review Document
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

GEF ID: 5742 - Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Program

United Nations Development Programme

Annex 2 Project Cycle Management Services

Stage	Country Office ¹	UNDP/GEF at regional and global level
Project Development	<i>Initiation Plan:</i> <ul style="list-style-type: none"> • Coordination, management and financial oversight of UNDP Initiation Plan • Discuss management arrangements 	RTA and PA role: <ul style="list-style-type: none"> • Assist in preparation of UNDP Initiation Plan • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA
	<i>Project Document:</i> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, co-financiers, etc. • Undertake environmental and social screening of project before PAC. Ensure Environmental and Social Screening Procedure (ESSP) documentation is signed by the Resident Representative or Chair of PAC meeting and attached as Annex to the Project Document. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, co-financiers, etc. Coordinate LPAC and document meeting decisions. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on development stage as needed. 	RTA role: <ul style="list-style-type: none"> • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence.
<p><i>Key UNDP/GEF management performance indicators/targets for Project Development:</i></p> <ol style="list-style-type: none"> 1. Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> • Target for GEF trust fund project: FSP = 18 months or less, MSP 12 months or less. • Target for LDCF and SCCF: FSP/MSP = 12 months or less. 2. Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> • Target = 4 months or less 		

¹ As per UNDP POPP with additional SOF requirements where relevant.
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