



Annual Workplan (Revised)

EFY 2007/08



Empowered lives.
Resilient nations.

United Nations Development Programme Ethiopia

Project Title: CRGE Programme Component - Strengthening Capacities for Increased Access to Sustainable Energy

UNDAF Pillar: Sustainable Economic Growth and Risk Reduction

UNDAF Outcome 5: By 2015, the governance systems, use of technologies and practices, and financing mechanisms that promote low carbon climate-resilient economy and society are improved at all level

UNDAF Output 5.2: Policies, strategies, plans and coordination mechanisms that promote climate resilient green economy and society are developed/updated

UNDAF Output 5.5: Capacities at national, regional and woreda level for effective implementation of climate resilient green economy improved

Expected Project Output(s):

- 1) Institutional capacities of MoWIE strengthened and national level coordination framework established
- 2) CRGE strategic objectives, specifically the energy sector implementation framework, established in line with GTP II, at all levels with active private sector involvement and by leveraging nationally and internationally available resources and technologies.

Implementing Partner: Ministry of Water, Irrigation and Energy (MoWIE)

Responsible Parties: Regional Energy Bureaus

Brief Description of the Project

The government of Ethiopia's overarching energy objective is to ensure reliable supply of energy at the right time and at affordable prices, particularly to support the country's agricultural and industrial development strategies. The sustainable energy component is an integral part of UNDP's continued support to the Climate Resilient Green Economy (CRGE) programme and Government of Norway Energy+ cooperation that aims to contribute in achieving the countries overarching objective of the energy sector. Thus, this project intended to play a catalytic role in strengthening coordination capacity of the MoWIE, with a view to implementing the energy components of Ethiopia's CRGE strategy and ensuring Sustainable Energy for All (SE4ALL). Specifically, this capacity building project will contribute to enhancing the coordination capacity of the MoWIE and facilitate framework setting to implement the CRGE strategic objective for the energy sector and the three intertwined objectives of the SE4ALL which Ethiopia is part of an opt-in country. In addition to targeted capacity development, the interventions will contribute evidence-based knowledge and experience to enhance Ethiopia's energy sector development through grid and decentralized or beyond the grid energy supply system.

UNDAF Programme Period:	2012-2016	EFY 2007/2008 AWP budget	
Key Result Area (Strategic Plan):	Sustainable development pathways	Total resources required:	USD 1,327,000
Atlas Award ID:	00066813	Total allocated resources:	
Start date:	January 2012	• UNDP Regular (TRAC):	USD 100,000
End Date:	June 2016	• Norway Energy:	USD 503,000
PAC Meeting Date:	n/a	• Total Funded:	USD 603,000
Management Arrangement:	NIM	In-kind contributions:	
		Unfunded budget:	USD 724,000.00

Agreed by MOWIE

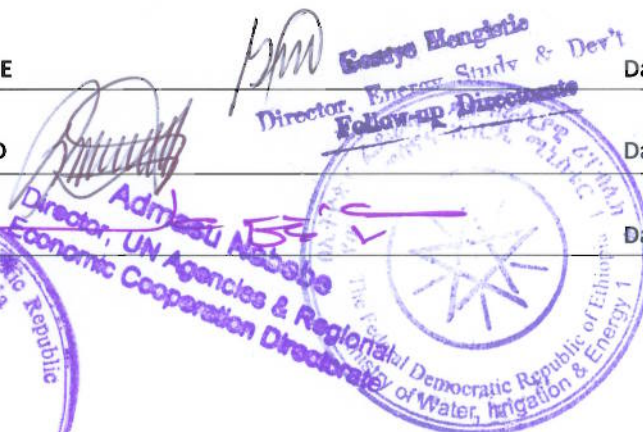
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Agreed by UNDP

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Background

The Government of Ethiopia has a vision to be a renewable energy hub in the Eastern Africa Region by 2015. The mission is to play a significant role for socio-economic development and transformation of the country through provision of a sustainable, reliable, affordable and quality energy service for all sectors in an environmentally benign manner. Thus UNDP in collaboration with other key development partners such government of Norway has developed a project, Strengthening Capacities for Increased Access to Sustainable Energy, to support the Government of Ethiopia in achieving the sated mission.

This project on sustainable energy is a component of UNDP's comprehensive assistance through its Climate Resilient Green Economy (CRGE) Programme¹ to the implementation of the strategy particularly the energy component and the Government Norway Energy + cooperation with the government of Ethiopia. As a well-functioning energy sector is a crucial factor for development and poverty alleviation undertakings in Ethiopia, enhancing institutional capacity and setting bold, ambitious but achievable targets is a fundamental factor to ensure long lasting and transformational change in the sector.

In this connection, the government has set robust targets in its Growth and Transformation Plan (GTP) which are further elaborated in the CRGE strategy that identified electric power expansion and electricity generation from renewable energy for domestic as well as export markets; and leapfrogging to modern and energy-efficient technologies in transport, industrial, and other energy consuming sectors as two of its four major green economy pillars. The government has also recently undergone in setting up of new institutions such as Energy Authority, Utility and Power Generation institutions to address this dynamic sector.

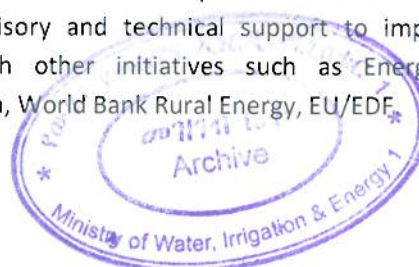
Despite continued efforts of the government in Institutional arrangement, robust visions for the sector; there are major constraints that need immediate intervention including inadequate institutional frameworks to expedite the development of the energy in which the private sector can play a big role. And lack of integrated and coordinated mechanisms to leverage nationally and internationally available financial resources and technologies. Moreover, the absence of sound monitoring and evaluation framework and insufficient investment in research and development (R&D) in the sector still remain a challenge and obstacles to achieve the sated vision.

This project is therefore developed in collaboration with the Ministry of Water, Irrigation and Energy (MoWIE) and development partners, including the Government of Norway, to strengthen the coordination capacity of MOWIE to implement the CRGE strategies of the energy sector. It will also help the country in attaining the three intertwined objective of the SE4ALL initiatives at the country level which aims to doubling energy access, efficiency and renewable sources by 2030. This project expected to strengthen the capacity of MoWIE through specific outcomes:

Output 1) Institutional capacities of MoWIE strengthened and national level coordination mechanisms established

Output 1.1: Coordination unit frameworks in place: framework established to provide high level advisory and technical support to implement CRGE strategic priorities with other initiatives such as Energy + SE4ALL, ENDEV/GIZ, Power Africa, World Bank Rural Energy, EU/EDF,

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Output 1.2: Coordination capacity unit established: combination of national and international experts in place within the ministry to assist in having an energy sector coordination mechanism established and operationalized.

Output 1.3: Coordination mechanisms in place: mechanisms established to promote that coordination within the energy sector is reflected and guided by relevant policies notably the CRGE and the GTP, for MRV including the national database CRGE registry, and the flow and link with the national public financial management and budget system both the regular one and the CRGE facility.

Output 1.4: Gender mainstreamed in the energy sector: provided capacity building support to implementation GAP³ (Gender Action Plan)

Output 2) CRGE strategic objectives specifically the energy sector implementation framework, established at all levels through active private sector involvement and by leveraging nationally and internationally available resources.

Outputs 2.1: Framework established and institutional arrangements strengthened to enhance absorption capacity of the sector.

Output 2.2: Financing mechanisms, including for results based financial² support established: developed a robust resource mobilization strategy aligned with the national CRGE facility to secure resources for the implementation of programmes and tapping climate financing mechanisms, including results based ones such as Energy +, in order to double access, efficiency and increase renewable energy.

Output 2.3: Enabling environments for active private sector involvement in the energy sector created: capacity enhancement for MoWIE particularly with in the SME/small and medium enterprise development directorate provided

Output 2.4: Energy sector R&D and quality control enhanced: Strengthened federal as well as regional laboratories and testing centers; guidelines and technical codes in place; necessary equipment and machineries in place/installed.

Project overall indicator: Integrated CRGE coordination mechanism in place linking federal, regional and woreda levels vertically and horizontally across sectors.

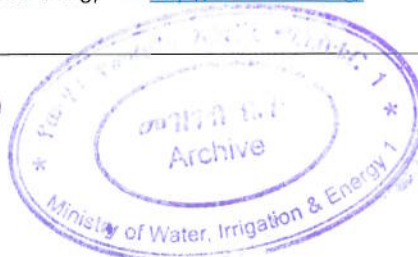
² Results-based intends to provide contributions based on achieved outcomes in terms of increased access to sustainable energy and avoided or reduced emissions of greenhouse gases relative to a business-as-usual baseline

³A GAP is a gender strategy for gender mainstreaming in energy sector programmes and projects

ⁱ **Energy+** is an international partnership initiated by the Norwegian Government. It was launched in October 2011 by the UN Secretary-General and the Norwegian Prime Minister. Energy + supports efforts to achieve universal access to sustainable energy increasing energy efficiency and reduce greenhouse gas emissions in selected developing Partner countries including Ethiopia. http://www.regjeringen.no/en/dep/ud/campaigns/energy_plus.html?id=672635

ⁱⁱ The **Sustainable Energy for All Initiative** is a multi-stakeholder partnership between governments, the private sector, and civil society. It was launched by the UN Secretary-General in 2011 and it has three interlinked objectives to be achieved by 2030: 1) Ensure universal access to modern energy services. 2) Double the global rate of improvement in energy efficiency. 3) Double the share of renewable energy in the global energy mix. <http://www.se4all.org/>

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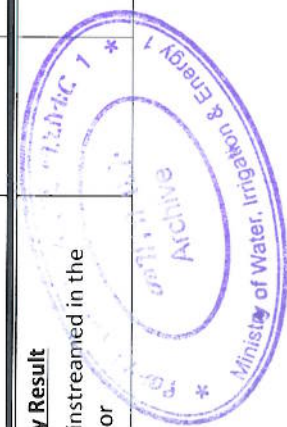


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ANNUAL WORK PLAN - EFY 2007/2008

CURRENCY: USD

EXPECTED PROJECT OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	ETHIOPIA FY 2007				ETHIOPIA FY 2008				PLANNED BUDGET		
		UNDP FY 2015				UNDP FY 2015				Funding Source	Budget Description	Amount (USD)
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
<p>Output 1: Institutional capacities of MoWIE strengthened and national level coordination mechanism established</p> <p>Baseline:</p> <p>1) No institutional capacity gap assessment exercise completed for energy sector</p> <p>2) No national level devolvement partners coordination framework mechanism in place</p> <p>Indicators:</p> <p>1) Energy sector capacity gap assessment completed</p> <p>2) Coordination framework established and operationalized</p> <p>3) Placement of energy sector advisor</p> <p>4) Dialogue platform in place</p> <p>5) Gender mainstreamed in energy actor</p> <p>Targets:</p> <p>1) A completed study on organizational arrangements and institutional capacity gap</p>	<p>1.1 Activity Result: Energy sector coordination unit established and operationalized</p> <p>Action: Recruit competent advisor(s)***</p>	200,000	100,000	100,000	100,000	MoWIE / UNDP	Partially funded /non-core (Energy+)	International advisors	400,000*			
<p>1.2 Activity Result Energy sector national coordination framework established</p> <p>Action: coordination framework developed and operationalized</p> <p>Action: National coordination platform created for the energy sector</p>	7,000					MoWIE / UNDP	non-core (Energy+)	Int./ national consultants	7,000			
<p>1.3 Activity Result Gender mainstreamed in the energy sector</p>	20,000	10,000	10,000	10,000		MoWIE / UNDP	unfunded	Workshops	40,000			



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assessment of the energy sector	2) Top notch advisory services provided to ensure strategic guidance in coordinating the energy sector programmes.	Action: Recruit competent national gender & energy advisor	8,000	4,000	4,000	4,000	non-core (Energy+)	national consultants	16,000
	3) Energy dialogue under the DAG framework operational between Government a partners to strengthen operational harmonization of efforts and alignment with key government priorities		235,000	114,000	114,000	114,000			
	4) Gender action plan implemented		235,000	228,000					
	Subtotal (per quarter)		463,000.00						
Subtotal (per half year)									
Subtotal (EFY 2006/07)									
Output 2: CRGE strategic objectives, specifically the energy sector implementation framework and financing mechanism established with active private sector involvement									
Baseline:									
1) Lack of national level frameworks and guidelines of the energy sector to achieve the CRGE strategic objectives.			20,000				unfunded	Int./ national consultants	20,000
2) Insufficient involvement of the private sector in the production and distribution of sustainable energy.					30,000		unfunded	Int./ national consultants	30,000
3) no national framework in place to coordinate and manage					50,000		Core – UNDP	Int./ national consultants	50,000

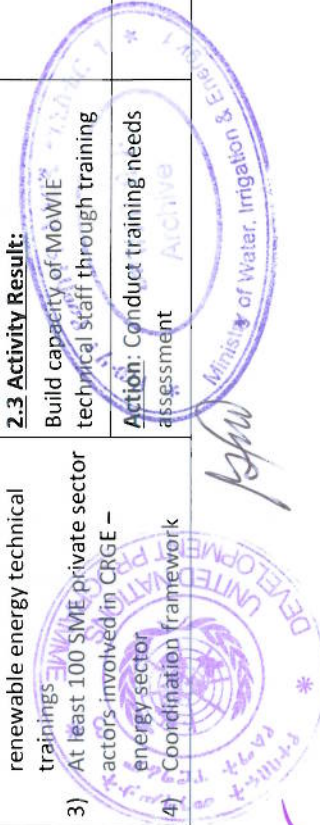


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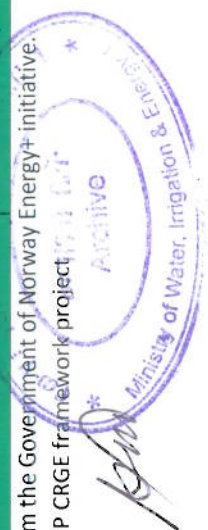
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available financial resources for the energy sector	Action : Laboratory equipment supplied	400,000			Laboratory equipment	400,000
4) No MRV mechanisms in place to facilitate energy finances including result based payment mechanisms	2.2 Activity Result : Private sector involvement enhanced					
Indicators:						
1) Coordinated national level frameworks and guidelines, mechanism and implementation strategy in place	Action : Study conducted to analyse barriers of the private sector involvement in the energy sector	30,000			International / national consultants	30,000
2) Tailor made technical training provided to MoWIE officials on renewable energy	Action: PPP framework developed to enhance private sector involvement in the energy sector	20,000			International / national consultants	20,000
3) Number of private sector actors involved in CRGE – energy sector implementation	Action: Developed financing access mechanism for private sector	30,000			International / national consultants	30,000
4) national framework in place to coordinate and manage available financial resources for the energy sector	Action: Stakeholder consultation undertaken	10,000			Workshops	10,000
5) Volume of financial resources accessed from various energy financing including result based mechanisms	Action: South-South Study tour conducted in model south countries where best practices can be drawn	60,000			Travel	60,000
Targets:	Action: Nationwide promotional activities undertaken to enhance the participation of private sector in renewable energy supplies through enhancing the demand side from the end user perspective.	25,000	25,000		Media Service	50,000
1) Energy sector implementation framework, guideline and MRV and implementation strategy established						
2) 100 MoWIE officials certified in renewable energy technical trainings	2.3 Activity Result: Build capacity of MoWIE technical staff through training					
3) At least 100 SME private sector actors involved in CRGE – energy sector	Action: Conduct training needs assessment	60,000	30,000	30,000	Int./ national consultants	45,000
4) Coordination framework						



created to utilize various energy sector funding mechanisms	Action: develop tailor made training plan and guidelines							Workshops	45,000
	Action: conduct tailor made trainings							Travel	30,000
5) Number of financial sourcing mechanisms established	2.4 Activity Result: Available financing mechanisms including result based payments identified and integration mechanism developed								
	Action: Leverage international best practice to develop financing mechanisms							Travel	
	Action: gap analysis and scoping study on financing mechanisms	10,000						International / national consultants	20,000
	Action: Integration mechanism identified and framework developed	10,000							
	Action: Consultation workshop	7,000						Workshops	14,000
	Action: Validation workshop	7,000							
	2.5 Activity Result: Project monitoring & evaluation								
						10,000		MoWIE / UNDP	10,000
								unfunded	
Subtotal (per quarter)		204,000	595,000	65,000					
Subtotal (per half year)		204,000	660,000						864,000
Subtotal (EFY 2007/08)			864,000						
Total (per quarter)		439,000	709,000	179,000					
Total (per half year)		439,000	888,000						1,327,000
Total (EFY 2007/08)			1,327,000						

* Partially funded, i.e. USD 80,000 from the Government of Norway Energy+ initiative.
 ** Funded as part of the existing UNDP CRGE framework project
 *** To be decided case by case



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