

United Nations Development Programme

Country: Guyana

Project Document

Project Title	Energy access at community level for MDG achievement in Hinterland area.
UNDAF Outcome(s):	By 2010 there will be at least a 10% increase in the proportion of Guyanese accessing quality services in education, health, water and sanitation and housing with capabilities enhanced to maximise available opportunities
Expected CP Outcome(s):	Access to energy services, electricity or cleaner fuels in rural areas increased
Expected Output(s):	<ol style="list-style-type: none">1. Energy access at community level provided to all hinterland villages by 2015.2. Strengthened national capacity to mainstream energy access for MDG achievements in national priorities.
Implementing Partner/ Executing Entity:	Office of Prime Minister
Implementing Agencies:	Ministry of Local Government, Regional Democratic Councils, Ministry of Health, Ministry of Education, Ministry of Agriculture, Guyana Energy Agency

Brief Description

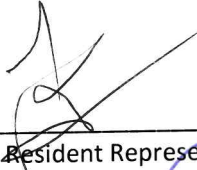
Energy is a fundamental prerequisite for achieving the Millennium Development Goals (MDGs). Without energy, substantial social and economic development is almost impossible. In Guyana, about 100.000 persons living in Hinterland areas have little access to reliable energy services which they could afford. They will not be connected to the electricity grid immediately because of the remoteness of the area, their insufficient financial capacity to pay for energy services, and the prohibitive cost of expanding national grid to these areas.

The present project aims at enhancing local and national capacities for expanding access to reliable, clean and affordable (lowest possible cost) energy services in hinterland villages for MDG achievement (especially gender equality) by 2015. This will be achieved by demonstrating impacts of access to energy services on MDG achievement at local level and in support of the Government of Guyana's "Unserviced Areas Electrification Programme" by building capacity at local, regional and national levels, by mainstreaming energy issues into local, regional and national plans and strategies, and by gathering partners and mobilising fund to finance and implement the energy access strategy for hinterland area.


The present document covers the implementation of the phase 1 of the project for the period 2010-2012; whereas its second phase, a direct output of phase 1, would be further elaborated in the new 2012-2015 Country Programme.

Programme Period:	2010-2015
Key Result Area (Strategic Plan):	Energy & Environment
Atlas Award ID:	
Start Date Phase 1:	September 2010
End Date Phase 1:	July 2012
PAC Meeting Date	19 November 2009 (Virtual PAC)
Management Arrangements	NEX

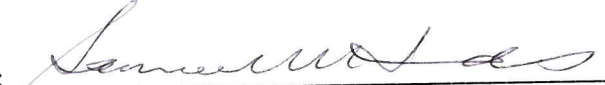
Total resources required Phase 1:	278,000
Total allocated resources:	_____
• UNDP	278,000
• Other:	
o Donor	
o Donor	
o Government	
o Unfunded budget	
In-kind Contributions	

Agreed by: 
(UNDP) M. Kiari Liman-Tingiri, Resident Representative

Date: 19/10/2010

Agreed by: 
(Government): Dr. Roger Luncheon, Head Presidential Secretariat

Date: 21/10/10

Agreed by: 
(Implementing Partner): Mr. Samuel Hinds, Hon. Prime Minister OPM

Date: 2010-10-26

I. SITUATION ANALYSIS

Guyana's population is approximately 750,000 with more than 80% of the people residing in urban and rural communities along the coastal plain. The coastal plain, which occupies about 15% of the country's total land, is where most of the country's physical infrastructure is concentrated. The areas outside of the coastal plain are referred to as hinterland areas and are home to about 200 mostly Amerindian communities representing about 9.3 % of the country's population. The size of the population in a hinterland community could range from 200 to 2000 persons. The communities are usually characterised by widely dispersed houses where access to modern energy services, such as electricity and transportation, is very limited. The majority of the residents use wood as fuel for cooking, and for lighting in some cases. Candles and kerosene lamps are also common light sources.

The Government has long recognised that the need for modern energy services in the hinterland is critical and necessary to catalyse social and economic development. Over the years the Government, supported by other organisations, has been implementing small projects to provide electricity access to some hinterland communities. Many villages have at least one community building (in most cases the health clinic) that is supplied with electricity for lighting, refrigeration for vaccines and 2-way radios for long distance communication. In a few of the larger hinterland communities, mini grids were developed utilising diesel generators to supply electricity to nearby community buildings. These grids provide electricity mainly at nights for about 4 to 6 hours.

More recently, as part of its broader poverty alleviation strategy, the Government has initiated the Unserved Areas Electrification Programme (UAEP) with loan support from the IDB. The UAEP seeks to expand existing electricity grids along the coast to unserved coastal communities and also aims at examining and developing ways to provide and expand electricity access to hinterland areas in the most cost effective and sustainable manner. A study commissioned under the UAEP to determine the options and technical, economic-financial, institutional-administrative, and socio-environmental requirements for viable hinterland electrification schemes, resulted in the hinterland communities/villages being characterised or classified in three groups :

- Villages with existing mini-grids, relatively high number of households, significant local government institutions, and some amount of productive activities for the market.
- Villages with some potential for development, have secondary schools, health clinics and other Government institutions.
- Small villages with less than 1000 residents with primarily a subsistence economy. They have nursery and primary schools, small medical clinics and, usually, no other Government institutions. The majority of hinterland villages surveyed under the study fell into this group.

Based on the results of the study, the Government developed a Hinterland Electrification Strategy, to address the specific electricity needs of the three categories of villages. The strategy entails implementing a number of demonstration projects in selected communities, using appropriate technology and locally available energy sources, to test their feasibility for possible replication at other locations. Under the UAEP, six demonstration projects have been implemented in the three categories of communities using solar technology and diesel to provide, at minimum, lighting in every household. Households are expected to pay either a monthly fee for the energy supplied by solar power, or are metered to pay according to consumption for diesel generated electricity. The monthly fee for solar electricity is set lower than what the average household was spending on less efficient sources of lighting, such as kerosene and candles. In addition, under a UNDP funded project, other demonstration pilots were set up to provide energy for both lighting and for productive use, and demonstrations of fuel efficient and cleaner burning wood stoves. The traditional "fireside" that is used for cooking has a low efficiency, and emits significant amounts of smoke that exposes the users and other householders to the risks of eye and respiratory diseases. The wood stove that was demonstrated (called the Rocket Stove) uses 20 to 25% less wood than the "fireside", and emits virtually no smoke just a few minutes after ignition. This significant reduction in the consumption of wood for cooking means that residents (particularly women and children) can spend less time collecting wood, and more time in other economic activities such as sewing and attending school. A significant amount of effort would be required to popularise and motivate a changeover to the improved wood stove.

Importance of Energy for MDGs Achievement:

For developing countries like Guyana the MDGs provide both challenges and opportunities. Guyana has reported progress made towards achieving the MDGs in areas such as a reduction of population suffering from hunger, increased access to social services, improved enrollments and completion of primary school education and increased empowerment of women¹. Although energy is not directly mentioned in the eight MDGs, the way in which energy services² are produced and consumed affect all three pillars of sustainable development—economic, social, and environmental—and therefore all MDGs³. In Guyana, like other developing countries, the availability of energy services has a distinct impact on the lives of the hinterland poor, and women in particular, as energy is essential for meeting the most basic needs - lighting, pumping water and cooking. The remoteness of these hinterland communities makes energy availability critical for the provision of health care and communication. Energy is strongly linked to human development as evidenced by countries relationship between the Human Development Index (DHI) ranking and energy consumption which shows that countries which develop over time do so in tandem with improvements in energy⁴. While energy services, by themselves are not sufficient to eradicate poverty, they are necessary for creating conditions for economic growth and improving social equality. Energy access issue is not mentioned in UN and UNDP planning tools in Guyana, despite its importance for MDGs achievement - recognised by UN and UNDP institutions, and by the government of Guyana itself. Indeed, none of the eight Millennium Development Goals (MDGs) can be achieved without addressing key dimensions of energy issues simultaneously: accessibility, security, and sustainability.

The Problem to be Addressed

The problem is that about 200 villages are in need of basic energy services such as lighting and cooking. Residents in these remote communities exist primarily by subsistence farming, hunting and fishing, with lesser participation in the cash economy. As a result, the purchasing power of the hinterland population is substantially lower than that of the coastal population. Moreover, the Infrastructure in the hinterland is undeveloped in comparison to rural communities on the coast.

The Government is acutely aware of the challenges associated with providing sustainable energy services to hinterland communities given (1) the remoteness of villages making the extension of existing electricity grids not feasible; (2) the low, dispersed population and the low demand for electricity; (3) the higher specific cost for hinterland electrification which is often difficult to justify from a strictly economic perspective when the benefits will be mostly intangible; (4) the high transportation cost to provide modern fuels such as LPG, kerosene, gasoline and diesel; and (5) the low spending power of the population.

The current approach and programmes will not allow hinterland villages to obtain energy access rapidly, and achieve MDGs before 2015. Capacity gaps have been identified regarding awareness on the energy access issue, on its importance towards MDG achievement and gender equality, on how to mainstream this issue into national development frameworks and national priorities, and how to seek partners and raise financial resources to implement the hinterland energy access strategy.

¹ Guyana Millennium Development Report 2007

² Energising the Millennium Development Goals, UNDP 2006. "Energy services" is used to describe the benefits that energy offers and includes lighting, cooked food, refrigeration, telecommunication, education, transportation, mechanical.

³ A Review of Energy in National MDG Reports. UNDP 2007

⁴ Energising Poverty Reduction. A review of the Energy-Poverty Nexus in Poverty Reduction Strategy Papers. UNDP, March 2007.

II. STRATEGY

With regard to making modern energy services more prevalent, the Government has prepared an electrification strategy for hinterland communities. The principle of this strategy is for government to provide the initial capital investment as a grant as fast as it could, depending on the availability of financial resources, while the beneficiaries are expected to sustain the installations. The government has been focusing so far on demonstration projects to establish various experiences which would be utilised in selecting equipment and seeking assistance in extending electrification. The Government's objective is to extend electricity access to the household level in the approximately 200 hinterland communities. However, the current programme is very "demonstration project" oriented and does not include time bound objectives or a resource mobilisation strategy.

The proposed outcome of this project is the "improved provision of reliable, sustainable and affordable energy services to hinterland communities for MDG achievement by 2015". The 2015 deadline has been proposed as it corresponds to the MDG timeframe commitment and to the end of next UNDAF cycle. To achieve this outcome, a phased approach will be used in the implementation of this project.

Within the first Phase (2010 to 2012) the focus will be on the expanding energy services to two existing pilots as identified under the UAEP, researching and designing more affordable energy-efficient wood burning stoves, enhancing and strengthening the current monitoring and evaluation system for monitoring the impact of access to energy services, a strategy for scaling up energy access, a resource mobilisation strategy, increasing awareness of energy issues and mainstreaming energy issues in national planning and UN/UNDP planning tools will also be included in this phase. In the second Phase (2012 to 2015) the focus will be on finalising the mainstreaming strategy, mobilising resources including public/private partnerships and implementing the scaling up strategy based on resources mobilised.

The technical option of using only renewable energy is not critical to the achievement of the above stated outcome as it is considered that MDG achievement depends more on the amount and types of energy services which can be sustained rather than on the type of energy source used. Given the very specific hinterland context, renewable energy and/or hybrid technologies will probably be the most suitable technical alternatives to provide energy services at community level. In this regard, the Government plans to conduct feasibility studies on the production and use of bio-fuels in hinterland communities as alternatives to fossil fuels. Additionally, energy services, which provide heat for cooking and mechanical power for food preparation and processing, are crucial to women and girls in the hinterland communities and will be factored in when planning these interventions. Demonstration of the development of affordable, energy-efficient wood burning stoves at the community level will be included.

To really improve energy availability and raise the incidence of energy services at the household level for achieving the MDGs, (i) resources in appropriate types and required quantities must be available for the Government to make good on its intention to provide the initial capital installation to households and communities as grants; (ii) households and villages need help to improve application of energy sources such as wood; (iii) households and villages require assistance towards overall growth and development to be able to sustain new improved levels of quality of life.

In order to emphasize the mainstreaming of energy access issue into the administrative regions of Guyana and national priorities, it is proposed to working with Central Government to focus on a selected Regional Democratic Council (RDC) as a pilot. The objective would be to increase awareness of this Council regarding energy access impact on MDG achievement. As a result, it is expected that this Council will prioritize energy access in its own strategy and development plans, and include energy access for MDGs in its planning priorities and budget requests. This output will contribute to the development policy and implementation approaches at the regional level to energy access for replication to all villages and across all regions. In addition, based on its worldwide experience in other national and regional contexts, UNDP working with Central Government will provide technical and policy support, as appropriate, to RDCs, to OPM and the Guyana Energy Agency, and to Ministry of Finance to elaborate this replication strategy.

The existing M&E system does not monitor appropriately the impact of energy access on local development and MDG achievement. In order to collect solid evidence and data for the future and for advocacy purpose, an enhanced M&E system, linking energy access and MDGs is proposed.

In addition, it is proposed to expand the energy services in two of the current pilot sites for productive uses. These two projects will provide energy according to the pressing needs of the villages: health, education, water pumping or product transformation for instance. In addition, if the beneficiary village is close enough to viable markets, the project will include a productive component in order to increase the revenues of local population and contribute to the financial sustainability of the energy system.

Strengthened National Capacity to Deal with Energy Access and MDG Achievements

In the national context, while energy access is taken into account in drawing up and implementing national policies, strategies and programmes, including strengthening of the national capacities to conduct energy assessments and ensure broad public participation in policy articulation, available finances and resources limit what can be done. Nevertheless, it will be helpful to develop and strengthen institutional capacity to deliver modern energy services at the local level as appropriate. It is proposed to establish a cross-sectoral working group on energy access at the national level. This working group will contribute to define energy needs and priorities and will evaluate the cost of the required investments to bring energy access at community level in hinterland villages. Moreover, the working group establishment will contribute to increase awareness on the importance of energy access to achieve MDG. In order to involve the private sector into this project which responds to a national priority, and to foster public-private partnership, the most important and relevant private companies from different sectors (energy, media, telecommunication, mining, forestry, and any other relevant sector) will be invited to participate to this working group. UNDP will support capacity building for OPM and Ministry of Finance so that these institutions can act efficiently as the co-chairs of national strategy process.

An enhanced national strategy for energy access in hinterland areas will enrich the hinterland electrification strategy, by providing evidences of the impacts of energy access on MDG, especially gender equality, by evaluating the needs and the cost of required investments, by facilitating advocacy, by promoting public-private partnership and by mobilizing financial resources and increasing financing options to expand access to energy services for the poor and the women.

At the national level, the Government of Guyana is already aware of the importance of energy for development purpose as it is stated in the PRSP 2008 that “Special attention will be paid to the condition of sanitary facilities in schools and the provision or improvement of utilities such as water and electricity”⁵. But this is still to be realised. The enabling activities supported by UNDP will contribute to provide “good practice examples”, solid data and a favourable institutional framework to integrate energy access issue into the PRSP. They will demonstrate the importance of energy access for MDG achievement, and more especially for gender equality.

UNDP’s supporting role in development and progress in the field of renewable energy was recognised by the Government, when the President of Guyana requested further UNDP involvement in this area during the UN Regional Directors Team visit in March 2008. Added to this was the recommendation from the recent mid-term review of the UNDP Country Programme Action Plan (CPAP), held in October 2008 that there should be an increased focus on access to renewable energy for vulnerable groups especially rural women. This project results from the government’s request and its commitment to bring energy services to all hinterland villages. It builds on UNDP comparative advantages: i) the UNDP Guyana energy experience through renewable energy project in hinterland villages, ii) the worldwide UNDP energy experience for MDG achievement and its contribution to the definition of national and regional energy access strategies in

⁵ Guyana PRSP 2008-2012, page 91.

different countries and regional contexts iii) the presence of a UNDP regional office dedicated to energy issue and the Caribbean Renewable Energy Development Programme (CREDP).

It is important to highlight that in parallel with this project, a regional project is being implemented separately. UNDP's Regional Bureau will work on strengthening regional capacity to mainstream energy access for MDG achievements in regional priorities. These activities shall be implemented in association with CREDP project and with the CARICOM Energy Unit. These local/national and regional levels will be implemented separately, but synergies with this project will be promoted whenever possible.

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework: *Outcome 4: Access to Energy Services ,Electricity or Cleaner Fuels in the Rural Areas increased*

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Indicators:

1. # of Hinterland communities accessing and using electricity/energy from renewable sources.
2. # of women groups empowered through increased reliance on access to energy.

Baseline:

1. The supply of electricity is low in the hinterland areas, which are distant and isolated from the coast.
2. Very little information is available on the volumes, cost of supplies, markets and suitable energy sources.

Applicable Key Result Area (from 2008-11 Strategic Plan): Environment and Sustainable Development

Partnership Strategy

Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>PHASE I</p> <p>Output 1: The national energy Institutions has improved knowledge, technical information and resource strategy for provision of energy services to hinterland communities in support of the UAEP.</p> <p>Baseline: In 2009, only a dozen pilot projects provide energy services in hinterland villages. The hinterland electrification strategy is very unlikely to provide energy services to all hinterland villages by 2015.</p> <p>Indicators: 1st Draft of updated Hinterland Access to Energy Strategy</p>	<p>YEAR 1</p> <p>1.Increased energy services provided to pilot hinterland communities, as identified under the UAEP, with a focus on bio-fuels and gender equality</p> <p>2. Energy efficient models of wood stoves identified tested and introduced into communities where wood is the only cooking fuel.</p>	<p>Activity Result 1.1: 20 communities provided with energy services</p> <p>Action 1.1.1 Identification of additional energy services needs</p> <p>Action 1.1.2: Priority energy services provided</p> <p>Activity Result 1.2: Models of wood stove identified and tested</p> <p>Action 1.2.1: Compile different countries' experiences</p> <p>Action 1.2.2: Select the most appropriate, test and demonstrate stoves</p> <p>Action 1.2.3 : Train communities to fabricate the most suitable models</p>	<p>OPM/UNDP</p>	

<p>completed</p> <ul style="list-style-type: none"> - Data on energy use in and sources of 152 villages compiled by December 2011 - at least 2 Models of energy efficient stoves tested and demonstrated 	<p>3.Updated Hinterland Access to Energy and Resource Mobilisation Strategy drafted</p>	<p>Activity Result 1.3: Hinterland Access to Energy Strategy updated to include a resource mobilisation strategy and time bound objectives</p> <p>Action 1.3.1: Recruit consultant(s)</p> <p>Action 1.3.2: Compilation of energy and energy use data and incorporation into existing maps/GIS information</p> <p>Action 1.3.3: Conduct Consultations-Finalise Strategy</p>		
		TOTAL		178,000
<p>YEAR 2</p> <p>5. Draft Regulatory frameworks completed</p> <p>6. An MDG based M&E framework drafted</p> <p>7. Awareness campaign designed and conducted to support UAEP implementation.</p>		<p>Activity Result 1.5: Regulatory frameworks for provision of energy services to isolated rural communities and for local entrepreneurship</p> <p>Action 1.5.1: Recruit consultants</p> <p>Action 1.5.2: Consultations</p> <p>Action 1.5.3: Finalise report and distribute</p> <p>Activity Result 1.6: An MDG based M&E system tested</p> <p>Action 1.6.1: Draft M&E system</p> <p>Action 1.6.2: Conduct consultations</p> <p>Activity Result 1.7: Raised Awareness of importance of access to energy services, its contribution to gender equality and alleviation of needs of the communities</p> <p>Action 1.7.1: Design and Conduct awareness</p>	<p>OPM/UNDP</p>	

<p>Output 2: National participatory energy forum/group convened to discuss strategy and other energy issues.</p> <p>Baseline: There is no national multi-stakeholder, participatory forum to discuss national energy issues</p> <p>Indicators: Committee members nominated and accepted</p> <ul style="list-style-type: none"> - Minutes of Meetings - No. of meetings held within first six months 	<p>1. Functioning cross sectoral working group with equal representation of men and women</p>	<p>Activity Result 2.1 : Cross sectoral working group established and functional</p> <p>Action 2.1.1: Members identified and committee set up, meetings conducted</p>	<p>OPM/UNDP</p>	
<p>PHASE II</p> <p>Output 3: Energy services commitment with a focus on gender reflected in PRSP, UNDP planning instruments.</p> <p>Baseline: Current PRSP and UNDP Planning instruments do not reflect a focus on gender in the context of energy services</p> <p>Indicators: New UNDAF and CPAP reflects a focus on gender and energy access</p> <ul style="list-style-type: none"> - New PRSP reflects a focus on gender in the context of access to energy services -Consultation reports <p>Output 4: Energy services provided to the 152 hinterland communities</p>	<p>YEARS 3 AND 4</p> <p>1.Draft inputs for PRSP/UNDAF/CPAP</p> <p>2.At minimum electric lights installed in 152 communities in homes, schools, health centres and/or access to energy services provided, with a focus on gender equality, for productive uses</p>	<p>Activity Result 3.1: Energy issues included in PRSP, UNDAF and CPAP</p> <p>Action 3.1.1: -Energy Consultations draft inputs for PRSP/UNDAF/CPAP</p> <p>Activity Result 4.1.: Communities have access to electricity</p> <p>Action 4.1.1: Technical Specifications and total cost of systems including installation determined</p> <p>Action 4.1.2: Partners identified. resources mobilised and received</p> <p>Action 4.1.3: Procurement and installation of systems</p> <p>Action 4.1.4: Training of communities</p> <p>Action 4.1.5: Sustainability plan drafted</p>	<p>OPM/UNDP</p>	<p>TOTAL</p> <p>100,000</p>

<p>Baseline: In 2009, only a dozen pilot projects provide energy services in hinterland villages. The hinterland electrification strategy is very unlikely to provide energy services to all hinterland villages by 2015.</p> <p>Indicators: Resource mobilisation agreements signed by match value of resources needed for project by mid project review</p> <ul style="list-style-type: none"> -Orders placed for Equipment -Equipment received by hinterland communities -No. of Community Training in installation and maintenance conducted -Consultations on sustainability plan 				
			GRAND TOTAL	\$5,275,000.00

IV. 2011 ANNUAL WORKPLAN

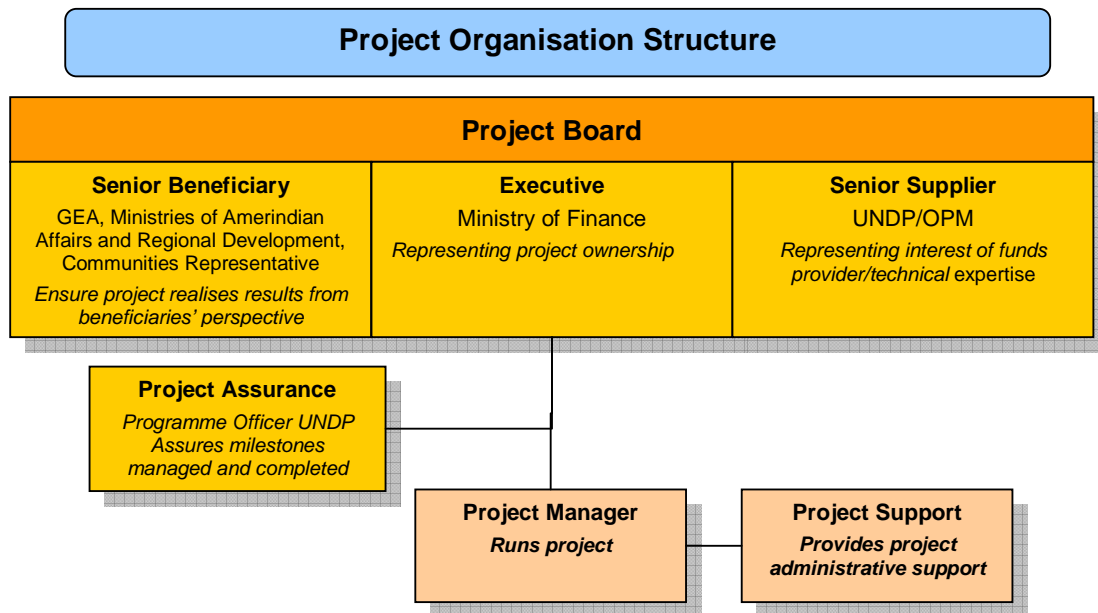
In accordance with the decisions and directives of UNDP Executive Board, contribution shall be charged:

a. 3% cost for Implementation Support Services (ISS) provided by UNDP

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p>Output 1: The national energy Institutions have improved knowledge , technical information and resource strategy for provision of energy services to hinterland communities</p> <p>Baseline: In 2009, only a dozen pilot projects provide energy services in hinterland villages. The hinterland electrification strategy is very unlikely to provide energy services to all hinterland villages by 2015.</p> <p>Indicators: -1st Draft of updated hinterland electrification strategy completed by December 2011 - Data compiled on energy use and resources in 152 communities by September 2011</p> <p>Targets: Updated Hinterland strategy drafted -Data compiled on 152 communities energy sources and use - Information and test data on energy efficient wood stoves -energy systems installed in 20 pilot</p>	<p>Activity Result 1: Increased energy services to 20 communities</p> <p>Action 1.1.: Assess needs and technical specifications Action 1.2: Designs systems Action 1.3 Procure systems Action 1.4</p>	x	x	x		OPM	UNDP	71600 Travel 72200 Equipment & Furniture 75700 Training, Workshops & Conference	15,000.00 95,000 10,000
	Sub-total								120,000.00
	<p>Activity Result 2: Energy efficient models of wood stoves identified tested and introduced into communities where wood is the only cooking fuel.</p> <p>Action 2.1: Models of wood stove identified and tested Action 2.2: Compile different countries' experiences Action 2.3: Select the most appropriate stove , test and demonstrate stoves Action 2.4: Train communities to fabricate the most suitable models</p>	x	x	x		OPM	UNDP	71600 Travel 72200 Equipment & Furniture 75700 Training, Workshops & Conference	5,000 30,000 3,000
Sub-total								38,000	

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
hinterland communities by March 2011 Related CP Outcome: Outcome 4: Access to Energy Services ,Electricity or Cleaner Fuels in the Rural Areas increased	Activity Result 3: Activity Result Updated Hinterland Strategy Action 3.1 Recruit Consultant Action 3.2 Compile data on energy use and resources Action 3.3 Consultations on draft strategy				X	OPM	UNDP	714000 Contractual services 71600 Travel 75700 Workshops	5,000 5,000 5,000
	Sub-total								10,000
Sub-total									
Administrative Cost									10,000.00
ISS									3,000.00
TOTAL PROJECT COST								178,000.00	

V. A. MANAGEMENT ARRANGEMENTS (SEE ANNEX5 FOR TORs OF THE ROLES WITHIN THE PROJECT ORGANISATION STRUCTURE)



B. AGREEMENT ON INTELLECTUAL PROPERTY RIGHTS AND USE OF LOGO ON THE PROJECT'S DELIVERABLES

Intellectual Property Rights

UNDP owns the copyright for materials produced and developed in connection with its projects. This policy is reflected in UNDP's agreement with the Government. The SBAA establishes that UNDP retains the rights to all intellectual property created by its technical assistance (both project and non-project) but that normally the Government would have a free license to use the rights for non-commercial purposes.⁶

Use of Logo

In order to accord proper acknowledgement to UNDP for providing funds the UNDP logo should appear on all relevant project publications, including among others project hardware purchased with the project funds. Any citation on publications regarding projects funded by UNDP should also be accorded proper acknowledgement. On magazines, reports, books, brochures and other publications the UNDP logo should be placed on the top right-hand corner on the front cover of the publication. When producing a publication with other partners, all logos should be placed on the same line at the bottom or at the top of the front cover of the publication. All logos should be visibly equal, no one logo should take precedence over other logos of partnering agencies.

C. AUDITS

The Office of the Prime Minister will provide UNDP with certified periodic financial statements and with an annual audit report set out according to the established procedures and requirements as outlined in the Programme and Operations Policies and Procedures. The Audit will be conducted by the Guyana Auditor General's office or by a commercial auditor engaged by the Government.

⁶ Paragraph 8 in SBAA: Patent rights, copyrights and other similar rights to any discoveries or work resulting from UNDP assistance under this Agreement shall belong to UNDP. Unless otherwise agreed by the Parties in each case, the Government shall have the right to use any such discoveries or work within the country free of royalty or any charge of similar nature.

D. SECURITY

For project sites outside of Georgetown security assessments are required and will be factored in project implementation.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP Programme and Operations Policies and Procedures (POPPS), the project will be monitored through the following:

Within the Annual Cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), 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, a Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- 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

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the Quarterly Project Report (QPR) covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Midterm Evaluation

- **A midterm evaluation** will be conducted before the end of the first period of implementation, i.e. before the end of 2011. This midterm evaluation will be used to evaluate the impact that access to energy services has on the living conditions of hinterland populations, and its impact on MDG achievement. This impact evaluation will improve the way the project is managed, and will be used for advocacy and communication.

VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Guyana and UNDP, signed on May 3, 1977

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. ANNEXES

ANNEX 1: Risk Analysis.

Project Title: UNDP Energy project, phase 2					Award ID:		Date:		
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	US\$ rate changes and financial crisis	<i>During project elaboration</i>	Financial	They can affect negatively the available resources and the mobilisation of resources to achieve the expected outcome. P = 2 I = 4	A conservative budget will be elaborated, taking into account this exchange rate risk. Significant efforts will be dedicated to advocacy and resources mobilisation.	Steering committee	Project officer	To be updated regularly	To be updated regularly
2	Insufficient political support or interest,	<i>During project elaboration</i>	Political / Organizational	The lack of political support or interest from the government might be caused by extreme climatic events such as floods for instance. This could affect negatively the implementation of the project, because the OPM will be the implementing agency, and will lead this project implementation P = 2 I = 4	Advocacy to increase awareness of all the involved actors, above all at local and regional level, so that the government is forced to comply with its commitment.	Steering committee	Project officer	To be updated regularly	To be updated regularly
3	Prohibitive cost of technical options, which makes the project not cost effective enough, and not financially sustainable.	<i>During project elaboration</i>	Financial	This risk is serious because it hampers the financial viability and replication of the project. P = 1 I = 3	The cost effectiveness will have to be carefully monitored before implementation, and will be criteria to evaluate technological alternatives.	Steering committee	Project officer	To be updated regularly	To be updated regularly

ANNEX 2: Capacity Assessment

The Guyana Auditor General Office's HACT Micro Assessment was that the internal controls of the Office of the Prime Minister were not yet adequate.

ANNEX 4: Special Clauses.

The schedule of payments and UNDP bank account details.

1. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
2. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
3. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
4. All financial accounts and statements shall be expressed in United States dollars.
5. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
6. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph []above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
7. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 7% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
 - (b) Direct cost of 3% for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
8. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
 9. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

ANNEX 5: PROJECT MANAGEMENT ROLES

5.1 Project Board

Overall responsibilities: The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards⁷ that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

Composition and organization: This group contains three roles, including:

- 1) An Executive: individual representing the project ownership to chair the group.
- 2) Senior Supplier: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project.
- 3) Senior Beneficiary: individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.

Potential members of the Project Board are reviewed and recommended for approval during the LPAC⁸ meeting. For example, the Executive role can be held by a representative from the Government Cooperating Agency or UNDP, the Senior Supplier role is held by a representative of the Implementing Partner and/or UNDP, and the Senior Beneficiary role is held by a representative of the government or civil society. Representative of other stakeholders can be included in the Board as appropriate.

Specific responsibilities:

Defining a project

- Review and approve the Initiation Plan (if such plan was required and submitted to the LPAC).

Initiating a project

- Agree on Project Manager's responsibilities, as well as the responsibilities of the other members of the Project Management team;
- Delegate any Project Assurance function as appropriate;

⁷ UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.

⁸ Depending on its composition, the Outcome Board can fulfill the function of the Project Appraisal Committee (LPAC)

- Review the Progress Report for the Initiation Stage (if an Initiation Plan was required);
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

Running a project

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

This role would be undertaken by the Office of the Prime Minister. Provisions are made in the budget for administrative and project management support services.

Closing a project

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

Executive

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organise and chair Project Board meetings

The Executive is responsible for overall assurance of the project as described [below](#). If the project warrants it, the Executive may delegate some responsibility for the project assurance functions.

Senior Beneficiary

The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness the role should not be split between too many people.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

Where the project's size, complexity or importance warrants it, the Senior Beneficiary may delegate the responsibility and authority for some of the assurance responsibilities (see also the section [below](#))

Senior Supplier

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

The supplier assurance role responsibilities are to:

- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- Monitor any risks in the implementation aspects of the project

If warranted, some of this assurance responsibility may be delegated (see also the section [below](#))

5.2 Project Manager

Overall responsibilities: The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Implementing Partner appoints the Project Manager, who should be different from the Implementing Partner's representative in the Outcome Board. Prior to the approval of the project, the [Project Developer](#) role is the UNDP staff member responsible for project management functions during formulation until the Project Manager from the Implementing Partner is in place.

Specific responsibilities would include:

Overall project management:

- Manage the realization of project outputs through activities;
- Provide direction and guidance to project team(s)/ responsible party (ies);
- Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Liaise with any suppliers;
- May also perform Team Manager and Project Support roles;

Running a project

- Plan the activities of the project and monitor progress against the initial quality criteria.
- Mobilize goods and services to initiative activities, including drafting TORs and work specifications;
- Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Manage and monitor the project risks as initially identified in the Project Brief appraised by the LPAC, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log.
- Prepare the Project Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;
- Prepare the Annual review Report, and submit the report to the Project Board and the Outcome Board;
- Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.

Closing a Project

- Prepare Final Project Review Reports to be submitted to the Project Board and the Outcome Board;
- Identify follow-on actions and submit them for consideration to the Project Board;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

5.3 Project Assurance

Overall responsibility: Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer typically holds the Project Assurance role.

The implementation of the assurance responsibilities needs to answer the question “What is to be assured?”. The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the project between the members of the Project Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not “creeping upwards” unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Project Board’s decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities would include:

Initiating a project

- Ensure that project outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that people concerned are fully informed about the project
- Ensure that all preparatory activities, including training for project staff, logistic supports are timely carried out

Running a project

- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Project Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Project Board and Outcome Board;
- Perform oversight activities, such as periodic monitoring visits and “spot checks”.
- Ensure that the Project Data Quality Dashboard remains “green”

Closing a project

- Ensure that the project is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that project accounts are closed and status set in Atlas accordingly.

5.4 Project Support

Overall responsibilities: The Project Support role provides project administration, management and technical support to the Project Manager as required by the needs of the individual project or Project Manager. The provision of any Project Support on a formal basis is optional. It is necessary to keep Project Support and Project Assurance roles separate in order to maintain the independence of Project Assurance.

Specific responsibilities: Some specific tasks of the Project Support would include:

Provision of administrative services:

- Set up and maintain project files
- Collect project related information data
- Update plans
- Administer the quality review process
- Administer Project Board meetings

Project documentation management:

- Administer project revision control
- Establish document control procedures
- Compile, copy and distribute all project reports

Financial Management, Monitoring and reporting

- Assist in the financial management tasks under the responsibility of the Project Manager
- Provide support in the use of Atlas for monitoring and reporting

Provision of technical support services

- Provide technical advices
- Review technical reports
- Monitor technical activities carried out by responsible parties