**SURINAME: Support to the Institutional and Operational Strengthening of the Energy Sector II (SU-L1035)**

**RESULTS MATRIX**

| **Impact** | **Indicator** | **Baseline** | **Target (2015)** | **Verification Means** |
| --- | --- | --- | --- | --- |
| Increased electricity coverage | Percentage of the population with access to electricity (%) | *Baseline (2010): 85* | 90 | Report EBS |
| Increased financial sustainability of power supply for interior locations. | Percentage of cost recovery for electricity supply to isolated systems in the Hinterland (%) | *Baseline (2011): 0* | *40* | MNH |

| **Objectives** | **Results** | **Indicators** | **Baseline** | | **Target (2015)** | | **Verification Means** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **I. Macroeconomic Stability** | | | | |  | |  | |
| I.1. General Macroeconomic Framework is stable | 1. Macroeconomic framework is consistent with the objectives of the program and with policy letter. | Technical opinion IMF | Stable macroeconomic framework (2011) | | Stable macroeconomic framework | | IMF Article IV Consultation report | |
| **II. Development of a Sustainable Energy Framework** | | | | |  | |  | |
| II.1. Define the regulatory and legal framework to contribute to a more effective power sector with increased efficiency, transparency and accountability. | 1. Suriname has policy and legal framework in place to implement Sustainable Energy Framework | Electricity Law or equivalent instrument approved by Parliament | Baseline (2011): 0 | | 1 | | Report MNH | |
| II.2. Implementation of institutions with a view to having a commercially-based operation and clear social, economic and financial incentives to achieve efficiency. | 1. Tariff structure is based on price setting principles for electricity implemented by EBS improves cost recovery allowing positive operating results | *EBS Net operating results* | *Baseline (2010):Negative*  *SRD 118 million* | | *EBS Net operating results positive* | | Report EBS | |
|  | 1. The Energy Sector has planning and supervision capacities | An Energy Sector agency is in place | *Baseline (2012):* No energy sector agency that plans, supervises and oversees energy regulatory issues | | An energy sector agency that plans supervises and oversees regulatory issues of the sector in place. | | MNH report presents public records stating the existence and operation of the energy agency | |
| II.3. Preparation of an expansion strategy to improve supply efficiency. | 1. Suriname has technical capacity to implement the Sustainable Energy Framework, including alternative power sources. | New model of contract used for the purchase of additional power. | *Baseline (2012):* No model of contract used for the purchase of additional power | | One power purchased contract is based on reviewed PPA model | | Report EBS | |
| **III. Strengthen sector corporate capabilities** | | | | | | | | |
| III.1 Strengthen utility’s capabilities to operate by contributing to improvements in corporate governance, transparency and accountability. | 1. EBS has strengthened its transparency, governance and accountability improving productivity | Energy sold per employee | *Baseline (2011): 1-GWh/employee* | *1.27-GWh/employee* | | Report Annual Report EBS | |
| 1. Suriname has increased its generation capacity | Generation Capacity (MW) | *Baseline (2012): 274* | 440 | | Report MNH | |

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| **Outputs - Conditions for Second Programmatic PBL (2013)** | **Means of Verification** | **Responsibility** |
| **I. Macroeconomic Stability** | | |
| 1.       Macroeconomic framework is consistent with the objectives of the program and with policy letter | Bank assessment taking into account the reviews from IMF, and the annual consultations related to Article IV. | Verification by IDB |
| **II. Development of a Sustainable Power Sector Framework** | | |
| 2.       The first draft of a Policy document that addresses the main guidelines for sector reform and the basic institutional structure for the power sector has been submitted to Council of Ministers. | Official letter submitted from the MNH to the Council of Ministers presenting the first draft of a Policy Document for consideration | MNH |
| 3.       Steps towards the drafting of the legal instruments that will regulate the organization and functioning of the Electricity Sector have been taken. | Terms of References for the consultancy hired to support drafting of regulatory instruments. . | MNH |
| 4.       A proposal to assign the roles and responsibilities to a sector office for the coordination of the Energy Sector’s affairs has been presented for consideration of and approval by the Council of Ministers. | Official letter submitted from the MNH to the Council of Ministers presenting the proposal for a specific office within the MNH to manage the energy sector affairs/proposal for a specific office within the MNH to manage the energy sector affairs | MNH |
| 5.      A tariff structure proposal, that includes a revision of the subsidy levels, has been submitted to the Council of Ministers for consideration. | Official letter submitted from the MNH to the Council of Ministers presenting Tariff structure proposal and Tariff structure proposal document. | MNH and EBS |
| 6.       A revised draft model of PPA contract was developed by EBS as guideline | Copy of the revised draft model of PPA contract document. | EBS |
| 7.       The sector expansion plan included basic environmental and social sustainability principles. | Copy of the sector expansion plan/business plan approved by EBS. | MNH |
| 8.       The Government of Suriname has approved the financing for the implementation of the Program with Renewable Energy Technologies (RETs). | Signed endorsement letter by Government of Suriname including co-financing for the implementation of the Sustainable Electrification Program. | MNH |
| **III. Strengthen sector corporate capabilities** | | |
| 9.   EBS Board has approved the expansion plan | Copy of the sector expansion plan/business plan approved by EBS. | EBS |
| 10.    EBS develops specific action plans to address fundamental technical recommendations from corporate assessment. | Contract or Letter of Agreement to guide the implementation of the Governance, Risk management, and Compliance (GRC) plan within EBS | Ministry of Finance |
| 11.    EBS is carrying out a study to strengthen its corporate structure to enhance its governance, transparency and accountability. | Progress Report document with a set of recommendations of actions that EBS may take to improve its accountability, as well as a proposal to develop internal auditing procedures. | EBS |
| 12.    EBS is making public its operational statistics, preferably on the web. | A public access link to operational information on EBS Website. | EBS |