

**Technical Cooperation (TC)**  
**Strengthening Government Agencies Capabilities for Planning and Supervision in the Energy Sector in Guyana**

**I. Basic project data**

▪ Country/Region:	Guyana /CCB
▪ TC Name:	Strengthening Government Agencies Capabilities for Planning and Supervision in the Energy Sector in Guyana
▪ TC Number:	GY-T1096
▪ Team Leader/Members:	Alejandro Melandri (INE/ENE) team leader; Jesus Tejada (ENE/CEC) alternate team leader; Malaika Culverwell (INE/ENE) team member; Javier Bedoya (LEG/SGO); Carlos Echevarria (INE/ENE) team member; Sergio Ballón (INE/ENE); Clevern Liddell (CCB/CGY);
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request <sup>1</sup> : (IDB docs #)	37114110
▪ Date of TC Abstract:	September 2012
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Guyana Power and Light Inc. (GPL) ; Office of the Prime Minister (OPM); Power Utility Commission; Government Energy Agency (GEA) and other government energy agencies in Guyana
▪ Executing Agency and contact name	Inter-American Development Bank through the Energy Division (INE/ENE)
▪ IDB Funding Requested:	\$740,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period	42 months
▪ Required start date:	November 2012
▪ Types of consultants	International Firms; National & International individual consultants
▪ Prepared by Unit:	INE/ENE
▪ Unit of Disbursement Responsibility:	CGY
▪ Included in Country Strategy (y/n); ▪ TC included in CPD (y/n):	Y <sup>2</sup>
▪ GCI-9 Sector Priority:	This project is aligned with the IDB's Framework of a New Institutional Strategy under its sector priorities and preferential support to less-development LAC countries. It will contribute to the goal of: (i) supporting development in small and vulnerable countries; and (ii) assisting borrowers in

<sup>1</sup> A copy of the Letter of Request will be submitted to this Abstract

<sup>2</sup> The current IDB Country Strategy for Guyana (GN-2503-1) has expired. A transition period is observed until the new strategy is approved by the Bank's Board in the 3<sup>rd</sup> quarter of 2012. The preparation of GY-L1038 is also cited in the 2012 energy sector note as part of the design of the new Country Strategy 2012-2016.

dealing with climate change, sustainable energy, including renewable energy and environmental sustainability.
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## II. Objective and Justification

The energy sector in Guyana faces formidable challenges related to its operational, institutional, regulatory and business environment. The resulting high cost of energy in Guyana is one of the factor that hinder the country's development and competitiveness. Government agencies involved in the planning and supervision of energy projects require capacity building and technical and institutional strengthening in order to meet the operational and regulatory requirements of a growing energy sector.

The objective of this Technical Cooperation (TC) is to strengthen capacity in the Energy Sector through targeted support on planning and supervision activities in government agencies. The TC focuses on support to improve operational performance in Guyana Power and Light Inc. (GPL) through a process of change management. Specifically, the TC provides for: (i) Strengthening the Office of the Prime Minister (OPM) supervision and executing capacities to coordinate and monitor the implementation of reforms within GPL; (ii) Support the development and approval of reforms in the Power Utility; (ii) Support government agencies involved in the planning, collection and analysis of energy data for the use of other energy sources in Guyana (iii) Strengthen capacity in policy design, execution and monitoring for the Hinterland Electrification Unit.

By enhancing the institutional and capacity aspects of energy supervision, this TC will strengthen operational performance, enabling agencies such as GPL, OPM, the Public Utility Commission (PUC), and Government Energy Agency (GEA) etc., to optimize and function to their required capacity. The TC is aligned with the priority of 'achieving a sustainable power sector' as defined in the new Guyana Country Strategy (2012-2016)<sup>3</sup>.

## III Description of activities and outputs

The major components of the TC include:

**Component 1: Strengthening OPM supervision and executing capacities to coordinate and monitor the implementation of reforms within GPL:** This activity will finance expert technical and operational assistance within OPM to supervise and monitor the change-management process taking place within GPL.

**Component 2: Support to the development and approval of reforms in the Power Utility:** This component will provide for technical studies and consultancy services to support the PUC in managing effectively its multi-sector responsibilities.

**Component 3: Support to government agencies in the planning, collection and analysis of energy data:** This component will finance technical advice and studies to promote improvements in energy

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<sup>3</sup> Currently in draft form (as of 09/05/2012)

data collection and analysis in order to assist and coordinate similar data between the various governments agencies involved in monitoring the expansion of the energy sector in Guyana.

**Component 4: Strengthening capacity in policy design, execution and monitoring for the Hinterland Electrification Unit:** With this component expert capacity will be contracted to assist in the design, execution and monitoring of policy and regulation related to renewable energy and energy efficiency services, so as to promote rural electrification in Guyana.

**IV. Budget**

Component	Description	IDB/ Funding US\$	Counter-part Funding	Total Funding US\$
1.	Strengthening OPM supervision and executing capacities to coordinate and monitor the implementation of reforms within GPL	150,000	N/A	<b>150,000</b>
2.	Support to the development and approval of reforms in the Power Utility	140,000	N/A	<b>140,000</b>
3.	Support to government agencies in the planning, collection and analysis of energy data:	100,000	N/A	<b>100,000</b>
3.	Strengthening capacity in policy design, execution and monitoring for the Hinterland Electrification Unit	150,000	N/A	<b>150,000</b>
<b>Administration and monitoring</b>		150,000	N/A	<b>150,000</b>
<b>Contingencies</b>		50,000	N/A	<b>50,000</b>
<b>TOTAL</b>		740,000		<b>740,000</b>

**V. Executing agency and execution structure**

The request for this TC came from the Government of Guyana (GOG) who requested technical and financial assistance from the Bank for “Capacity Building in the Energy Sector”. The Bank will supervise and monitor this TC through the Energy Division (INE/ENE) which currently has energy operations in preparation or execution with the GOG.

**VI. Project Risks and issues**

Due to the need to ensure appropriate coordination and flexibility in the execution of each component a dedicated source of administration and monitoring support will help to mitigate operational risks.

**VII. Environmental and Social Classification**

This TC has been classified as “C”. The TC does not have associated social and environmental risks as it is based on a set of consultancies and studies to improve corporate performance.

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Leandro Alves, INE/ENE