

PROJECT STATUS REPORT

JULY 2016 - DECEMBER 2016

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Introduction of Sustainable Business Models in Suriname Rural Electrification

Project Number: SU-M1019 - Project Num.: ATN/ME-13406-SU

Purpose: Develop and test viable business models for rural Renewable Energy Technologies in the interior of the country.

Country Admin

SURINAME

Country Beneficiary

SURINAME

Executing Agency:

Fonds Ontwikkeling Binnenland

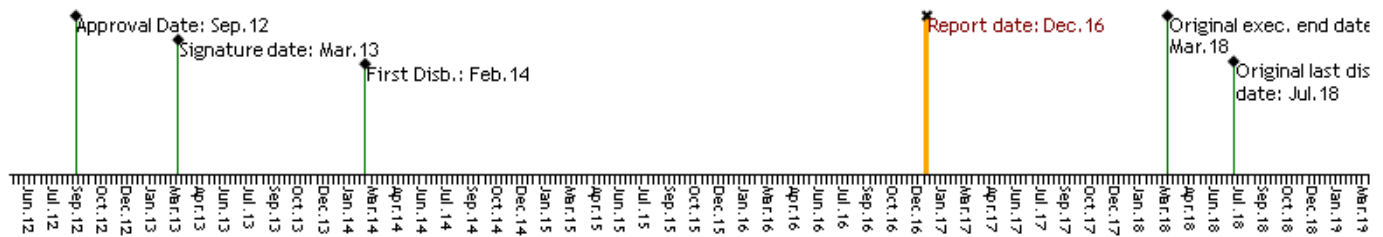
Design Team Leader:

CELIA BEDOYA DEL OLMO

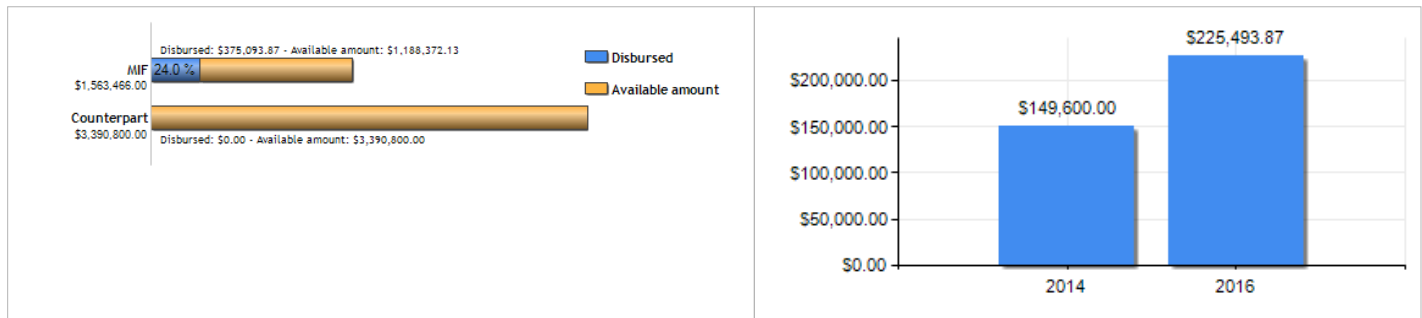
Supervision Team Leader:

VASHTIE DOOKIESINGH

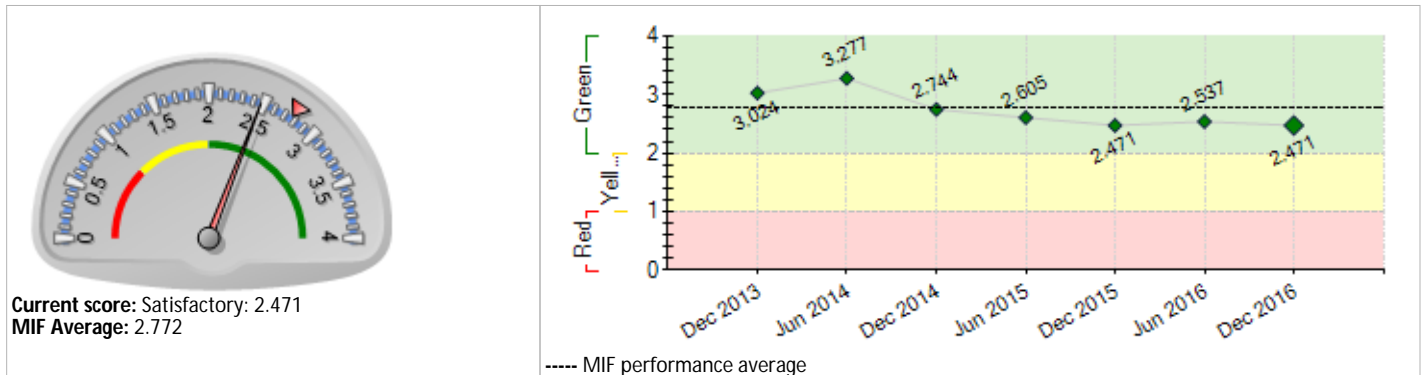
PROJECT CYCLE



FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS

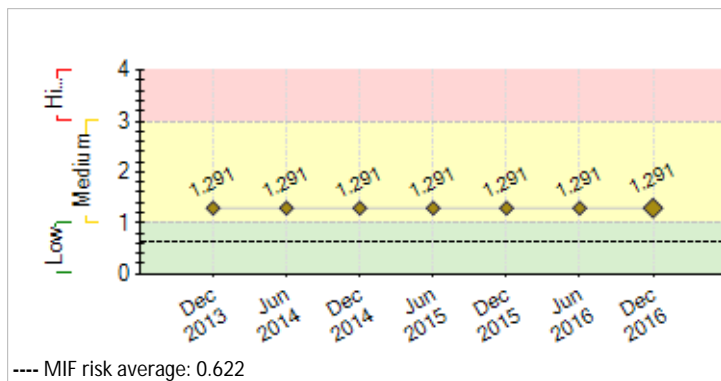
INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Low

Technical Capacity: Medium



SECTION 2: PERFORMANCE

Summary of project performance since inception

The project performance had a positive recovery after the approval to finish phase I of the Gran Olo Mini Hydro project in the interior near the Drietabiki region. The milestones and deliverables for the Gran Olo project were achieved even though there were some unforeseen obstacles during the project execution. Some of the obstacles were flooding and bursting of the water restraining dam that was built, due to the heavy rainfalls in the area, delays with the EBS (they are the energy authority in Suriname) to arrive on project location. There were some technical problems with the transformers and the distribution of electricity to the pilot villages. The water restraining dam was restored and the civil works were completed for 90%+. The necessary actions were taken to repair or replace the defected transformers. The biggest risk was the flooding of the project site and the burst of the water restraining dam. A lot of materials were lost and part of the already constructed flanks were partly washed away and damaged. The project goals and objectives for the Gran Olo project will be highly achieved because the right person's and organizations are working on the project and the necessary tools and expertise are in place with highly motivated project group. The University of Suriname is also part of the project execution unit. The necessary project meetings are held with the executing group before going to the project site to work on the different components.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Project scope has been redefined to focus on the Gran Olo hydro project and delivery of electricity generated by this facility only as the technical counterpart the Global Environmental Facility Team within the Ministry of Natural Resources has indicated that no support from MIF is required to support the country's wider rural electrification program as originally intended and as reflected in the project design. The design TL is to adjust project targets and milestones to reflect this reduction in scope and US \$500K of project resources have been cancelled to date (as per reduced technical scope)

Summary of project performance in the last six months

Due to the changing of the different project components and milestones with the completing of phase I of the Gran Olo mini hydro project, this project reached the different achievements that were set to achieve. Some of the deliverables were: construction of the flanks, repaired trash racks and measurements of the electrical cable, wiring and transformers. The electricity distribution will take place in the next reporting semester, there will be a test run to be able to do the necessary troubleshooting test on the project. The different delays were in the area's of the heavy rainfalls, burst of the water restraining dam, defected transformers and the correction of a couple of electrical installed components, that needed to be reinstalled due to wrong installments. The measurement of the high voltage distribution lines. The next face will be the testing the hydro plant to distribute electricity to the pilot villages for the production of 24 hours of electricity. The development of a business model by a consultant, for maintenance of the mini hydro power plant and a cost price for electricity to be paid by the users. An awareness consultant will also be hired to do the awareness in the region where electricity will be distributed. The training of technical personnel to manage and maintain the hydro plant during electricity production. The necessary troubleshooting will be done to see if the controls and software is still functioning right.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Purpose: Develop and test viable business models for rural Renewable Energy Technologies in the interior of the country.	R.1 Number of sustainable operation and business models for rural RETs have been developed, tested and evaluated in pilot communities	0				2 Mar 2018	0	
	R.2 Solar PV systems and small hydro facilities providing at least 1.7 MW are fully operational and serving at least 10,000 people in the interior of Suriname.	0				10000 Mar 2018	0	
	R.3 At least 80% of the installed rural PV systems and small hydro facilities are operated, maintained and managed in an economically sustainable way and with cost-recovery methods in place.	0				80 Mar 2018	0	
	R.4 Number of people have been fully trained in the country in O&M and management of RETs, being at least 20% of the training participant's women.	0				50 Mar 2018	0	
Component 5: Baseline Study and Energy Demand Forecast Assessment (MIF Contribution: Weight: 3% Classification: Unsatisfactory	C5.I1 Socio economic information, including energy demand forecasts, has been updated for the interior of Suriname					Nov 2015	No Aug 2016	Delayed
Component 6: Development of Market Intelligence and Capacity Building (MIF Contribution Weight: 9%	C6.I1 Number of community or PPP business model for O&M and management developed and agreed by all relevant stakeholders.	0				2 Apr 2016		Delayed
	C6.I2 Number of people trained and certified to implement business models.	0				20 Sep 2016		Delayed

Classification: Unsatisfactory	C6.13	Communication campaign has been designed to engage rural communities in all the project cycle for installation of systems.					Mar 2016		Delayed
	C6.14	Number of O&M and management tool kits for PPP and community based models model developed	0				2 Sep 2016		Delayed
Component 7: Implementation of the selected business models in pilot communities of the Interior of Suriname Weight: 87% Classification: Unsatisfactory	C7.11	A National Plan for RET investments developed and agreed among MNH, MRD, GEF, IDB and MIF					Mar 2018		
	C7.12	At least 4,000 people have increased awareness of both the project and benefits of electricity	0				4000 Mar 2016		Delayed
	C7.13	Number of people are served electricity through renewable energy systems within efficient business models	0				4000 Mar 2017		
	C7.14	Number of people have increased awareness of both the project and benefits of electricity	0				3000 Mar 2016		Delayed
	C7.15	Number of people are served electricity through renewable energy systems within efficient business models.	0				3000 Mar 2017		
	C7.16	Number of people have increased awareness of both the project and benefits of electricity	0				3000 Mar 2018		
	C7.17	Solar-PV systems serving at least 150 kW have been implemented under appropriate business models and operational models and are fully operational.					Mar 2018		
	C7.18	Small hydropower systems serving at least 1.5 MW have been implemented in the interior of Suriname under appropriate business models and operational models and are operational.					Mar 2018		
Component 8: Knowledge management and dissemination of lessons learned Weight: 1% Classification: Unsatisfactory	C8.11	Number of operation and business models for solar PV and hydro technologies have been evaluated.	0				2 Jul 2016		Delayed
	C8.12	A case study has been published and a fact sheet developed.	0				1 Jun 2016		Delayed
	C8.13	A final workshop has been held with the presence of the relevant stakeholders in the country.					Mar 2018		

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M0	Conditions Prior	1	Sep 2013	1	May 2013	Achieved
M1	[*] Contracting of Consultant for Baseline Study Report including maps of access to electricity and Contracting of Consultant for market study on installed capacities in Suriname	2	Aug 2015	2	Aug 2015	Achieved
M2	1. Completion of Baseline study report including maps to access to electricity completed and 2. Completion of Market study report including mapping of installed capacity and mapping of public and private service providers	2	Nov 2015	2	Oct 2015	Achieved
M6	[*] Contracting of consultants responsible for drafting Reports on Cost Recovery systems and Tariff collection in the selected communities	1	Oct 2017			
M7	[*] Develop Guidelines and fact sheet Preparations of National Workshop with all relevant stakeholders (National and International)	2	Dec 2017			
M8	Pilot systems implemented in 2 communities	2	Dec 2017			

[*] Indicate that the milestone has been reformulated

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Community/political opposition
- [X] National political changes
- [X] Lack of resources for the counterpart

SECTION 4: RISKS**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Change within Project Execution Unit or within Management of the Executing Agency will cause delay in the project implementation	High	Within the PEU a predecessor must be in place in cause the Project Manager is no longer part of the PEU. This person must have all the project information and be ware of the Status of the project	Project Coordinator
2. Political support for the project is not sustained and national government maintains its pledge to RET in Rural Suriname.	Medium	...	Project Guest
3. Environmental risks not associated with the project do affect the target communities negatively.	Medium	...	Project Guest
4. Stakeholders are not willing to commit and collaborate on RET initiatives.	Medium	...	Project Guest
5. The Government is reluctant to include PPP and community based models for management and O&M of RET systems in the interior of the country.	Medium	...	Project Guest
PROJECT RISK LEVEL: Medium TOTAL NUMBER OF RISKS: 15 IN EFFECT RISKS: 15 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0			

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: LP - Low Probability

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue

[X] Lack of **cost recovery** mechanisms or **external financing sources** (government, donors and/or private sector) to continue the activities of the project once MIF resources are expended

[X] A **market** is not generated for the project's services and/or activities (low payment capacity or low demand for those services)

Comments

Willingness of communities to contribute to cost of maintaining the hydro facility at Gran Olo is untested

Willingness of communities to contribute to cost of maintaining the hydro facility at Gran Olo is untested

Actions related to sustainability which have been taken in the reporting period:

After the completion of phase I of the Garn olo Mini Hydro project an evaluation will be conducted to seen if the sustainability goals were achieved.

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]