

**Advisory Assistance to the
Ministry of Energy in Georgia
P.E.D. IQC –
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DRAFT

Project Report: Training Needs Assessment Phase I.

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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1. TRAINING NEEDS ASSESSMENT

1.1 INTRODUCTION

The energy sector in Georgia is like that of many other transitioning countries. It is vertically integrated, government owned and characterized by inefficiency¹ and waste, subsidization, mismanagement, inadequate investment and maintenance. It is an instrument for employment and dispensing political favor. It is unable to keep pace with demand of the existing system, let alone expanding to meet unserved demand. Thus, instead of being an engine for economic growth and development that it could be, the sector is putting the brakes on economic growth.

If the Georgian economy is to grow, it must have clean, reliable and efficient energy. To do this, it will strengthen regulation through better implementing rules and regulations (IRRS), restructure the sector, and privatize some energy assets. Moreover, it must tap the great hydro potential for exports as a source of much needed foreign exchange. The sector requires significant capital resources and the Government of Georgia does not have nor can it any longer count on the Development Finance Institutions to provide the resources. The only hope for Georgia's energy sector is efficient operation and the infusion of private, mostly foreign, capital. For this to take place there must be rational sector restructuring, regulation and eventual private provision of energy.

USAID's support in the energy sector can be divided into three areas:

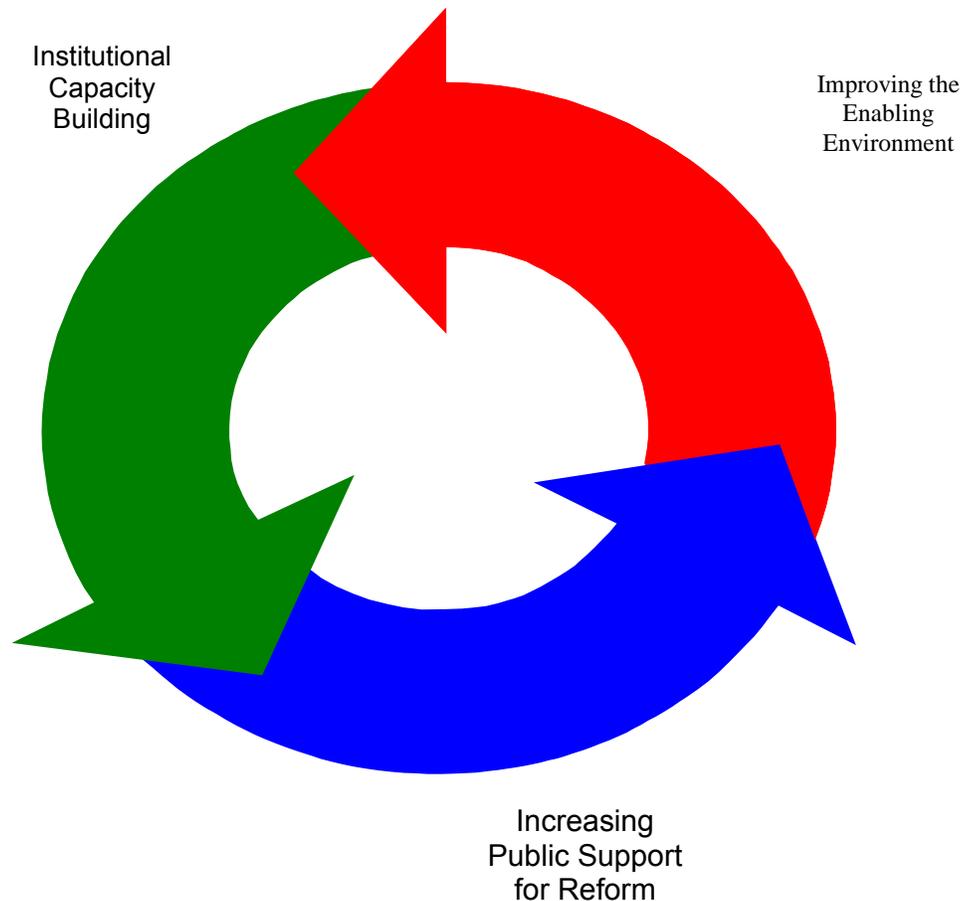
- Increased institutional capacity to make decisions in and implement energy sector reform and restructuring
- Improved enabling environment
- Increased public support for energy sector reform

Building human capital in all three areas is an important contribution of USAID and the training needs assessment (TNA) is the first step in that process. CORE's philosophy in conducting the TNA and developing a training plan is that they are part of a highly integrated and focused program; training activities under these areas reinforce other areas and have a feedback effect as shown in Figure 1. Activities to increase institutional capacity at those organizations responsible for transitioning enabling frameworks are one aspect of improving the enabling environment. In turn, with better policies and laws and implementing rules and regulations, those entities tasked with implementing restructuring and energy reform and restructuring perform better. Better performance translates into more public support for reform. Increased public support builds institutional capacity by raising the stature of the organization and by increasing public willingness to pay. The circle is complete. To amplify the feedback, training will work with a variety of sector stakeholders. Building institutional capacity there provides positive reinforcement to the restructuring process or the enabling framework, as it were. This again builds public support. Finally, activities specifically designed to build public support for reform also enter this self-reinforcing mechanism.

¹ Loss rates approach 40% in the electricity sector.

The purpose of this assignment was to develop the training needs assessment for Strategic Policy in the Ministry. However, the receptivity and need of the Ministry was greater and the assignment grew into the phase I of the training needs assessment. CORE will attempt in both phases of the TNA to identify all the important training needs of the MOE. This will certainly exceed the resources available in the CORE contract to provide training. Courses will be prioritized and training from CORE resources will proceed until the funds reserved for training in the agreed budget are exhausted. The MOE will use the TNA to solicit funds from donors for other training needs.

FIGURE 1



1.2 TRAINING NEEDS ASSESSMENT APPROACH

A training needs assessment is a tool that helps identify the courses or activities that staff require to improve their productivity and to do their job. The TNA identifies requirements not desires. The TNA should: (1) determine if training will make a difference in productivity; (2) decide what specific training each employee needs and what will improve their job performance; and, when possible distinguish between the need for training and organizational issues.

Given the changing role of the Ministry and the privatization and restructuring of the energy sector, new skills, tools and mindsets are required. This training needs assessment takes on a heightened sense of importance both for these reasons and also because the Ministry is reorganizing and hiring new employees. CORE's main focus in conducting this TNA is the Ministry of Energy (MOE) but it also extends to other Ministries and to the Parliamentary committees that will have a main impact of the MOE's mission.

CORE normally employs a six step TNA process that conducts one TNA for the organization. However, in this case, we will be conducting the TNA in two phases. This is due to the facts that (1) the Ministry has been recently reorganized and new personnel have not yet been hired and (2) there are urgent activities that must begin soon and for which Ministry staff will need training. Thus, Phase I will address these urgent training needs as well as some basic skills that will be required. Phase II will assess training needs for the new staff and for other areas with a lower priority.

The steps CORE generally uses are:

- 1. Review sector goals and Ministry's charter and recent Training Needs Assessments**

CORE begins by reviewing the goals for the sector (where it is headed for the future) and the Ministry's charter to determine its mandated role. This review provides valuable information for training. It sets the stage for a comparison of what employees are currently doing and what will be expected of them as the Ministry continues to grow and change. Rather than present the full details of the Ministry's functions (Appendix I), only the highlights will be presented herein. Additionally, CORE reviews any other TNAs that have been recently conducted for the sector to identify major gaps and trends.

- 2. Meet with senior management.**

Senior management is involved with the planning and implementation of activities and they are aware of where the Ministry is moving in the future. They are able to assess where their employee's current abilities lie. To a lesser degree they may know what is needed to get them and their employees to the next level for new activities on the horizon. In fact, the future sector restructuring and privatization require a set of skills and visions that are not present in the Ministry. They know where they want to go but they do not know fully how to get there or what tools to apply to help them answer the question. It is here that CORE's experienced training specialists apply their knowledge of what skills and tools are required for privatization and sector reform to complement those of senior management.

- 3. Meet with employees.**

In this step a subset of employees are chosen and the discussion centers on what struggles they may be facing from day-to-day and what would make their job easier and more efficient. It is important here to keep them focused on what they need rather than what they want as staff often are interested in foreign trips or training that is unrelated to their job functions. In other cases, they are unaware of what they need since the job they will be tasked with doing is completely new to them. For example, some of the Ministry staff will need to understand the principles of asset valuation and privatization so that they can properly task the privatization consultant and review this expert's work. However, with the exception of one Deputy Minister, none of the Ministry's staff have investment banking experience or training.

4. Conduct surveys.

It is not feasible to meet with all the staff for two reasons. First, the Ministry is in the process of reorganizing and not all the staff have been hired. Second, there are too many staff now to effectively meet with each one. A training needs assessment survey is a beneficial tool because many people can be polled in a short period of time. Additionally, surveys provide employees with the opportunity to bring to the open a need on paper that they may be too embarrassed to admit needing in a face-to-face meeting. A draft survey is attached as Appendix II and will be finalized and used in Phase II. CORE used important elements of the earlier World Learning Energy Sector Organizational Assessment Questionnaire because the sector is familiar with this approach and it is well suited to the current exercise.

SURVEY DESCRIPTION

Each of the ministry's professional staff will be given a survey. The survey instrument collects a variety of information on the employee's position, education, and previous training. It also seeks to: (1) determine employees understanding of and experience in the energy sector and (2) the employees existing level of knowledge in specific skill areas.

Employees are asked to rate their existing ability in specific areas as:

Existing Ability

1. Able to train others
2. Expert
3. Intermediate understanding
4. Beginner – basics
5. No training

The results of this section indicate the abilities a person has in each specific area, whether or not acquired through training and whether or not required for their existing job. This helps in determining several important aspects of good human resources program. First, it determines if people have the training they need to perform their job. Second, it determines if they can teach others, an important aspect in creating a sustainable training program. Third, it helps to identify where there are opportunities to move people to different areas that could better use their skills.

Next we ask employees about their perceived training needs for each of the same categories. They can choose between five specific areas which are:

Training Required

1. Not needed to perform
2. Basic Level
3. Intermediate Level
4. Advanced Level
5. Managerial Level/Policy Setting

These categories are important because: they identify first whether or not the person believes training is required; the extent to which training is required; and, they determine the level of instruction required. Each level is defined and discussed briefly:

Category 1 Not needed to perform

No training or skills needed for this person to perform their job.

Category 2 Basic Level

They have not had training in this area before and basic skills and awareness are required because the person will not be called upon to perform higher level functions. For example, their job may require that they print spreadsheets and/or enter data. However, they are not required to develop models or make analysis that requires more advanced training and experience.

Category 3 Intermediate Level

The employee has basic knowledge. This course level will perform the employee to perform “tasks and use the tools and methodologies of a position.”²

Category 4 Advanced Level

The employee is called upon to have a thorough understanding of the theoretical underpinning as well as skill in applying the theory to varied and often new situations. Advanced level is characterized by both the breadth and depth of training and experience. Employees having completed the advanced level will have knowledge of Best Practices.

Category 5 Managerial/Policy Setting Level

The employee is called upon to manage the process or to establish policy. This course prepares the participant to establish broad objectives, delegate tasks, evaluate analyses and make policy recommendations and decisions within the context of sector and international experience and Best practices.

This information together with earlier steps leads to the Gap analysis.

5. Prepare A Gap Analysis

The penultimate step in the TNA process is a GAP analysis. This analysis identifies the GAP between what employees need to do their job and what knowledge and skills they currently have in hand. Based on this information, job descriptions, discussions with managers and background in Georgia’s energy sector needs, the training specialist prepares basic course descriptions.

6. Brief Course Descriptions

Based on the results of the first five steps together with the training specialist’s experience, a set of brief course descriptions are developed. These descriptions provide the basis for developing the statement of work for the training specialists to develop and conduct the courses. They form the basis of the training plan.

1.3 TNA RESULTS

Phase I did not use step four above. Rather, it focused on meetings and discussions with senior and mid management and with individual employees that would be involved in urgent activities. The results of these meetings as per CORE’s approach are summarized below

² Georgia Energy Sector Organizational Assessment, World Learning, 2002, page 6-89.

1. Review sector goals and Ministry's charter and recent Training Needs Assessments

The key goals for the sector involve the privatization major electricity assets by June 2006, restructuring of the sector, and increased system expansion. The major short term goals are:

- Formation of WEM Working Group by April 1, 2005
- Market Mechanisms, including Transition Mechanisms, Defined by June 1, 2005
- Law Revisions proposed to the Parliament by June 1, 2005
- GNERC Approves New Market Rules by July 1, 2005
- Implementation of new Wholesale Market Structure by July 1, 2005
- Completion of Wholesale Market reform by July 1, 2005
- Introduction of Seasonal Tariffs by April 1, 2006
- Completion of Privatization by May-June 2006
- New Contracts by new owners by September 1, 2006
- Completion of Energy Sector Restructuring simultaneously with the completion of privatization
- Tariff reform completed by April 1, 2007

The Ministry is chartered with the following broad areas:

- a) Definition of the main priorities and directions, development conceptions of the separate areas and the entire technical-economic complex of the energy sector, elaboration of the short, medium, and long-term programs and facilitating their implementation;
- b) Promotion of implementation of the energy sector restructuring and main economic reforms, and accordingly, development of the competition on Georgian energy resource market; participation, within its competence, in the defining of the list of the facilities for privatization and elaborating the energy sector privatization plan;
- c) Promotion of foreign and local investors to ensure short, medium and long term investments in the energy sector; elaboration of the recommendation and main directions for using investments;
- d) elaboration of State emergency energy strategy, monitoring of the main parameters of the energy system;
- e) Monitoring of the internal market of energy resources for achieving density and stability of the market;
- f) Participation in the development of the energy sector designing and constructing provision within its competence and in accordance with the Acting Legislation;
- g) Control of safe operation, organization and implementation of the State energy supervision and management of the quality determined by Standard Acts of the Legislation, in coordination with the Georgian Standards Department, of the legal persons consuming, exporting/importing, supplying, distributing, transmitting generating electricity production on the territory of Georgia.
- h) Definition of the directions of renewable energy utilization and promotion of the sector developments;
- i) Perfection of the legislative base appropriate for energy sector functioning and development;
- j) Monitoring of the financial conditions and budget relations of the state agencies and legal persons of the Public law subordinate to the Ministry's governance and promotion of the adequate economic policy implementation on the energy sector;
- k) promotion of the export and import related relations and establishing of the relationship between the local and foreign energy companies;

- l) Establishment of external relations in the energy sector within the scope of its competence; expand the relations with the international financial institutions, Government and non-government agencies and private investors;
- m) general coordination and elaboration of the programs in relation with the scientific-research and pilot-construction works of particular importance in for the energy sector;
- n) Definition of the human resource policy within its competence and promotion of its implementation;
- o) Promotion sustainable development and function of the energy resource producing sectors in accordance with the acting Legislation;
- p) elaboration of the proposals regarding the policy and the strategy of the development of energy resource producing industries in the country; preparation of the appropriate projects and coordination of the implementation decisions in accordance with the established rules;
- q) Methodology recommendations of the energy resources producing sectors, elaboration of technical exploitation rules and other standard documents in accordance with the Acting Legislation;

USAID, through World Learning, conducted a sector organizational assessment in 2002 that covered technical assistance and training. The Ministry was not targeted and CORE's analysis indicates that the results of the training needs assessment is indicative of the general level of expertise and training in the sector with the exception of the Ministry. This is because many of the best and brightest were attracted from the Ministry to GNERC and the private sector operations. Thus there is a greater degree of basic skill building required at the Ministry than in the sector as a whole.

One area of the WL assessment results that are indicative of the Ministry deals with the level at which training is required. The WL report states "GNERC, for example, shows a high proportion of skills needed at the policy setting level, which is appropriate for a regulatory commission, especially one still in the process of establishing its own regulatory policies and procedures." This can be expanded to general policy and planning functions and skills and experiences required for support functions for policy analysis and planning.

2. Meet with senior management and a sample of employees.

CORE staff constantly meet with senior management and work alongside line staff in the technical assistance role and use this role to impart training and gather information about training needs. It is clear in these interactions that ministry staff has little real knowledge of and experience in formalized policy analysis and development. Policy setting appears to be an ad hoc process. Quick ideas are garnered and then implemented without much, if any, analysis. To be sure, the technical assistance team is changing this slowly and providing analysis and concepts. However, this is indicative of the need for basic understanding of the sector's complexities, the role of analysis in policies and the need to have a staff that routinely collect information and perform the analysis necessary to provide senior decision makers with pertinent information.

The training specialist reviewed the sector goals and the Ministry's charter with senior management to determine if all areas of future involvement were covered and to identify areas where management believed skills were lacking. Management stressed the lack of familiarity with the experiences of other countries in privatization, restructuring and market organization. They also felt the need to have access to best practices in these areas.

Together the following GAPS between the skills and experiences of employees and the areas of immediate training needs were identified:

- Privatization, including financial assessment and asset valuation.
- Tariffs (in their prospective role of setting tariff policy)
- Organization of Electricity markets and market rules
- Regional Energy Trade
- General Energy Sector Background (for technical specialists that are new to energy and for relevant staff with an energy background but a lack of exposure to practices outside of Georgia)
- Collection and Use of Energy Statistics
- Energy Balances
- Basic office productivity such as database and spreadsheet software

This was supported by CORE's work with the energy statistics database which indicated both a lack of familiarity with database software and the collection and use of energy statistics. Similarly discussions with managers and employees indicate a lack of basic knowledge and experience in a variety of areas from tariffs and privatization to the experiences of other countries and best practices.

Basic course descriptions are contained in Appendix III.

1.4 FINDINGS AND RECOMMENDATIONS

1. One of the most important methods of training is on-the-job training (OJT). CORE makes this a hallmark of its technical assistance approach and through the process of working closely with our counterparts, we learn their formalized training needs, impart new skills and reinforce formalized training. Formalized training must be complemented by OJT.
2. Consultants on technical assistance assignment should devote one day of their time to preparing and delivering a seminar on the topic of their assistance activity. This will enhance the effectiveness of technical assistance and also begin to impart training to a broader audience.
3. Language is a barrier. However, many of the program areas are unfamiliar to Georgians.
 - a. Course instruction for basic productivity classes such as excel, access or word should be conducted by local Georgian institutions, preferably through the World Learning contract.
 - b. Course instruction at the midlevel on technical subjects should emphasize Russian speaking experts, when available, or simultaneous translation.
 - c. Course instruction at the senior decision maker level can be conducted in English, but a person capable of providing technical interpreting should be available, if needed.
4. Sustainability and replication are important considerations.
 - a. The Ministry should dedicate a midlevel person to this activity. This recommendation has already been made to the Ministry and is being considered in their reorganization.
 - b. Local experts and institutions should be involved in the training process to the maximum extent possible so that there is a home for this work when USAID funding is finished. Two possible venues for this are (1) hire local experts to

participate on a training-the-trainer basis when they do not have sufficient exposure to conduct the course fully themselves and (2) provide an honorarium for local experts to conduct forums on topics of interest.

5. Some training is urgently needed and so training should proceed in a phased manner, as is the TNA.

1.5 NEXT STEPS

The basic course descriptions have been provided to the Ministry for review and the Ministry has agreed that all are required and adequate. The following are the next steps involved in completing Phases I and II:

Phase I

1. Development of a training plan and allocation of courses to (a) CORE's training budget, (b) other USAID training resources such as World Learning and (c) for the Ministry to seek additional funds.
2. Ministry will assign priority to training; together with CORE will select participants and establish a joint timetable for training funded through the CORE contract.
3. Training will begin on those activities funded through the CORE contract. The Ministry together with CORE experts has already slated three areas as immediate priority: Privatization, Market Structure and Tariffs.

Phase II

4. Finalization and circulation of survey. This will have to wait until the position descriptions are complete and new staff hired.
5. Gap analysis conducted and course descriptions developed.
6. Training plan developed and approved by Ministry and USAID. Phase II training will have to be conducted through other USAID or other donor resources as the funds in the CORE contract will be expended in Phase I.

2. APPENDIX I – Ministry Charter

Order #49 of the Government of Georgia

March 17, 2005 Tbilisi

On Approving the Charter of the Ministry of Energy of Georgia

In accordance with the 1st Clause of the Article 17 of the Law of Georgia on “Rule of Activity, and Authority, and Structure of the Georgian Government”:

1. Attached Charter of the Ministry of Energy shall be approved.
2. Order #36 of the Georgian Government dated by May 21, 2004 on “Approving the Charter of the Ministry of Energy Of Georgia” shall be declared null and void.
3. Order shall become effective by publishing.

Prime Minister of Georgia

Charter of the Ministry of Energy

Article 1. General Provisions

1. Ministry of Energy of Georgia (hereinafter referred to as Ministry) is the State institution implementing executive authority and state policy in the Georgian energy sector.
2. Ministry has been created in accordance with the Law of Georgia on “The Structure of the Government of Georgia”.
3. Ministry’s activities shall be governed by the Georgian Constitution, International Agreements, and other Standard Acts and this Charter.
4. Ministry’s goals, authority and structure shall be determined by acting Legislation and this Charter.
5. Ministry with its entire system shall ensure implementation of the State policy in the energy sector, State control and employment supervision.
6. Ministry shall report to the Government according to the Rules established by the Legislation.
7. Central Staff of the Ministry and the subordinated departments and legal persons of Public Law create the entire system.
8. Ministry is the budget organization and is financed form the state Budget.
9. Minsitry has a completed balance and account in the treasury, list of costs, seal with the expression of State Herald Sign of Georgia and marc of its name.
10. The address of the Ministry’s official web page is: www.minenergy.gov.ge
11. Legal Address of the Minsitry is: 10 Lermontov, Tbilisi, Georgia.

Article 2. Sphere of Activity and Objectives of the Ministry

Ministry’s Sphere of Activity and Objectives are:

- a) Elaboration and coordination of the implementation, after approving by established Rules, of the main State directions to ensure effective functioning and development of the energy sector;
- b) Perfection of the sector structure in accordance with the acting legislation, its sustainable functioning and implementation of the energy efficiency program;
- c) Participation in elaboration of the State policy of energy sector priority financing, supervision of the policy implementation within the scope of its competence;
- d) Promotion of financial- and budgetary policy implementation in the energy sector in accordance with the country’s economic policy and under the Acting Legislation;
- e) Elaboration of restructuring and reform policy taking into consideration the energy sector peculiarities; participation in elaborating the energy sector privatization policy, within the scope if its competence, with the aim of optimal implementation and elaboration of the united privatization plan;
- f) Promotion of short, medium and long-term investments aimed at sector rehabilitation and developments in accordance with the Acting Legislation;
- g) Elaboration and Coordination of the implementation of the organizational measures required for industrial and economic security of the energy complex;
- h) Elaboration of the country’s energy security policy and its implementation according to the established rules.

Article 3. Functions of the Ministry

Main functions of the Minsitry are:

- r) Definition of the main priorities and directions, development conceptions of the separate areas and the entire technical-economic complex of the energy sector, elaboration of the short, medium, and long-term programs and facilitating their implementation;
- s) Promotion of implementation of the energy sector restructuring and main economic reforms, and accordingly, development of the competition on Georgian energy resource market; participation, within its competence, in the defining of the list of the facilities for privatization and elaborating the energy sector privatization plan;
- t) Promotion of foreign and local investors to ensure short, medium and long term investments in the energy sector; elaboration of the recommendation and main directions for using investments;
- u) elaboration of State emergency energy strategy, monitoring of the main parameters of the energy system;
- v) Monitoring of the internal market of energy resources for achieving density and stability of the market;
- w) Participation in the development of the energy sector designing and constructing provision within its competence and in accordance with the Acting Legislation;
- x) Control of safe operation, organization and implementation of the State energy supervision and management of the quality determined by Standard Acts of the Legislation, in coordination with the Georgian Standards Department, of the legal persons consuming, exporting/importing, supplying, distributing, transmitting generating electricity production on the territory of Georgia.
- y) Definition of the directions of renewable energy utilization and promotion of the sector developments;
- z) Perfection of the legislative base appropriate for energy sector functioning and development;
- aa) Monitoring of the financial conditions and budget relations of the state agencies and legal persons of the Public law subordinate to the Ministry's governance and promotion of the adequate economic policy implementation on the energy sector;
- bb) promotion of the export and import related relations and establishing of the relationship between the local and foreign energy companies;
- cc) Establishment of external relations in the energy sector within the scope of its competence; expand the relations with the international financial institutions, Government and non-government agencies and private investors;
- dd) general coordination and elaboration of the programs in relation with the scientific-research and pilot-construction works of particular importance in for the energy sector;
- ee) Definition of the human resource policy within its competence and promotion of its implementation;
- ff) Promotion sustainable development and function of the energy resource producing sectors in accordance with the acting Legislation;
- gg) elaboration of the proposals regarding the policy and the strategy of the development of energy resource producing industries in the country; preparation of the appropriate projects and coordination of the implementation decisions in accordance with the established rules;
- hh) Methodology recommendations of the energy resources producing sectors, elaboration of technical exploitation rules and other standard documents in accordance with the Acting Legislation;

Article 4. Rights and Obligation of the Ministry

To ensure implementation of the uniform State policy in the energy sector the Ministry of Energy has the right to:

- a) Participate in elaboration of the draft laws, social and economic policy of the country within the scope of its competence;
- b) Study, within its competence, the implementation of approved programs, plans and projects aiming at the development of the different spheres of energy; accept and review the implementation reports in this regard; elaborate recommendation proposals for improving the activities of the energy sector enterprises and institutions; and implement their fulfillment monitoring;
- c) Under the scope of the projections made under the acting Legislation, issue permissions for locating oil processing facilities, as well as electricity generation and electricity transit or natural gas transportation facilities in the energy system; define main principles of using fuel and energy;
- d) Promote, according to the established rule, applying of different forms of financing scientific – research and pilot-construction works of high importance in the energy sector (grants, funds, etc.)
- e) Request from all state institutions, legal persons of public and private laws documentary and other materials needed for implementation granted authority fully;
- f) Establish relations in accordance with the rules with the international Institutions and legal and physical persons, conclude agreements within the scope of the granted authority and competence ;
- g) Prepare conclusions and suggestions regarding different Standard Acts related to the energy sector;
- h) Conduct human resource policy, promote creation of the system for staff selection, preparation, qualification upgrading in the energy sector;
- i) Request financing from the Budget for implementing the projects of significant importance for the development and normal functioning of the energy sector;
- j) Implement other responsibilities defined by legislation.

Article 5. Management of the Ministry

1. Ministry is managed by the Minister
2. Minister, after the President's approval, is appointed by the Prime Minister. Minister is released from the position by the Prime Minister.
3. Minister shall:
 - a) ensure fulfillment of the goals of the Ministry, coordinates the activities of the state subdivisions and legal persons of the Public law within the Ministry's system, regulates the issues related to the Ministry management;
 - b) take responsibility for fulfillment of the Georgian constitution, International Agreements, Law, Orders and decrees of the President of Georgia, Government Resolutions and Decrees;
 - c) supervise fulfillment of the obligations of the Ministry's structural sub-division and state and institutions and legal persons of the Public Law under the Ministry's management, implements supervision of activities and decisions of the Ministry's public servants;
 - d) appoint and dismiss public servants in the Ministry, envisaged by the List of Staff, as well as the Managers of Legal Persons of the Public Law under the Ministry according to the Georgian Legislation; submit to the Prime Minister the candidates for appointing at the management positions in the State organizations subordinate to the Ministry;
 - e) appoint and dismiss the deputies managers of the suborbital agency by recommendation of the managers of the agencies;

- f) submit the proposal of the Ministry's annual budget revenues and expenditures to the prime Minister and if necessary proposal on the supplementary budget, make decisions about target used of the budgetary resources and take responsibility for targeted and accurate fulfillment the budget;
 - g) in accordance with the State Budget, approve the list of expenses of the subordinated State institutions, implement supervision of its fulfillment and, if needed, give instructions on use of budget allocations;
 - h) determine the structure of the State institutions subordinated to the Ministry and the rule of their records maintenance, other than the cases determined by the legal documents superior to the Minister's Order;
 - i) submit the Statement of Work to the prime Minister;
 - j) Participate in the Government Sessions;
 - k) represent the interests of the Ministry in the relations with the legal and physical persons; sign agreements, contracts;
 - l) personally take responsibility before the Georgian Government for meeting the obligations and objectives assumed;
 - m) monitor legality and reasonability of the activities of structural sub-divisions of the Ministry, also, implement the decisions of the Ministry's public employees and supervision of their activity according tot the rule established by Law; implement State control over the Legal Persons of the Public Law. Minister has the right to assign the First Deputy Minister to supervise the activities of the Ministry officials;
 - n) terminate the validity of the Acts of First Deputy, Deputies, manager of the Ministry sub-divisions and legal persons of the Public Law, which do not comply with the Georgian Constitution, Orders of the President and Government Resolutions and Decrees, as well as the Minister's Orders;
 - o) Minister is authorized to terminate the validity of the Acts of managers listed in the Clause N due to their unreasonability;
 - p) present distinguished employees for granting awards and honorary titles in accordance with the rule established by Legislation;.
 - q) issue orders and supervise their fulfillment within his competence and in accordance with the rule established by legislation;
 - r) approve the Charters of the institutions subordinated to the Ministry according to the established rules, the charters are registered in the special Register of the Government of Georgia, also, Charters of the Legal Persons of the Public Law, except of the cases when they are defined by the legal documents superior to the Minister's order;
 - s) approve the Charters of the Ministry sub-divisions;
 - t) settle the legal disputes in the Ministry sub-divisions, and the institutions and legal persons under the Ministry management;
 - u) take responsibility for protection and use of State property, organize the activity in accordance with the established rules;
 - v) fulfill the assignments given to him, by the president's Orders and Decrees, Government resolutions and Orders, Legislation and other
4. Minister's authority shall be terminated by the Rule established by the legislation.
 5. Minister shall have four Deputies, including on First Deputy, which, presented by the Minister, are appointed by and dismissed by the Prime Minister in coordination with the President.
 6. In the absence of the Minister his responsibilities are taken by the First Deputy Minister.
 7. Responsibilities between the First Deputy Minister and the Deputy Ministers shall be distributed by the Minister's Order. One of the Deputies shall undertake the functions of the Parliamentary Secretary of according to the Minister's Order.

Article 6. Ministry Councils

1. Minister has the right to establish commissions and councils with the advisory authority in the sphere of his management and define their obligations and rule of activity.
2. Councils shall be created for working on different issues within the scope of the Ministry's competence. The main objectives as well as the rules of preparing its conclusions and proposals shall be determined by the Minister during establishment of a council.
3. Council shall be created by the Minister's Order defining its goals, Chairman, (Vice-Chairman, if necessary) and the members, terms of fulfillment the goals, and servicing structural sub-division.
4. The State organization employee by consent of this organization's manager can be appointed as the member of the council. The persons, who are not employed by the State organizations, can be involved in its activity by their consent.
5. The activities of the council and protocols of its meetings shall be provided by the Ministry's structural sub-division servicing to the council.
6. Council shall be authorized to request the documentation needed for fulfillment of its goals.
7. Chairman of the council shall report to the Minister.

Article 7. Structure of the Ministry and Main Functions of Structural Sub-divisions

1) Structural Subdivisions of the Ministry are:

- a) Administrative Department;
- b) Energy Policy and International Relations Department;
- c) Energy System Coordination and Monitoring Department;
- d) Economic Department;
- e) Legal Department;

2) "Energy Supervision and Fuel Quality Control Department" is the State Institution subordinated to the Ministry.

3) "Energogeneratsia" is the Legal Person of the Public Law in the Ministry system.

4) Main functions of the Administrative Department are as follows:

- a) Introduction and analyses of the uniform informational base of the energy sector;
- b) Creation of material and technical conditions necessary for the central office to carry out its functions; organization of construction and repair in compliance with the rules stipulated by the legislation; also organization of the State procurements for the requirements of the ministry's Central Office;
- c) Promoting relations with the mass media, NGOs and other public organizations on behalf of the Ministry;
- d) Preparation of orders regarding appointment and dismissal of the Ministry's personnel and employees, within his/her scope of competence;
- e) Preparation of personal files, labor history records and books of the Ministry's personnel, within his/her scope of competence;

- f) Organization of professional training for the personnel; job posting and competition for jobs; targeted usage of employee reserves; control over the discipline and internships;
- g) Ensuring control of the implementation of the Ministry assignments
- h) Creation and constant upgrading of the information data base; proper operation and development of the internal computer network; placement of legal acts and various necessary information in the computer network;
- i) development and constant upgrade of the Ministry's web-page; placement of the Ministry's standard acts, records, annual reports, statistical, economic and technical data and the Ministry's public information on the webpage.
- j) Confidential records maintenance, ensuring compliance with the confidentiality requirements of the Acting Legislation;
- k) Coordination and organization of reception hours for citizens;
- l) Organization of the records maintenance of the Ministry Structural Sub-divisions;
- m) Ensuring coordination of the structural divisions activities with by the Minister;
- n) Ministers personal organizational, informational-analytical services, organization of 24-hour shift;
- o) If necessary, ensuring execution of the protocols of the meetings held in the Ministry;
- p) Fulfillment of other assignments given by the Minister and the Deputy Ministers.

5) Functions of the Energy Policy and International Relations Department are as follows:

- i. development of uniform policy and strategy in the energy complex and promotion of its implementation;
- ii. development of short term, medium and long term programs; development of the country's energy security policy and promotion of its implementation;
- iii. definition of directions for the utilization of the renewable sources of energy; development of the uniform State policy and strategy in this regard;
- iv. participation in elaboration of the energy sector privatization plans, within the Ministry's competence, and preparation of the list of the facilities for privatization
- v. Participation in energy efficiency and energy saving, as well as environmental policy development in energy sector and promotion of their implementation within the scope of its competence;
- vi. coordination of sector and inter-sector scientific research and testing/construction projects;
- vii. preparation of relevant documents needed to issue permissions and conclusions regarding the proposed location of the energy sector facilities to be constructed;
- viii. development and coordination of international relations;
- ix. coordination of planned activity and programs targeted to integrate the country into the Euro-Atlantic structures (within the Ministry's sphere of competence);
- x. coordination of work of international donor organizations within current and planned projects and relations with international investors (within its sphere of competence),

- development of attractive projects for promoting investments in the energy sector and presentation of these projects at international forums;
- xi. development of the current and future prospects for transportation and transit of energy resources (within its sphere of competence);
- xii. fulfillment of other assignments given by the Minister and Deputy Ministers

6) Functions of the Energy System Coordination and Monitoring Department are as follows:

- a) coordination and cooperation with the organizations operating within the energy sector; monitoring over the technical condition of equipment belonging to power generation, transmission/dispatch, distribution enterprises and production enterprises (coal, crude oil, natural gas etc.);
- b) supervision over safe utilization of electric equipment and devices (within its competence);
- c) development of proposals regarding energy sector management, improvement of technological processes, reduction of energy and thermal losses; development of projects targeted to modernize technical and technological processes; preparation of programs and technical data for rehabilitation of generation, transmission and distribution facilities;
- d) development of energy balances; forecast of the country's increased demand for energy resources, taking into consideration the household basket and national economic parameters;
- e) monitoring over their implementation in order to guarantee reliable operation of the Georgian electric system and energy distribution companies.
- f) monitoring over production and sale of energy resources, also import/export volumes of energy resources;
- g) preparation of the proposals and recommendations on efficient utilization parameters of fuel resources and their effectiveness.
- h) forecast of energy resource volumes and analysis of current expenditure;
- i) elaboration of methodological recommendations technical maintenance rules and other Standard Acts on energy producing spheres within the scope of its competence and in accordance with the Acting Legislation
- j) fulfillment of other assignments given by the Minister and Deputy Ministers

7) Main functions of the Economic Department are as follows:

- a) promotion of competition in the Georgian energy resources market within the scope of its competences and in compliance with the implementation of the energy sector restructuring and main economic reforms;
- b) participation in the elaboration of the State and Budget financing policy in the energy sector and promotion of its implementation;
- c) participation, within its competence, in the negotiations with the donors and investors and financial monitoring of contract implementation;
- d) within its competence, implementation and monitoring of the procurements made by funds allocated for the energy sector rehabilitation;
- e) organization of budget processes; determination of budget parameters according to the main directions; development of the draft budget for the whole Ministry;

- f) preparing and analyzing financial and accounting accounts and statements; elaboration of financing plans and spending limits; preparation of proposals and conclusions on tax, budget, and financial policy
- g) elaboration of the draft budget for the Ministry Staff;
- h) development of the state indicative programs and forecast plans in the energy sector;
- i) monitoring and preparing information reflecting the State budget relations and financial statuses of the Ministry subordinated institutions as well as the Legal persons of the public law under the Ministry governance;
- j) fulfillment of other assignments given by the Minister and Deputy Ministers

8) Main functions of the Legal Department are as follows:

- i) elaboration of the legal bases for the functioning, restructuring and developing the energy sector;
- ii) coordination of legal relations with the Parliament, President's Administration and other State organizations;
- iii) conducting negotiations with investors and donors organizations, preparation and examination of draft agreements and monitoring of the implementation of the concluded agreements;
- iv) coordination of the activities of the legal departments of the organizations subordinate to the Ministry;
- v) implementation of the legal relations with the foreign countries, international financial institutions and private investors; in accordance with the Acting Legislation
- vi) ensuring representation of the Ministry at Court and Arbitrage in accordance with the rules established by Acting Legislation;
- vii) perpetration of draft legal documents and ensuring their compliance with the Acting Legislation;
- viii) fulfillment of other assignments given by the Minister and Deputy Ministers.

Article 8. Symbols of the Ministry

1. Ministry has a round, 50 mm diameters seal with the State Emblem in the center. "The Ministry of Energy of Georgia" is written in Georgian and English languages around the center.
2. Ministry shall use the State Flag and emblem in accordance with the Acting Legislation.
3. Ministry may have its emblem, which will be registered according to the Acting Legislation.
4. Ministry emblem can be used in visit cards, other printing publications and Ministry's souvenirs.

3. APPENDIX II – Training Survey

DRAFT TRAINING NEEDS SURVEY

Name: _____

EMPLOYMENT RECORD: Give the last three positions held starting with your current position.

Position	Department/Employer	Employment From	Dates To

EDUCATION:

Institution	Degree	Major Subjects	Date Awarded

OTHER TRAINING: List technical courses, seminars or workshops beginning with those most relevant to your current position. Provide the year and duration of each course.

The following section asks you to rate yourself in a variety of different areas. The idea is to get an understanding of your level of training, what training you may need and areas where you may be able to train others. Circle your answer.

1. Which answer best describes your experience in conducting technical energy analyses.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little supervision.
5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

2. Which answer best describes your experience in conducting statistical and policy analyses in energy.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little supervision.
5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

3. Which answer best describes your experience in development of complex written documentation involving thorough analyses and recommendations.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little supervision.
5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

4. Which answer best describes your experience in formulating policy and assessing resource issues on new and/or current programs.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little supervision.
5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

5. Which answer best describes your experience in analyzing, evaluating and/or preparing reports which summarize the progress and results of projects and/or programs.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little

supervision.

5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

6. Which answer best describes your experience in developing studies which characterize energy supply and demand and business trends in various sectors, e.g., commercial, industrial, manufacturing.

1. I have not had experience, education, or training in this area.
2. I have completed formal education or training, but have not performed this task on the job.
3. I have performed this function, but under close supervision by supervisor, manager or senior employee.
4. I have performed this function as a regular part of my job, independently and usually with little supervision.
5. This function has been a core responsibility of my job. Management has used my information as input as important part of an organization's decision-making process.

6. Not applicable

7. Do you have analytical skills to evaluate complex energy programs and issues?

Yes No

8. Do you have a good understanding of how the energy sector works in Georgia?

Yes No

9. Do you have a good understanding of how the energy sector works in other countries?

Yes No

This section asks you to rate yourself in a variety of other areas. Please put the number of your rating in the box to the right of the skill area.

Skill Area: Use the rating scale on the right for each skill area.	EXISTING ABILITY 1. Able to train others 2. Expert 3. Intermediate understanding 4. Beginner – basics 5. No training	TRAINING REQUIRED 1. Not needed to perform 2. Basic Level 3. Intermediate Level 4. Advanced Level 5. Managerial Level
Energy Sector Restructuring		
Energy Sector Regulation		
Energy Sector Policy & Planning		
Energy Economics		
Finance & Financial Analysis		
Electricity Systems Planning		
Load Forecasting		
Energy or Financial Modeling		
Statistics – Data gathering and Analysis		
Utility Operations		
Oil & Gas Exploration & Development		

Pipeline Operations		
Environmental Impact Assessment		
Energy Efficiency		
Renewable Energy		
Coal		
MANAGEMENT SKILLS		
Accounting		
Strategic Planning		
Finance		
GENERAL SKILLS		
Word processing		
Spreadsheets		
Database		
Internet Search		
Technical Writing		

Please describe your position; what do you do. What skills are required, what knowledge of the industry is required.

What professional courses do you feel you need to better perform your job that are not listed above?

APPENDIX III – Course Descriptions

<p>Training Activity 1a: 1. BEST PRACTICES IN ELECTRICITY SECTOR REFORM WORKSHOP</p>
<p>Description and Rationale:</p> <p>The Government of Georgia is moving to some form of broad sector restructuring as the means to achieve investment, competition and commercial orientation, and, more importantly, to simply get the sector through each winter. The Ministry is continually looking for that “right” policy or combination of policies that will unfetter the sector. Lack of experience and information create obstacles for the Ministry staff in developing these policies. Additionally, the sector policy makers need to consider a wide array of possible policies and structures and yet, the institutions tasked to advise policy makers and implement enabling frameworks, lack the basic experience and skills. Continued forward movement is critically linked to the successful completion of tasks with which the staff has little experience. Rather than reinventing the wheel and/or making the mistakes that others have made, the Ministry can benefit from learning the lessons of other countries through the “Best Practices in Electricity Sector Reform.” Providing staff with this training will complement USAID’s ongoing technical assistance to the Ministry, making a more effective contribution than technical assistance alone.</p>
<p>Training Method, Timing & Venue:</p> <ul style="list-style-type: none"> • Intensive, hands-on three day workshop at a location outside of Tbilisi beginning on or about 1st of June, 2005.
<p>Target Audience:</p> <ul style="list-style-type: none"> • The target audience is comprised on 10 to 15 Ministry Staff including department heads.
<p>Objective and Results Expected</p> <p>The objective of this workshop is to provide the GOG’s policy related institutions with a basic knowledge of the Best Practices in Electricity Sector Reform, drawing upon the experiences of other countries. It will lead to increased institutional capacity to design policy and develop implementing rules and regulations. Anticipated outcomes are the development of sound, rational electricity reform law and policy, the implementing rules and regulations and restructuring plan.</p>

Training Activity 1b:

2. BEST PRACTICES IN ELECTRICITY SECTOR REFORM EXECUTIVE LEVEL SEMINAR

Description and Rationale:

Restructuring and reform is new to many of Georgia's law makers. The Georgian Parliament will be called upon to approve the new electricity law and other Ministries will need to understand the process to understand better how it impacts their plans and operations. Vital to their contribution to the process, is an understanding of what has been done elsewhere, why it worked or did not, and what were the outcomes. Senior level executives in other Ministries such as Finance and Economy will also benefit from this introduction.

Training Method, Timing & Venue:

- Half-day seminar for Parliamentarians and Senior Government Executives at the Ministry of Energy beginning on or about the 7th of June, 2005.

Target Audience:

- The target audience is comprised of Parliamentarians, their staff and concerned Senior Government Executives.

Objective and Results Expected

The objective of this seminar is to provide the GOG's law makers and related institutions with an introduction to the Best Practices in Electricity Sector Reform, drawing upon the experiences of other countries. It will lead to increased institutional capacity to design and approve sector related legislation. Anticipated outcome are the development of sound, rational electricity reform law.

Training Activity 1c:

3. BEST PRACTICES IN ELECTRICITY SECTOR REFORM PRESS BRIEFING

Description and Rationale:

Journalists often lack the necessary background to critically cover and report complex economic issues such as electricity sector restructuring. This lack of familiarity with the subject had contributed to articles which are flamboyant and appeal to emotions rather than being grounded in fact. Better information will help journalist better inform the public.

Training Method, Timing & Venue:

- Quarter-day Press Briefing at the Ministry of Energy beginning on or about the 8th of June, 2005.

Target Audience:

- The target audience is comprised of journalists and reports.

Objective and Results Expected

The objectives of this briefing are to (1) provide the Georgia's reporters with an introduction to the Electricity Sector Reform from around the globe and (2) to serve as the first in an ongoing series of press information programs. It will lead to more informed reporting of sector events including restructuring and reform and help to embrace the public in a positive manner in the process.

Training Activity 2

4. ELECTRICITY PRIVATIZATION EXECUTIVE DISCUSSION PANEL

Description and Rationale:

“Decisionmakers must be better educated so they can fully understand the need for privatization, and the necessity of creating a solid institutional framework that will allow privatization to flourish. “

Georgia is on a path toward privatization of energy assets at the same time it is undertaking sector reform. How those assets are privatized, the legal and regulatory frameworks and pre-privatization efforts all have a significant impact on the value that Georgians will receive. Even the current efforts in sector restructuring can significantly impact the value that these assets will fetch. Effective financial sector reform is an important precondition for success and will include introduction and enforcement of modern corporate law, shareholder rights, clear free-market policies, public utilities' regulatory frameworks, capital markets laws, and liberalization of trade policy. Conversely, how those assets are privatized can also impact sector performance, efficiency and future accessibility. In short, Georgia's decision makers need to understand these issues as well as what banks, investors and buyers are looking for in a sale. Yet, Georgia's decision makers have little experience in this area.

Some of the important issues include: the ability and willingness of the Government to make serious and protracted commitments to private developers and institutions; government officials' lack of understanding of devastating impact that actions such as renegotiating tariffs, renegotiating the terms of security package contracts, and/or failing to honor project performance guarantees (public officials' appreciation for the sanctity of contracts); lack of well established policies and regulatory frameworks; frequent changes in political leadership and the political risk it poses; the lack of creditworthy project off-takers and participants and acceptable credit enhancement mechanisms to provide project security to investors and financiers; and the limited institutional capacity and experience with project finance.

This discussion panel series will bring Georgia's decision makers together with real industry participants, the Bankers, Investors, Operators and Consultants, that have hands-on experience. The discussion panel will follow a tested format. In the first discussion panel, participants will examine energy sector privatizations from the point of view of those that actually have done this before. The discussions are moderated and participants are chosen to represent each of these areas. Day 1 discussion sessions will be lead by:

- a Former Minister of Energy who will share what his country expected to get out of the privatization, how they went about it, who they employed and what they tasked them to do, and finally what was the outcome;
- and an International Banker, who will discuss the role of risk and enabling frameworks on cost and value.

Day 2 discussion sessions will be lead by:

- Utility Buyer/Operator who will discuss what a buyer looks for, what impacts cost, risk and value and other countries experiences.
- Consultant who will discuss the role of consultants and how to get the best out of the consultants that must be employed for this task.

Following these discussions there will be discussions by the discussion panel participants and then a question and answer session.

Training Method, Timing & Venue:

- Two day discussion panel. June/July, 2005.

Target Audience:

- The target audience is comprised of Ministerial level decision makers such as the Ministers and Deputy Ministers of Finance, Economy, and Energy, along with members of Parliament relevant to the sale of energy assets.

Objective and Results Expected

The overriding objective of this Discussion panel is to prepare Government decision makers to understand how the decisions they make (or don't make) can impact the value of assets they sale and their operations once privatized. This is achieved by: (1) providing a sense of the real issues that confront Governments with the privatization of energy assets; (2) providing decision makers with the knowledge and access to experienced individuals that have engaged in sector privatization; and, (3) serving as an open forum to learn from the experience of others. The expected result is Government decision makers that are better prepared to plan privatization and negotiate the sale of assets understanding fully the tradeoffs that exist.

Training Activity 3

5. ELECTRICITY PROJECT FINANCE

Description and Rationale:

This course is designed to raise awareness and educate participants (1) on the fundamentals relating to asset valuation of energy assets, (2) the various factors impacting value such as risk and taxation, (3) the requirements, security requirements, and covenants of financial institutions in lending, and how banking requirements can dominate transaction structure, and (4) the importance of successfully mitigating project risks. The training will provide a broad overview of these subjects.

Successful privatization requires that the seller understand (1) those factors that impact value, (2) understand how to measure value, particularly from the buyer's point of view and (3) understand the tradeoffs between value and those factors impacting value.

Training Method, Timing & Venue:

- Intensive, hands-on five day workshop in July or August of 2005.

Target Audience:

- The target audience is comprised on 3 to 4 Ministry of Energy Staff and staff from the Ministries of Economy and Finance.

Objective and Results Expected

The objective of this workshop is to provide participants with the tools to be able to determine those factors impacting value and estimate the tradeoffs that exist among the various factors and value. This will provide the in-house capability to provide senior decision makers with the costs of various actions, reductions in risk for example, and the increase the expected sale value of the asset. It is expected that this will provide Government with the ability to understand how sale value is impacted by their decision or indecision.

Training Activity 4

6. TARIFF DESIGN AND RATE SETTING WORKSHOP

Description and Rationale:

Policy making functions for tariffs will be moving to the Ministry and GNERC staff need deeper and broader understanding of the principles of tariffs and various tariff methodologies. The objective of this workshop is to provide the Ministry and GNERC staff with a theoretical basis for tariffs and to provide hands on experience in calculating tariffs. For the Ministry this will lead to an understanding of the principles of tariffs that will enable them to analyze and develop better tariff related policies and to be able to interact with the GNERC. For GNERC, this will expose them to a broader range of tariff methodologies and experience in seeing how this is related to accounting practices and collection of information.

Training Method, Timing & Venue:

- Intensive, hands-on five day workshop in July or August of 2005.

Target Audience:

- The target audience is comprised on 3 to 4 Ministry Staff and GNERC staff.

Course Outline

- I. Financial Statements and Reporting by Public Utilities.
- II. Operating Revenues, Operating Expenses, Rate Base Development and Revenue Requirement for Utilities
- III. Tariff Philosophies and Methodologies
- IV. Cost of Capital, Rate of Return, Role of Profit
- V. Cost of Service Concepts, including Accounting Cost of Service and Economic Marginal Cost of Service.
- VI. Rate Tariff Structures and Designs

Training Activity 5

7. MARKET STRUCTURE SEMINAR

Description and Rationale:

Establishing a market for power is a complicated process that helps to determine not only the value of assets which the Government wishes to privatize but also the efficiency of operations in the restructured market. It is critical that Georgia's market participants and decision makers understand the range of market structures

Training Method, Timing & Venue:

- Two day seminar in May/June of 2005.

Target Audience:

- The target audience is comprised on Market Structure Working Group.

Course Outline

1. Establishing A Power market

- Power Sector Strategy: National and regional targets, Unbundled systems/utility Segmentation, Indicative planning, Company specialization, Open access and competition.
- Institutional Market Roles: Regulated functions, Transparency and stability, Laws, Courts and stability, Competitive environment, Service Obligations, Risk management
- Contracts: Types and purposes, Supplier Contracts, Limitations
- Market Economics: Pricing and tariffs, Creating a climate to promote private investment
- Thinking towards a regional Market

2. Market Structures

- Form of Market Structure
 - Single Buyer
 - Pure Contract Model
 - Mixed form of Market
 - Mixed form of Market Members
 - General Properties
 - General Market Properties
 - Generation Market Properties
 - Distribution Properties
 - Transmission Properties
 - Market Operator

Training Activity 6

8. ENERGY STATISTICS & BALANCES

Description and Rationale:

This course is a follow on to the basic energy statistics course and aims at providing training in developing and using energy balances.

Definition and measurements of energy stocks and flows; structure and format of the various types of energy balances; sectoral accounting of energy consumption by the major energy consuming sectors; accounting and assembling of traditional energy;

Training Method, Timing & Venue:

- Two week classroom sessions in July/August of 2005.

Target Audience:

- The target audience is comprised of midlevel staff at the Ministry and other related energy institutions.

Course Outline

- I. Energy Flows in the Economy - Basic Concepts, Measurements and Main Issues
 1. Need for Energy Data
 2. Classification of Energy By Sources and Use
 3. Features of Energy Statistics
 4. Major Energy Flows,
 5. Boundary Problem, Problems of Measurements, Usual Conventions

- II. Energy Accounting Framework
 1. Energy Commodity Account
 2. Overall Energy Balance: Structure, Format and Conventions
 3. Alternative Approaches for Energy Accounting
 4. Sectoral Energy Accounting
 5. Traditional Energy Accounting
 6. Issues in Energy Accounting

Training Activity 7a

9. INTRODUCTION TO MICROSOFT EXCEL

Description:

This course is designed for the student who has had no previous spreadsheet experience. Students will gain a working knowledge of Excel.

Training Method, Timing & Venue:

- 3 day, classroom sessions. June/July/August 2005.

Target Audience:

- All staff at the Ministry that will use spreadsheet based software programs.

Course Outline:

Creating a basic worksheet by entering text, values and formulas;
Creating formulas by using built-in functions;
Understanding moving and copying data by using shortcuts;
Use of formatting techniques and spell checking to prepare documents for printing;

Training Activity 7b

10. ADVANCED MICROSOFT EXCEL

Description:

In the Advanced course, staff will learn the skills and concepts necessary to work with advanced features of Excel 2003. Items that will be covered include how to: audit and analyze data, create pivot tables, and function within a workplace environment where information is shared.

Training Method, Timing & Venue:

- 3 day, classroom sessions. June/July/August 2005.

Target Audience:

- Ministry staff that will perform analytical functions using spreadsheet based software programs and who have completed the introductory course or already have proficiency in Excel.

Course Outline:

create and operate Macros;
learn how to share files in a workplace environment;
analyze worksheet data by creating pivot tables;
analyze worksheet data by using the Scenario Manager;
compare and contrast workbook files and file links;
protect worksheet data by locking cells; and
work with Importing and Exporting data

Training Activity 8a

11. INTRODUCTION TO MICROSOFT ACCESS

Description:

This course is designed for the student who has had no previous database experience. Students will gain a working knowledge of Access that will enable them to carryout simple database functions.

Training Method, Timing & Venue:

- 3 day, classroom sessions. June/July/August 2005.

Target Audience:

- All staff at the Ministry that will collect and use energy statistics.

Course Outline:

Understand database concepts and terminology;
Design, create and modify databases;
Select specific records and fields from the database;
Create calculated fields and view data from the databases;
Generate data forms for viewing and inputting data;
Create and customize report designs by grouping, sorting and summarizing data;
Perform database maintenance procedures;
Create mailing labels and a report for mailing labels.

Training Activity 8b

12. ADVANCED MICROSOFT ACCESS

Description:

In the Advanced course, staff will learn the skills and concepts necessary to work with advanced features of Access. This will prepare them to design forms and reports, carryout complex sorts and prepare data for analyses.

Training Method, Timing & Venue:

- 3 day, classroom sessions. June/July/August 2005.

Target Audience:

- Ministry staff who have completed the Introductory course and that will be responsible for design and management of energy data.

Course Outline:

Advanced queries: Sum, Count, Group By, Average Values, Maximum and Minimum Values, Calculated Fields in Queries and Parameter queries

Relationships: Applying a Primary Key, Applying Relationships, Referential Integrity, Updating and Deleting records and Viewing a Subdatasheet,

Table Field Properties: Lookup fields, Format Field Properties, Default Values, Validation Rules and Text, Input Masks, Other Field Properties and Autonumber

Advanced Forms: Main/Subforms Form Wizard, Main/Subform Subform Wizard and Multiple Table Form