

**Progress Report
Discussions on the GVEP Program
in Zambia**

19 - 23 May 2003

Prepared by:

**CORE International, Inc.
Washington, D.C. 20016**

Prepared for:

**Energy Division, EGAT
U.S. Agency for International Development
Washington, D.C., 20523**

May 2003

Report on the Progress with Discussions on the GVEP in Zambia

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I. Background

Zambia became a member of the Global Village Energy Partnership (GVEP) during a GVEP Workshop in Addis Ababa on October 2002. Zambia has expressed a strong interest in becoming a very active member of GVEP and has requested USAID assistance in this process. In April 2003, USAID agreed and requested that CORE International work with the Zambian authorities and RE stakeholders in initiating in-country consultations on coordinating GVEP activities for Zambia.

Under the Energy and Environment Training Program (EETP), USAID is currently providing assistance to the rural electrification working group (REWG) in Zambia in the development of an Action Plan for Rural Electrification. The CORE International Team providing assistance to the REWG includes Mr. Vinod K. Shrivastava, President and Senior Energy Expert, Dr. Donald Hertzmark, Senior Energy Economist, and Dr. Vaso Leno, Senior Rural Energy Expert. In May 2003, Messrs. Shrivastava and Leno visited Zambia to conduct two activities in parallel: (i) capacity building support to the REWG in the development of an RE Action Plan and (ii) in-country consultations on GVEP. This report summarizes the progress made on the GVEP program.

II. Objectives

Among the objectives of the visit to Zambia, the following relate to the GVEP program:

- Brief the officials of the Department of Energy (DOE) at the Ministry of Energy and Water Development (MEWD) on GVEP and discuss the need for initiating an in-country consultation on the GVEP
- Work with DOE on facilitating the preparations for discussing GVEP issues in a meeting of REWG
- Provide a comprehensive presentation to DOE and REWG on GVEP and facilitate discussions among the members of REWG
- Discuss the process for creating a GVEP Zambia forum under DOE's coordination
- Discuss the need for developing a GVEP – Zambia plan of activities and schedule and have Zambians agree to develop and coordinate it with the GVEP Secretariat
- Identify and agree on the next steps.

III. Initiation of In-country Consultations on GVEP

CORE Team conducted this activity in four stages:

- Provided briefings and reached an agreement in principle with the DOE officials on GVEP and the role that Zambia would be expected to play in order to become an active member of GVEP,
- Assisted DOE in its presentation to the REWG and donors on GVEP and its approach for Zambia to becoming an active GVEP member by institutionalizing the in-country consultations among all RE stakeholders and inviting the REWG to support the DOE in taking the leading role in this effort,
- Facilitated discussions within the REWG on policy, institutional, and coordination issues and on streamlining the coordination of efforts between GVEP and Zambia, and
- Identification of next steps aiming to making Zambia a Distinct member of GVEP.

1. On May 20, 2003 the CORE Team provided the DOE representatives with a detailed presentation on GVEP and conveyed USAID's desire to help Zambia become a distinct member of GVEP. Consequentially, the DOE officials enthusiastically embraced the idea and committed to immediately taking the issue for discussion at REWG Workshop the next day. In order to facilitate this activity, CORE prepared a comprehensive presentation which was offered to DOE for use, as needed, in the future.

2. On May 21, 2003 Mr. Oscar Kalumiana, Deputy Director of DOE at MEWD, opened the REWG Workshop with a presentation on GVEP and the expected role of Zambia and the REWG itself in making Zambia an active partner of GVEP.

3. CORE facilitated extensive discussions amongst the members of the REWG on policy, institutional, and coordination issues and on the need for streamlining the coordination of efforts between GVEP and Zambia. The discussions were focused around the following items:

1. Policy Issues

- Minister of MEWD has already signed the participation of Zambia in GVEP. The next step is to introduce and integrate GVEP in Zambia's Poverty Reduction Strategy Paper (PRSP) as an important vehicle in support of carrying out the GRZ's energy-poverty projects/programs

- Agree on institutionalizing the cooperation among the local stakeholders under DOE policy direction – establish a country working group as counterpart of GVEP
- Consider GOZ contribution for GVEP – facilitation of the activities of the country working group
- Foster the development of public/stakeholder awareness and information approaches and programs

2. Institutional Issues

- Formalization of the process by a ministerial announcement for DOE to take over the responsibility to lead the GVEP Working Group (GVEP-WG)
- Establishment of a GVEP-WG, an expanded version of the existing REWG to become the national counterpart institution for GVEP
- Beginning the process for the development of a national action plan by the GVEP-WG for participation in GVEP and discussions and consultations with the GVEP Secretariat on the process
- Formalization of the GVEP-WG as a national consultative body with an important voice on rural electrification issues

3. Coordination Issues

- DOE would need to take over the responsibility to lead the GVEP Working Group (GVEP-WG)
- GVEP-WG will be the lead national counterpart institution for GVEP
- GVEP-WG will develop an action plan and agree with the GVEP Secretariat
- DOE will coordinate the in-country consultation process with the various public sector stakeholders including other government agencies

4. Financial and Project Funding Issues

- Operational Budget -- GRZ will need a small budget to facilitate the work of GVEP-WG
- Use of GVEP as a another instrument for mobilizing and leveraging funds for RE projects and programs

- Use of GVEP as an instrument for funding and preparing studies and individual projects that are part of the GRZ's Rural Electrification Program
- Use of GVEP as an instrument for funding substantial RE capacity building activities in Zambia

IV. Meetings with Zambian Officials and Donor Representatives

1. Meeting with the Director of Department of Energy (DOE) at MEWD. On May 19, 2003 CORE Team met with the Director of the DOE at MEWD, Mr. Wilfred Serenje, Mr. Kalumiana, Deputy Director, DOE, and Mr. Mulenga Economist. CORE experts provided the DOE officials with an overview presentation on GVEP and the idea of working on making Zambia a distinct member of the GVEP program. On May 20, 2003, in an additional meeting with Messrs. Kalumiana and Mulenga, CORE provided a detailed presentation on GVEP and the role Zambia is expected to play. The DOE officials enthusiastically took GVEP as the first item for discussion in the agenda of REWG Workshop held in Lusaka on May 20, 2003.

2. Meeting with the Resident Representative of Swedish International Development Agency (SIDA) at the Swedish Embassy. On May 20, 2003 CORE experts met with Ms. Malin Liljert, Program Officer, Energy and Urban Sector Development, SIDA - Lusaka. The CORE Team briefed Ms. Liljert on the objective of their mission and discussed the support SIDA has planned to provide to the DOE in enhancing its RE management capacity. Ms. Liljert agreed with CORE on the need for continuing to keep the REWG active in the coming years and involve it in the GVEP activities for Zambia. She also agreed, in principal, on the need to find a way to provide selected members of the REWG some form of compensation in the form of an honorarium. SIDA also emphasized its desire to continue to closely work with USAID in Zambia.

3. Meeting at the World Bank Country Office. On May 20, 2003 CORE experts met with Mr. Ernest Matonge, Information Analyst, at the World Bank Country Office. The meeting focused on the need for establishing a Project Management Unit at DOE and the institutional structure and function of this unit. The CORE team discussed the GVEP approach for Zambia and arrived at a consensus with Mr. Matonge on assisting DOE in this endeavor.

4. Meeting at USAID Mission. On May 22, 2003 CORE experts provided a briefing to the USAID Mission which included Mr. Dan Griffiths, Team Leader, Economic Growth (SO1) and Mr. Cris Muyunda, Economic Growth Deputy Team Leader. The briefing focused on CORE's activities conducted during that week in Lusaka. The GVEP issue was discussed in detail during this meeting. Furthermore, Mr. Muyunda committed to follow up and request a meeting with

the Permanent Secretary at MEWD to discuss the DOE and GVEP-Working Group needs and opportunities for help from USAID Mission in Zambia.

Meeting with the Permanent Secretary at MEWD. On May 23, 2003 CORE's Team had a lengthy meeting with Dr. Austin Sichinga, Permanent Secretary (PS) at the Ministry of Energy and Water Development in Zambia. Also present at the meeting were Mr. Oscar Kalumiana and Charles Mulenga from the DOE. CORE discussed the essential role Zambia would play in GVEP and the proposed several follow-up steps. The meeting was very productive and the CORE team left very optimistic that Zambia is serious about both rural electrification and the GVEP program. During the meeting, the PS assured the CORE Team of his commitment to GVEP and described the key actions the he would personally undertake to move forward with the GVEP. He stated several times -- "judge us by our actions that will be there before your next visit Zambia".

The Permanent Secretary was very excited about the GVEP and the prospects for Zambian RE stakeholders. He promised the following actions:

- Work with the Minister of the MEWD to issue an order appointing DOE as the focal point for all GVEP coordination with the help of the GVEP Working Group. DOE will be asked to enlarge the existing REWG and formalizing in this way the GVEP Working Group (GVEP-WG).
- The Permanent Secretary and the Minister of the MEWD will make a press announcement on Zambia's participation in GVEP. The MEWD will also issue a press release to this effect.
- The Ps will ask DOE to further pursue the in-country consultation process initiated by CORE in May 2003. With the support of the GVEP-WG the GRZ plans to develop a draft GVEP Action Plan to be discussed with the GVEP Secretariat

V. Next Steps

At the end of the discussions on GVEP, REWG and DOE agreed to propose to the MEWD the following measures:

- Formalize the establishment of GVEP-WG through a ministerial resolution. Apart from existing members of REWG, the GVEP-WG will be expanded to include representatives of other RE stakeholders in Zambia such as representatives from local financial institutions, the donor community, industry, and other governmental ministries and agencies that have a stake in the RE process.

- Organize the first meeting of GVEP-WG and provide it with a comprehensive presentation on GVEP and achieve wider consensus on policy, institutional, and coordination issues. This will constitute the second in-country consultation on GVEP.
- Inform the GVEP Secretariat on the steps undertaken by Zambia. These steps include institutionalizing and streamlining the cooperation of GVEP-Zambia by initiating and conducting in-country consultations. Suggest to the GVEP Secretariat the preparation of a joint Action Plan aimed at making Zambia an active GVEP partner.

Annex 1: List of Participants in the REWG Workshop on May 19 – 23, 2003

(Chrismar Hotel – Lusaka)

1. Mr. Oscar Kalumiana, Deputy Director, Department of Energy, Ministry of Energy and Water Development
2. Mr. Charles Molenga, Economist, Department of Energy, Ministry of Energy and Water Development
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4. Mr. Clement Sasa, Office for Promotion of Private Power Investment
5. Prof. J. M. Mwenechanya, Mclink Consulting Services
6. Ms. Sozyo Ndovi, Zambia Consumer Association
7. Mr. D. M. Mauzu, Private Consultant
8. Mr. Joseph Kapika, Energy Regulatory Board
9. Mr. Geoffery Musonda, Department of Energy, Ministry of Energy and Water Development
10. Mr. Augustine Musumali, ZESCO Ltd.
11. Mr. Romance Sampa, K.P.A. Consulting
12. Mr. Chricent Sialyanda, Department of Energy, Ministry of Energy and Water Development
13. Ms. Malin Liljert, Program Officer, Energy and Urban Sector Development, SIDA, Embassy of Sweden, Lusaka
14. Mr. Vinod K. Shrivastava, CORE International, Inc.
15. Mr. Vaso Leno, CORE International, Inc.

Annex 2: List of Zambian Officials and Donor Representatives Met During the Trip on May 19 – 23, 2003 in Zambia

1. Dr. Austin C. J. Sichinga, Ph.D., Permanent Secretary, Ministry of Energy and Water Development, Zambia
2. Mr. Wilfred Serenje, Director, Department of Energy, Ministry of Energy and Water Development, Zambia
3. Mr. Oscar Kalumiana, Deputy Director, Department of Energy, Ministry of Energy and Water Development, Zambia
4. Ms. Malin Liljert, Program Officer, Energy and Urban Sector Development, SIDA, Embassy of Sweden, Lusaka
5. Mr. Ernest Matengo, Information Analyst, The World Bank Country Office, Lusaka
6. Mr. Dan Griffiths, Economic Growth (SO1) Team Leader, USAD Mission in Lusaka
7. Mr. Cris Muyunda, Economic Growth Deputy Team Leader, USAD Mission in Lusaka