



Project Outline

Inter American Development Bank

Country: GUYANA
Project Number: GY-L1014
Project Name: POWER SECTOR SUPPORT PROGRAM
As of 07-Dec-2006

GENERAL INFORMATION

Country:	GUYANA
Project:	POWER SECTOR SUPPORT PROGRAM
Borrower:	
Total Cost:	\$14,100,000.00
Responsible Division:	FI3 - FINANCE & BASIC INFRASTRUCTURE DIVISION
Executing Agencies:	OFFICE OF THE PRIME MINISTER;

Number:	GY-L1014
Type of Operation:	Policy Based Loan
Approval Date:	17-May-2007

DESCRIPTION

The Policy Based Loan will support the development of the power sector by means of promoting reduction of electricity losses, while including reforms and strengthening measures to the regulatory framework, strengthening and development of the power utility provider, and social awareness programs, among others, in order to achieve sustainable solutions.

Team

Project Leader: MELANDRI, ALEJANDRO
Members: SOSA, MARIA ROSA; CAMPBELL, JAMES; PACHECO, MANUEL; TAMIR, SUSAN L.; PERSAUD, CHRISTOPHER;
Lawyer:
Consultants:

CLASSIFICATIONS

- ☐ Poverty Target Investment ☐ Social Equity Poverty Reduction
- ☐ Head Count
☐ Sector
☐ Geographic

FINANCING PLAN

	Currency	Amount
POLICY BASE LOAN	USD	14,100,000.00
COUNTERPART:		
		Total: 14,100,000.00

BANKS COUNTRY STRATEGY

The Bank's main goal in its strategy for Guyana is to promote growth, by focusing resources on three pillars: achieving sustainable economic growth; improving governance and public sector efficiency; and strengthening social programs. One of the activities to achieve the first pillar, accelerate economic growth, is to expand access to productive infrastructure in the electricity sector. It is also within the Bank's Electric Energy Sector Policy (OP-733-1) to contribute to economic and social development through loans and technical cooperation for financing projects that will increase the availability and reliability of electricity.

OBJECTIVES

The Program's objective is to support activities in the electricity sector that will help promote the sustainable development of the energy sector and institutionalize policies and programs to (i) establish planning and priority setting in the sector; (ii) improve the enabling environment to encourage sustainable energy loss reduction and efficiency; (iii) provide institutional strengthening in order to assure regulatory capacity of the sector; (iv) strengthen the power utility provider (GPL) in order to address loss reduction on a sustainable basis, efficiency and quality of service; and (v) promote social awareness to curb loss reduction. Achieving these objectives will help to improve the financial stability of the company and the sector itself by bringing back "lost" customers, improving long term planning for the sector, and reducing losses that increase costs to all consumers. One of the desired effects of a successful program would also be an improved environment for new investment, thereby contributing to Guyana's competitiveness and growth.

EXPECTED RESULTS

Following completion of the PBL, it is expected that electricity losses experienced by GPL will be reduced significantly on a sustainable basis. This should bring about an adequate environment to rebalance tariffs as well as setting the incentives for more efficient management of the company as a whole. In addition, improvements of the regulatory and institutional structure will allow Guyana to have an enabling environment to promote continuous development of the power sector and participation of independent private providers of electricity. The long term effect of the PBL's programs on governance and oversight within the sector, and electricity loss reductions, will also be an enhanced environment for investment to contribute to Guyana's competitiveness.

Vo.Bo.

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DEC 11 2006

