

Independent State of Papua New Guinea

ELECTRICITY MANAGEMENT COMMITTEE (EMC) GUIDELINE

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ELECTRICITY MANAGEMENT COMMITTEE (EMC) GUIDELINE

1. *Purpose of Guideline*

- 1.1 The objective of this Guideline is to provide guidance and clarity on the mandate and role of the Electricity Management Committee (EMC) and the role of the Electricity Management Committee Secretariat (EMCS), and on operational and technical procedures and processes of the EMC and EMCS in the following:
 - (a) enabling the national government in meeting its Community Service Obligations (CSOs) under the Electricity Industry Policy (EIP);
 - (b) managing electricity operations in PNG Power's (PPL) exclusive supply area;
 - (c) managing electricity operations in the large-load markets;
 - (d) managing electricity operations in exclusive supply areas of independent power producers (IPPs); and
 - (e) managing electricity operations in areas outside exclusive supply areas of power companies.
- 1.2 This Guideline is provided to ensure that all concerned parties clearly understand their respective roles and the processes each party will follow and the requirements each party must comply with. These parties include the EMC, EMCS, economic regulator, the technical regulator, the provincial and local level governments, the national government, PPL (as the State-owned utility or its vehicle), and other IPPs or operators in the electricity industry.
- 1.3 Any change in policies, laws and regulations having direct impact on this EMC Guidelines shall cause for a review or amendment to this Guideline as well.

2. *Electricity Management Committee (EMC) Guiding Principles*

- 2.1 The EMC Guidelines will be applied to and for the electricity industry defined in the EIP as being the responsibility of the State in fulfilling the requirements under the EIP.
- 2.2 All State responsibilities and commitments for CSOs and other responsibilities in the electricity industry in Papua New Guinea (PNG) shall be subjected to the provisions of this Guideline.
- 2.3 All parties affected by this Guideline shall be party to the requirements of this Guideline to the extent of accepting and complying with decisions stemming from the use and application of this Guideline.
- 2.4 All operations and activities in the electricity industry defined to fall within this Guideline must be subjected to the administration and management processes outlined in this Guideline within the mandate for the role of the Department of Petroleum and Energy (DPE) through the EMC Secretariat housed within the DPE.
- 2.5 All competitive tender processes for selecting and providing State financing to operators in the electricity industry to develop projects and to operate in the identified electricity markets must be subjected to the provisions of the Public Finance (Management) Act 1995 and other related legislations.
- 2.6 The normal budget process shall be used as the source of State financing towards the development of the electricity industry under the State's CSOs.

- 2.7 The EMCS will “operationalize” and coordinate submissions and expressions of interest from putative service providers, implementation, monitoring and reporting on electricity project development on a periodic basis to the National Government through the EMC.
- 2.8 The EMCS will “operationalize” and coordinate identification of projects, and shall verify identified projects that are eligible under CSOs and other eligible commercial projects in line with section (5) of this Guideline.
- 2.9 Financing and implementation of all State commitments under the CSOs shall be subject to the provisions of this Guideline.
- 3.0 The EMC through the EMCS will provide the overall leadership in the implementation of the EIP to ensure that the objectives of access, reliability and affordability are achieved.

3. *The Electricity Management Committee (EMC)*

- 3.1 The EIP of the Government requires the establishment of an EMC for all electricity operations and projects in the industry. The National Executive Council formally established the EMC by virtue of its decision to endorse the EIP.
- 3.2 The Composition of the EMC as per Section 5.1.1 of the EIP is as follows:
 - (a) the Secretary of the Department or his/her delegate responsible for Energy matters, shall be the Chair; and
 - (b) the Secretary of the Department or his/her delegate responsible for National Planning & Monitoring matters, shall be the Deputy Chair; and
 - (c) the Secretary of the Department of Treasury or his/her delegate; and
 - (d) the Managing Director of Independent Public Business Corporation or his/her delegate; and
 - (e) the President of the Chamber of Commerce and Industry or his/her delegate.

4. *Functions of the Electricity Management Committee*

- 4.1 The EMC is being established under the EIP to:
 - (a) administer and monitor expenditures of budgetary allocations earmarked for Government CSOs in regard to electricity project development and supplies;
 - (b) ensure the development of projects and electricity markets that are identified as eligible projects;
 - (c) ensure consistency of project and electricity market development with the national development priorities of PNG for the electricity sector, as captured in the EIP;
 - (d) identify opportunities for public- private partnerships (PPPs) and initiate the processes that would facilitate such PPPs which results in optimal benefit to the State; and
 - (e) ensure that competition is featured and executed in all private sector participation for specifically identified markets and electricity project development for the entry into the market and supply within a market.

- 4.2 The Electricity Management Committee shall be responsible for:
- (a) the development of a National Electrification Roll-Out Plan, which identifies needs for both the rural and urban areas;
 - (b) ensuring the widest possible input in the way of suggestions for projects, including from project investor-proponents;
 - (c) prioritizing projects to be funded and delivered on an annual basis by the National Government;
 - (d) facilitating the implementation of projects by Provincial or Local Level Governments (LLGs), individual members of the National Parliament or donors;
 - (e) identifying the prospects and opportunities for PPPs and make recommendations to the National Executive Council (NEC) in this regard, and including providing a PPP Concept Note(s) to the PPP Centre;
 - (f) facilitating PPPs, where they are to be used, by ensuring that the PPP Policy and its associated Act and operational guidelines are followed;
 - (g) ranking bids and ensuring that the best meets minimum requirements of the State and, if not, negotiate a contract which does so, or terminate the process;
 - (h) identifying large-scale, new power development projects required to meet the needs of new industries, where surplus power is likely to become available and design and implement competitive tendering systems which ensure the most efficient and least cost use of such surplus power for electrification of contiguous rural communities;
 - (i) estimating the cost of any CSO included in the annual work plan and ensure they are consistent with the budget allocation for rural electrification;
 - (j) publicizing the annual work plan of electrification projects and make public call for bids on electrification works;
 - (k) managing a public tender process and screening proposals for electrification investment projects in accordance with the rules of the Central Supply and Tenders Board (CSTB);
 - (l) requiring the incorporation of latest appropriate technologies, including renewable energy sourcing, and complementary technology such optic-fibre element in power cables to enable the use of communication facilities associated with recovery of tariff charges for electricity from users where economically feasible and, in all the circumstances desirable;
 - (m) coordinating and monitoring the implementation of projects following successful tendering process, to ensure timely and effective delivery of anticipated services;
 - (n) overseeing the administration of the ETF;
 - (o) monitoring and evaluating the achievement of the stated policy objectives and reporting to Ministers responsible for organizations represented on the EMC on a periodic basis;
 - (p) developing and implementing appropriate models for market development in rural areas; and

- (q) coordinating the various efforts and activities of other organizations in the electricity industry in working towards achieving the objectives of the EIP.

5. Eligible Projects

5.1 Eligible Projects within PPL's exclusive supply area

- (a) Generation projects for Feed-in tariffs

At the determination of the EMC for the need for additional capacity to meet unmet or growing demand for power, competitive tender will be opened for generators to feed-in to PPL at a fixed tariff set by the economic regulator (price regulator) - the Independent Consumer and Competition Commission (ICCC).

The EMC will consult PPL and the relevant regulators to determine the exact capacity need of PPL.

The economic regulator will set a feed-in tariff lower than the tariff for electricity supply (retail) in the concern market that will enable the generators to earn a sound profit in business.

The EMC will open up public tender for generators to bid for the lowest price for selling power to PPL at a stated quantity, among other aspects of feeding in power generated.

The EMC, in consultation with PPL and the economic regulator and the technical regulator, will vet and evaluate all the bids from the proposals received and select suitable and efficient bidders until the required capacity to meet the demand for power is reached.

The relevant regulators will grant licenses to the generators to generate electricity. The provisions of the licenses will govern the operations and activities of the generators in relation to PPL.

- (b) Network extension projects

The EMC will require an independent determination of the need for network extension projects that are service oriented or in line with government's objectives for CSOs in electrification.

A competent consultant will be engaged by the EMC, to work with the relevant regulators to determine if the extension project concern falls well within the CSO framework of the government.

Based on the independent recommendations by the consultant, EMC will provide the appropriate level of subsidy, equivalent of the minimum amount required to trigger investment by PPL, for PPL to undertake the network extension project.

5.2 Eligible large-load projects within PPL's geographic area of supply

- (a) Feed-in tariffs

The EMC will determine the viability of private producers supplying a large-load (10 MW and more) within the geographic enclosure of PPL's supply exclusivity.

Where feasible, the EMC will open up public competitive tender for IPPs, excluding PPL, to supply power to the large-load through feed-in tariff into PPL's transmission infrastructure to transmit power to access these loads.

(b) PPP arrangement to access the large-load

Should the project require construction of transmission infrastructure to access large-load, the EMC, on behalf of the government and in consistent with government policy on State-ownership of transmission networks, will require PPL as the vehicle of the government to enter into a PPP arrangement with the selected power producer regarding the ownership of transmission infrastructure.

This arrangement will be subjected to PPP Policy, PPP Act, and PPP operational guidelines.

5.3 Eligible large-load projects outside of PPL's geographic area of supply

(a) Competition for the market

The EMC will identify, through its own operations or through the interest put forward to it by putative power companies, large-load markets (10 MW and over) within PNG. The EMC will open up competitive tender to select the best and efficient producer to supply the market.

The successful bidder will build, own and operate the electricity infrastructure in the market.

The EMC will advise the relevant regulators to issue the appropriate licenses for generating, distributing and retailing electricity accordingly.

(b) PPP arrangement to access the large load

Should the project require construction of transmission infrastructure to access the large-load, the EMC, on behalf of the government and in consistent with government policy on State-ownership of transmission networks, will require PPL as its vehicle to enter into a PPP arrangement with the selected power producer regarding the ownership of the transmission line.

This arrangement will be subjected to PPP Policy, PPP Act, and PPP operational guidelines.

5.4 Eligible small-load projects outside of PPL's geographic area of supply

(a) Commercial investments with CSO provisions

The EMC will identify, through its own operations or through the interest put forward to it by project proponents, small-loads (less than 10 MW) outside of PPL's exclusive supply area.

The EMC will assess and ascertain if the project qualifies under the government's CSOs, and decide on purchasing (meeting the cost of) CSOs using the private sector for delivery by appropriately *subsidizing* the project capex.

The EMC will open up competitive tender to select the most efficient bidder to build, own and operate the electricity infrastructure in the market commercially. The successful bidder will be selected principally on the criterion of the requirement for the lowest amount of subsidy from the State towards the project capex.

The EMC will advise the relevant regulators to issue the appropriate licenses to the successful bidder to operate in the market.

(b) CSOs under the rural electrification policy

Any identified electricity project that can not attract commercial private sector investment due to market failure (i.e. the inability to achieve scale economies) will be developed under the rural electrification policy of the government.

6. Donor funded projects and activities

- 6.1 All donor projects must firstly be considered to be in line with the government's objectives on electricity service provision, and should be developed within the provisions of this Guideline.

7. Eligible Project Developers (Implementers) and Suppliers

- 7.1 The following entities and persons are eligible developers of electricity markets and implementers of project approved and facilitated by the EMC and awarded through the tendering and contracting process.
- (a) PPL, in its role as the grantor of contract in its exclusive supply areas for IPPs selected through the tender process provided for, and in PPPs entered into with other IPPs and as the vehicle of the government for such PPPs;
 - (b) Any developer that is screened and appraised by the EMC through its Technical Screening Committee to be competent to hold a license to generate, transmit, and distribute electricity in the electricity market; and
 - (c) Any IPP already in the market that has a good or sound track record of operation in electricity service provision.
- 7.2 The following entities and persons are eligible suppliers of goods and services that meet the requirements of the EMC and the electricity industry.
- (a) a Government-approved supplier(s) operating in close proximity to the project area providing construction materials and equipment to the successful project developer for the construction of the project approved by the EMC;
 - (b) a reputable consulting or contracting agency operating in close proximity to the market or project area providing materials and equipment to the successful bidder for developing the project or operating in the market.
 - (c) a reputable consulting or contracting firm that can provide the best and efficient service to meet the requirements of the EMC under outsourcing arrangements.

8. Principle and Criteria for Executing Competitive Tender on Projects and Developers

8.1 Economic orientation

- (a) Economically viable projects: Economically viable projects would be attractive to the private sector for investments. For the private sector, retaining the ownership of assets would also provide the incentive to maintain the assets and ensure their efficient operations. This complies with government policy of having and encouraging the private sector to own and operate these assets in the defined markets on commercial basis.
- (b) Densely populated areas: this means that service provision will be accessible to as many people as possible within a geographically small area. This will also help cut down on investment costs and so is productively and allocationally efficient, and will enable the service provider to attain a sizeable market that would sustain a commercial operation of the service provider.
- (c) Least- cost options: least- cost options in project development enable the service provider to operate commercially sound investments and translate that benefit in the form of lower electricity prices to consumers. This enables the government to attain its objective of affordability.
- (d) High economic activity areas: areas of high economic activities while well positioned as the entry point for private sector investments, enables the government to progress the development of electricity infrastructure more readily, hence expediting increased access in service provision
- (e) Requirement of lowest State subsidy: Independent power producers that propose to receive the lowest amount of State subsidy under CSOs already demonstrate an outlook for efficient operations in the supply of electricity. With minimizing State subsidies to IPPs the State will reserve substantial funds that can be used to develop more projects, hence expediting the achievement of the objective of access to electricity supply.
- (f) Projects that are proven to become sustainable after commissioning: Electricity projects that are proven to become sustainable would enable a sustainable supply of electricity after commissioning. Such projects must be seen to be autonomous and self-reliant in their operations, or have mechanisms in place that are explicitly stated to ensure their sustainability

8.2 Service orientation

- (a) District Administration Centres and 'C' Centres: Projects that would provide electricity services to District Administration infrastructure and 'C' centres including district treasury, office, and accommodation, police station, rural lock-up, community hall, and court house, and public service housing. The provincial and local level governments will be responsible for maintaining the sustainability of the electricity supplies, and the initial project development would require counterpart resource pooling from the provincial and local level governments.

8.3 Strategic orientation

- (a) Prior investments in rural areas: Prior investment in rural areas is an indication of the willingness and desire to invest in rural areas by service

providers. Taking into consideration prior investments in rural areas and factoring it into the process of awarding the *profitable large-load markets* to the relevant service providers in the competitive tender process should recompense the service provider with commercial gains from the profitable large-load markets that should alleviate or off-set any shortfall in its rural electrification investments. Internal cross-subsidies should be the enabling mechanism for this.

- (b) Use of indigenous resources for electricity generation: Indigenous fuels for electricity generation have the quality of bestowing the government the certainty and control over certain aspects of input fuels to electricity generation that are less certain and uncontrollable with imported fuels. Such aspects include input fuels pricing, politics, sustainability of supply, leverage and concessions in negotiations and agreements, and so on.

Use of indigenous resources enables the industry to add value to these resources and provides benefits back to the resources owners.

These indigenous resources would include but not be limited to *hydro, geothermal, solar, wind, natural gas, ocean currents and biomass*.

- (c) Renewable energy projects: Renewable energy projects have the intrinsic characteristic and feature of continuity in providing the (primary energy) source for electricity supply inexhaustibly. This would enable the government to solve and overcome the problem of supplies of input fuel for electricity generation and meet its aim of providing sustainable supplies of electricity
- (d) Projects that use proven technologies: Proven and current technologies provide the industry with the benefit of the certainty of reliability in electricity services provided. Considered in comparison to obsolete or experimental technologies, the industry should be vibrant and robust with the use of current technologies used in project and market development.
- (e) Environmentally sound projects: It should be the objective of the government to keep the environment intact in all operations in the electricity industry. Projects that are friendly to both the human and natural environment enable the government to achieve this objective. The health and well being of the human environment should never ever be compromised or traded-off for any other gains.

Projects and operations that feature control measures on disturbances or damages to the natural environment may enable the government to reach a better trade-off between keeping the health of the natural environment and advancing economic gains or achieving other objectives of the government for the industry. These will be assessed rigorously by the government.

9. *The Electricity Management Committee Secretariat.*

- 9.1 The EMC Secretariat is established under the Electricity Industry Policy;
- 9.2 The role of the EMC Secretariat is to undertake the operations of the EMC by

providing technical and administrative support. The specific responsibilities of the Secretariat are described in Section 5.1.2 of the Electricity Industry Policy with its operating principles also outlined in Section 5 of the same Policy;

- 9.3 EMC Secretariat staff is comprised of the following:
- (a) Manager EMCS;
 - (b) Project Engineer;
 - (c) Project Accountant;
 - (d) Administrative Officer;
 - (e) Executive Secretary; and
 - (f) such other staff as and when required for the effective running operations of the Committee.

10. Projects Determination Tasks of the EMC Secretariat

- 10.1 The following tasks outlined below are related to the function of the Secretariat in terms of the planning, programming, funding, implementation and monitoring of the electricity industry or sector management and project development.
- 10.2 There are two categories of CSO projects which will have different screening, approval and funding applied.
- 10.3 The first category is where projects are K300, 000 and less and the second category is projects worth over K300, 000.

10.4 Stage 1. Project Consultation and Identification

The following must be applied in terms of electricity market and project identification, scoping, costing and submission to the EMC Secretariat.

- (a) Prior to proposals being submitted to the EMC Secretariat, there will need to be a consultative process with the Provincial and Local Level Governments and the affected project area landowners.
- (b) That all projects submitted to the EMC Secretariat must be already included in the 5 year rolling district and provincial development plans.
- (c) That the scope and cost of project (s) to be submitted shall be approved and endorsed by the Local-level Government President, the Joint District Planning and Budget Priorities Committee, and the Joint Provincial Planning and Budget Priorities Committee.
- (d) That project submissions to the EMC Secretariat shall contain evidence of such approvals as Provincial and District Medium Term Development Plans, endorsement by the Local Level Government President, the Joint District Planning and Budget Priorities Committee, and the Joint Provincial Planning and Budget Priorities Committee.
- (e) That all project submissions must be submitted in the prescribed DNPM Project Formulation Document (PFD).

10.5 Stage 2. Project Proposals Receipts, Registration and Administration

- (a) The EMC Secretariat is the first point of contact in the whole of the EMC process. All submissions must be addressed to the Manager EMC within Energy Division of the Department of Petroleum and Energy;
- (b) The Secretariat acknowledges receipt of the project submissions within a week of receipt and registers the submission in the main EMC Registry.
- (c) The Secretariat immediately begins to check and verify the submission in

terms of its relevance and coherence to a checklist of district and provincial plans, sector relevance, sustainability and impacts, etc. The DNPM Project Formulation Document (PFD) is used in this process. Where there is insufficient information, the Manager of the EMC Secretariat communicates with the proponent to fill the required information.

- (d) After all vetting, verification and checklists are completed the EMC Secretariat does a submission to the EMC Technical Screening Committee for further deliberation.
- (e) After (d) above, the EMC Secretariat proceeds on to organize a meeting of the EMC Technical Screening Committee for the next stage of vetting, appraisals and recommendations. The meeting of the Technical Screening Committee must be conducted a week from the completion of final list of duly registered project proposals.

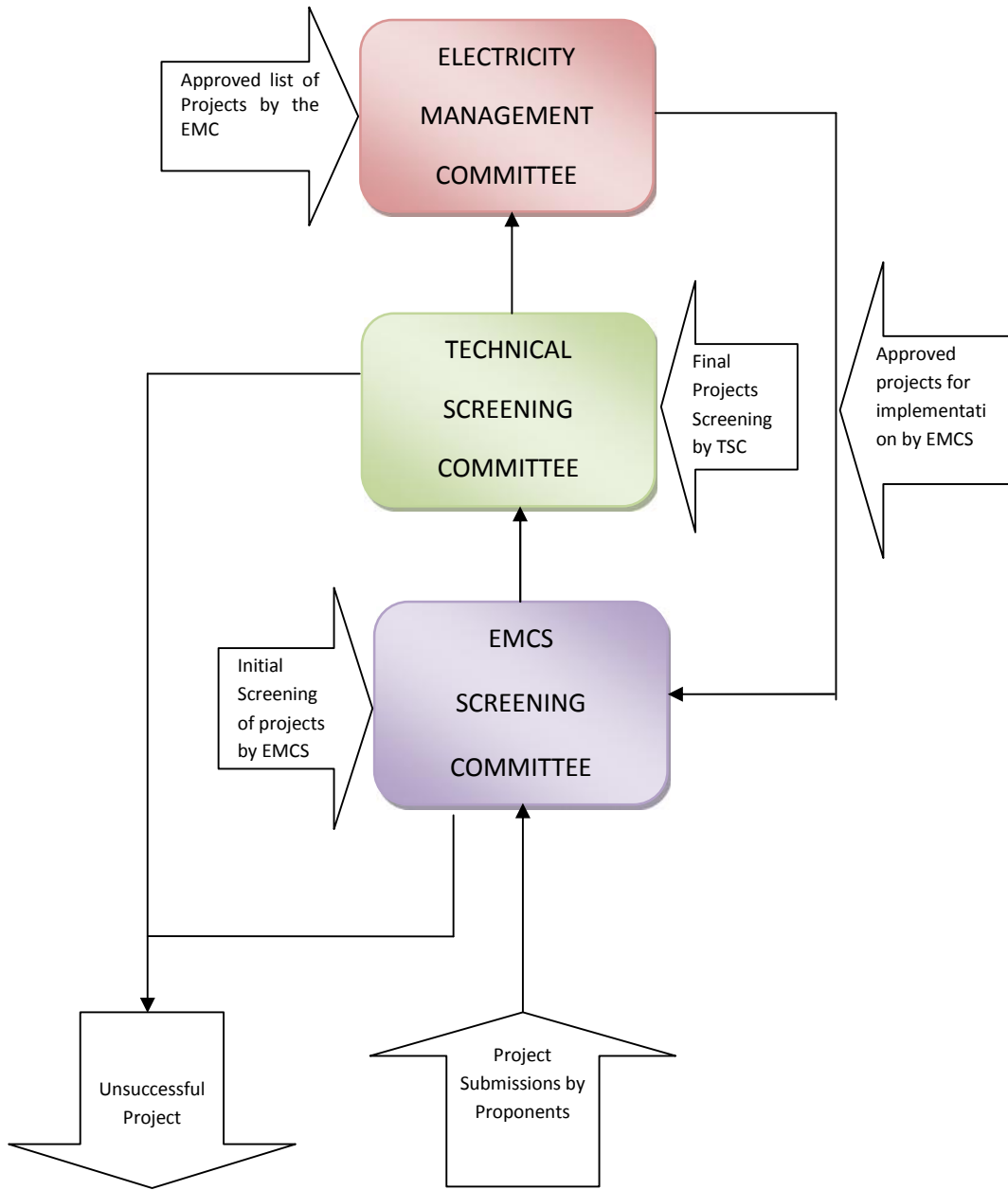
10.6 Stage_3. The EMC Technical Screening Committee Vetting, Appraisal and Recommendation.

- (a) The EMC Secretariat convenes a Meeting of the Technical Screening Committee and presents the Business Agenda for the deliberation of the Technical Screening Committee.
- (b) The EMC Technical Screening Committee's representation are from the same agencies that make up the EMC. However; where there is implications of donor funding of the proposal, the Committee will consult the donor for further explanation and clarifications.
- (c) The Technical Screening Committee takes over the process of vetting, appraisals and recommendations during the meeting. The meetings are conducted with the aim of vetting and recommending a shortlist of projects/programs using the criteria and checklists in Section 5 and Section 8 of this Guideline.
- (d) A list of recommended projects/programs is prepared for the deliberation of the EMC. An appropriate EMC Recommendation Form will be used for recommendation of projects.
- (e) A meeting of the EMC is organized by the EMC Secretariat with all recommendations of the EMC Technical Screening Committee using formal EMC Business Agenda presentations.
- (f) The meeting of the EMC must be convened two weeks after the meeting of the EMC Technical Screening Committee.

10.7 Stage_4. The Electricity Management Committee Meeting on the Technical Screening Committee Recommendation

- (a) The EMC Secretariat organizes the meeting of the EMC to convene and deliberation on the recommendations of the EMC Technical Screening Committee. EMC Secretariat presents the Business Agenda to the meeting.
- (b) Based on the recommendations of the EMC Technical Screening Committee, the EMC members may approve or disapprove of the recommendations for funding of K300, 000 or below.
- (c) Where there is a requirement for additional information, this is returned to the EMC Secretariat to administer appropriately.

Figure 1: EMC Projects Submission, Vetting and Approval Process for Projects K300, 000 or less Refer to 8.2 of the EMC Guideline

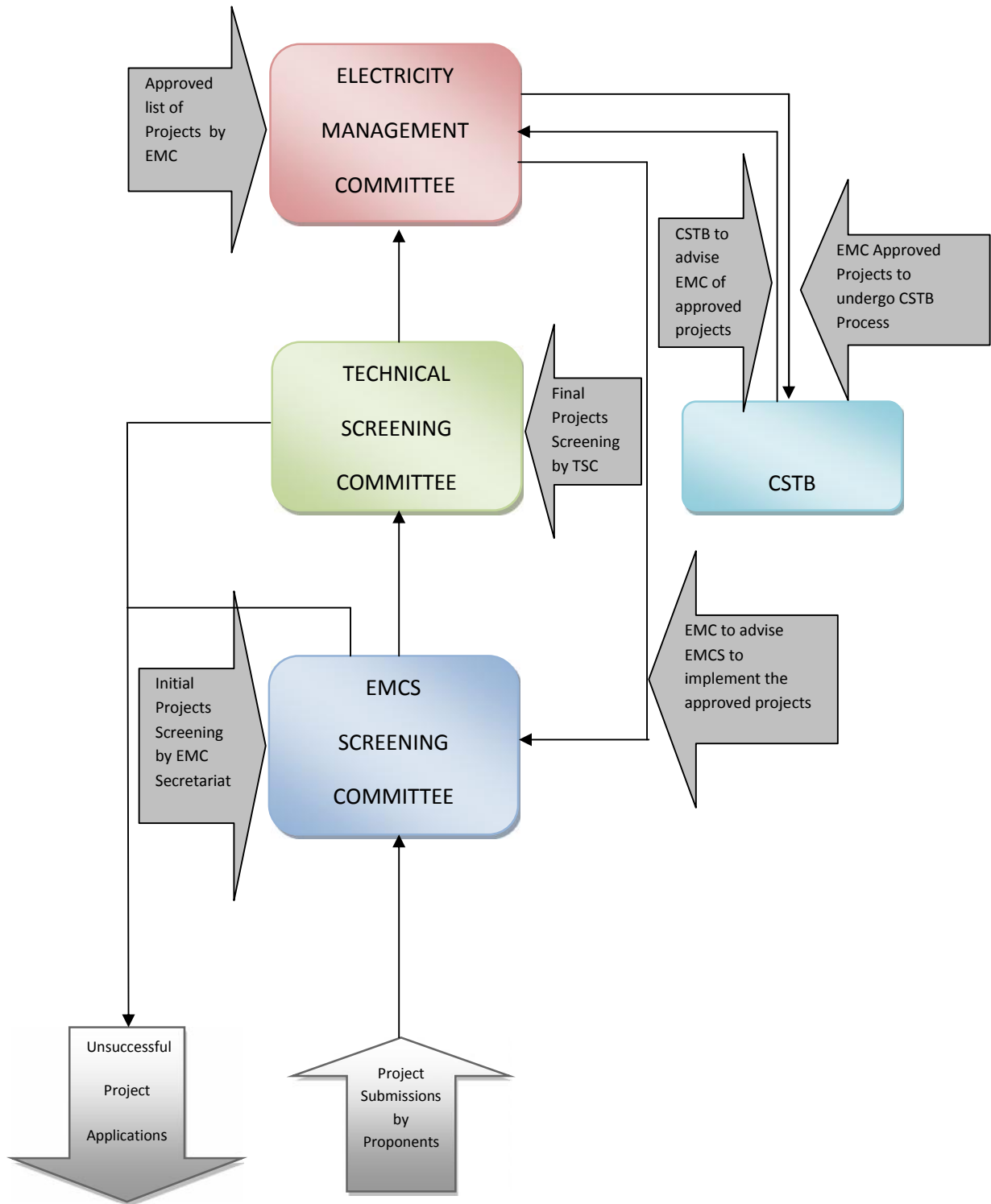


10.8 The second category is where projects costs are over **K300, 000.00**. The following applies:

10.9 **Stage 1. Project Scoping and Costing**

- (a) This particular process requires the EMC Secretariat to dispatch a team of technical staff of the Secretariat and experts periodically to project sites to scope and quantify the projects already identified as eligible projects by the national government. A program of scoping and costing of projects is to be developed by the EMC Secretariat immediately after establishment.
- (b) Due to the large funding magnitude of projects under this category, the Projects Scoping team provides to the EMC Secretariat a list of the projects and their costs.
- (c) The EMC Secretariat technically appraises the list of scoped projects, vets against all funding and implementation implications of project development and further determines these through a plan of financing and development of these projects. An approved list of technically vetted projects is recommended to the EMC Technical Screening Committee.
- (d) The EMC Technical Screening Committee vets and further recommends to the EMC on the projects. The EMC Technical Screening Committee in this case notes the recommendation of the EMC Secretariat with a view that all projects scoped and costs have been technically vetted.
- (e) The financing and implementation plan of the various large identified projects are now prepared and presented to the EMC for endorsement and approval.
- (f) An EMC meeting is convened at a time appropriate for this purpose. This is different from the process in 4.1, as the projects have National Government commitment implications and therefore needs proper determination of cost and implementation factors.
- (g) Where the projects recommended by the EMC Technical Screening Committee are approved by the EMC, the EMC Secretariat will proceed to prepare tendering and contracting arrangements with the Central Supplies and Tenders Board.

Figure 2: EMC Identified Projects, Scoping, Costing, Approval and Tending For Projects K300, 000.00 and Over (Refer to Section 8.7 of the EMC Guideline)



Stage 2. Tendering and Contracting

(a) Recommendations for Tendering

The process of selecting potential contractors to implement eligible projects selected by the Committee, as project proposals requiring public tender, shall be the tendering process administered by the Central Supply and Tenders Board in accordance with the *Public Finance (Management) Act 1995*.

The Secretariat will liaise with the Central Supply and Tenders Board in administering the tender process for awarding of contracts;

(b) Approval of Funding

The approval of funding of projects is subject to Sections 10 of this Guideline.

The approving powers of projects and project funds per Section 5.1.3 of the Electricity Industry Policy, is with the EMC.

All Provincial Government undertakings will also be applicable through the EMC process.

(c) Approval of Contractors

The CSTB process will then take effect in terms of the approvals of contractors.

The CSTB will advise the EMC of awarding the contract and EMC will in turn advise EMC Secretariat to inform successful bidder.

After the notice of approval has been given to the contractor, the Secretary or his delegate of the Department of Petroleum and Energy through EMCS will advise the contractor on mobilization funds for the movement of equipment, which is usually 10% or less of the total project costs depending on the geographical location of the contractor. (As per the Central Supply and Tenders Board process)

When the mobilization funds have been drawn down, the contractor will then ask for establishment funds for setting up an administration, camp and amenities for its staff.

As soon as the mobilization and establishment has been achieved then implementation begins.

Stage 3. Implementation

(a) Start-Up Implementation

The EMC Secretariat will ensure the smooth coordination and monitoring of all projects funded. The initial implementation will be in close consultation with the approved contractor of the project and according to an agreed work plan and cash flow program between the contractor and the EMC.

The EMC Secretariat will ensure that the EMC Technical Screening Committee be kept informed on the progress and be the main driver to coordinate and administer the initial implementation on the ground.

For projects approved and funded through a contract, the

start up implementation and performance of the project will depend on the clauses of the contract and its financing plan.

(b) Contract Administration and Monitoring

A formal contract will be entered into between the State and the executing agent for the implementation of the identified project. The contract will abide to the Central Supply and Tender Board process.

Funds shall not be released until the Project Engineer together with the EMC Technical Screening Committee makes its recommendations to the EMC for successive funding to be released.

(c) Reporting

Progressive reports must accompany acquittals of funds being disbursed. Further funding will depend on performance, acquittals and the progressive reports as and when required by the EMC Secretariat.

Stage 4. Performance Monitoring and Reporting

(a) Site Inspections and Monitoring

Site inspections must be coordinated through the EMC Secretariat. The EMC Secretariat must ensure that there is a periodic site inspection with the relevant Government agencies, particularly the members of the EMC Technical Screening Committee which assess and provide briefs and reports on project implementation to the EMC.

In terms of the monitoring role of the Secretariat, it may be outsourced if and when there is a lack of capacity.

(b) Reporting Quarterly

Reports (in March, June, September and December) must be submitted to the EMC members;

Annual reports must be provided and submitted to the EMC members between December of the current year and February of the following year. Any other reports required by the EMC apart from quarterly and annual reports must be furnished by the Secretariat as required;

(c) Project Completion

When the EMC is satisfied on the infrastructure works of a project based on the physical site inspections and financial audit report by the technical representatives from the Technical Screening Committee, it must through the EMC Secretariat request for the Department of works to inspect and issue a Certificate of Completion.

11. Business Agenda or Administrative and Management Tasks of the EMC and EMC Secretariat

11.1 Staff and Staff Administration

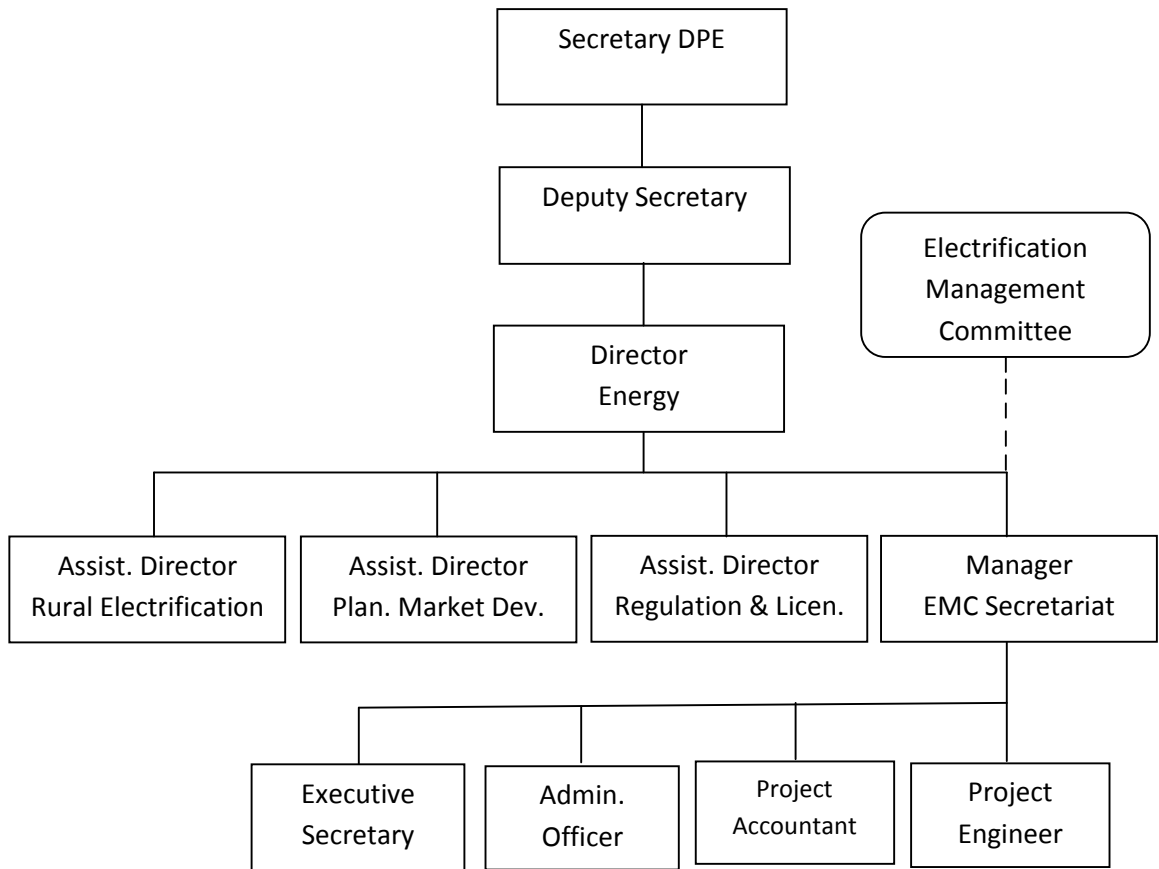
(a) The administrative and management function of the EMC and the EMC Secretariat is under the oversight of the Manager EMCS, within the Department of Petroleum and Energy. The reporting structure of the EMC Secretariat is as shown in Figure 3.

(b) The role and duties of the Secretariat staff are determined through their Duty Statements as approved by the EMC and the relevant departments.

These relate to the Manager EMC, Project Accountant and Project Engineer Administrative Officer and Executive Secretary.

- (c) Engagement of specialist and technical expertise which may be required from time to time and will be employed on short term contracts. The EMC Secretariat will recommend for their engagements to the EMC.
- (d) The specialist and technical expertise will be employed on Contracts and/or on Terms of Reference as agreed to by the EMC.

Figure 3: Electricity Management Committee Secretariat Structure - DPE



11.2 EMC Meetings

- (a) EMC meetings will be convened on two months basis except in the event that the Chairman in his opinion deems that there is no substantive agenda may defer the meeting for not more than three month period.
- (b) An EMC Meeting will be conducted only when there is a Quorum. A quorum must consist of the Chairman and three (3) other members of the EMC.
- (c) In the absence of the Chairman, the Deputy Chairman will convey a meeting. The absence of the Chairman will be notified to all EMC Members three days prior to convening a Meeting.
- (d) Prior to all EMC Meetings, the EMC Secretariat will provide Business Agendas for the Meeting. Business Agendas shall be distributed to the EMC members one week prior to the EMC meetings.
- (e) In decision making during Meetings, all matters arising will be determined by a majority of votes of the Members present in the event of an equality of votes on matters, the Chairman may use his/her discretion to cast a deliberative vote.
- (f) The Secretariat will be responsible for taking minutes of the Meetings which must be circulated to the Members within 4 days after the meeting.

11.3 Register

- (a) The EMC Secretariat will maintain a Main Register for the purpose of registering all incoming proposals and will track these proposals of their funding and implementation progress.
- (b) A separate Register will be developed for the EMC Decisions and other such deliberations of the Committee which are important for public information.
- (c) As per Section 12, the EMC will approve and disseminate information to the public on the funding and progress of projects. The Registry would be used as the most reliable source of information for this purpose.

12. Liabilities

Any failure to follow a specified process or meet a specified requirement by any party in the administration, facilitation and management of project funds that result in misappropriation shall be liable for prosecution.