

Ref: Adm 191/01



**MINISTRY OF ENERGY AND
MINERAL DEVELOPMENT
P. O. BOX 7270
KAMPALA**

December 08, 2017

The Country Director
UNDP Uganda Country Office
Kampala, UGANDA

Request for a 12 Month No-cost Extension for The Green Charcoal Project, PIMS 4493.


I wish to inform you that the above-referenced is a 4-year project being implemented by this ministry since Oct. 2014. However, effective implementation should have commenced in May, 2014 and the project, therefore, is scheduled to end by May 30, 2018.

In April 2017, an international consultant undertook a mid-term review for the project. The review concluded that even though many of the expected objectives had been achieved, there were several expected outputs that were/are being achieved at a moderate pace. Some barriers and challenges were also identified that must be addressed so that the project can achieve its long term objective as set out in the project document. The delayed launch and commencement of the project were also noted.

One of the key recommendations of the Mid Term Review was a no-cost extension for the project so that the positive achievements are consolidated and used to develop national level policies and strategies that can ensure a sustainable charcoal industry in Uganda.

The purpose of this communication, therefore, is to inform you as above and also request for GEF approval for a **12 month no-cost extension** up to end of June, 2019 to compensate for the delayed commencement and be able to complete all planned activities.

Please find attached herewith the proposed Work Plan for the extension period and the no-cost extension request form for your consideration.


John Tumuhimbise

For: Permanent Secretary

UNDP-KAMPALA
INCOMING MAIL

DATE 11/12/17

FILE

OFFICE	INFO	ACTION	BY
FILE	✓		

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Addressing Barriers to Adoption of Improved Charcoal Production Technologies and Sustainable Land Management Practices through an Integrated Approach

PROJECT EXTENSION REQUEST FORM

The reason(s) for the extension:

Include all that apply; delete the options that do not apply

- ✓ Delays in project launch
- ✓ Delays in project start (PMU creation and hiring of TA)
- ✓ Delays in project implementation: Procedural delays in procurements, Complex project design, Coordination of many parties and stakeholders

Length of the requested extension in months.

12

Please complete the following questions:

1. Explain why the project should be extended and how the extension will lead to the successful completion of the project and greater impact (no more than 500 words)

Recommendation from the Mid-term Review Process - The Project's Mid-Term Review of April 2017 noted that although; "the design of the Project was thorough in use of baseline information..." it "was overly ambitious and complex". Hence, there has been inevitable delays in implementation and coordinating different stakeholders to ensure the Project delivers the intended outcomes. The Report recommended a no cost extension of 12 months to; "streamline organisational issues that hinder timely implementation, such as lengthy procurement processes and need for coordination between partners."

Delayed commencement of the Project. Although the project was signed to commence in May 2014, the launch and inception meeting took place in November 2014, a delay of about six months. This delayed starting compromised on timely delivery of the project's results and achievements. More time is therefore, required to compensate for the lost time as a result of the late project launch.

Low adoption rates of charcoal production technologies. Component 2 of the Project aims to disseminate new and improved technologies for sustainable charcoal production. This entails demonstration of technologies: Cassamance, Retorts and Namibian Kilns and their associated benefits. This also involves changing mind-sets of charcoal producers who have for long relied on traditional practices, to professional standards based on business principles. Because the technologies are new, charcoal producers take long to adopt and embrace these technologies leading to delayed implementation of Component 2 of the project.

Inevitable delays in the procurement process. The project experienced unavoidable delays in the procurement of the new charcoal production technologies. Patent rights claims by a supplier (Adam) stalled the procurement of retorts at the point when a contract was being awarded. Because the technologies are new, capacity of local artisans to produce appropriate equipment such as the Namibian kilns was found to be wanting and caused delays in the procurement process. Sometimes, the project failed to get responses to our request for bids thus necessitating call for fresh bids or retendering the jobs. These delays in procurement had a cumulative adverse effect on delivery of Component 2 of the Project. However, these challenges have now been overcome.

Also, the MTR points out that the Green Charcoal Project is critical for addressing a crucial energy concern for Uganda. The positive achievements thus far, need to be improved and consolidated to obtain results that

are integrated and sustained through replicating and upscaling at national and regional levels. More time will allow this consolidation of results.

The no-cost extension will ensure that the Project strengthens business and private sector components of the charcoal value chain; follow up the implemented pilots; strengthen monitoring implementation at the results, effects, and impact levels and document lessons learned based on experiences and methodologies. The extension will also assist in delivering on the outcomes that relate to existing national and ongoing policy, regulatory and institutional dialogue on sustainable charcoal and promoting investments in the charcoal industry. Other activities will include; integration of gender considerations to enhance benefit sharing for women; upgrade the role of UNDP to guide implementation and strengthen relations with partners and technical aspects; and generate an exit strategy including financial and policy/institutional aspects.

2. Provide an overview of the remaining GEF grant: **Remaining Project Funds as of 31st Dec. 2017**

Origin	Approved prodoc. budget	Total expenditure as of 31st Dec. 2017	Balance
GEF grants	3,480,000	2,499,269	980,731
UNDP	1,860,000	-	-

Attached:

3. The initial request for project extension received from the government partner or implementing partner, as applicable.
4. Workplan for the remaining project funds for the extension period.