

United Nations Development Programme



31st March 2021

Dear Mr. Kurukulasuriya,

RE: REQUEST FOR A TWELVE (12) MONTHS PERIOD FOR NO – COST PROJECT EXTENTION FOR LESOTHO PROJECT PMIS 5367- *Development of Cornerstone Public Policies and Institutional Capacities to accelerate Sustainable Energy for All (SE4ALL) Progress*

Reference is made to the Government of Lesotho's (GOL) request through Ministry of Energy and Meteorology (MEM) for a no-cost project extension for above-mentioned project (see attached request). Following a number of consultations between UNDP Lesotho Country Office and MEM concerning impact of COVID-19 on the project implementation as outlined in the attached justification, it was agreed that a twelve (12) months no-cost extension from October 2021 to September 2022 is needed to complete project activities.

The no-cost extension will allow the project to implement and finalize strategic interventions such as operationalization of mini-grids and energy centres that were delayed and could not be finalized due to COVID-19. In 2020, at the start of the global COVID pandemic, the Government of Lesotho undertook a pre-emptive closure in March to reduce the country's risk of exposure, the first case confirmed in May leading to reinforcement of lock-down until October 2020. In 2021 Lesotho experienced an exponential increase of confirmed cases from 2,577 as of 21st December 2020 to 8,644 by 31st January 2021 (over a 50% increase within a month). As a result of this exponential increase of confirmed COVID-19 cases, the GOL had to re-impose COVID-19 restrictions that among others restricted movements and public gatherings including meetings. As a result, community engagement which is a key enabler of this project for successful establishment and operationalization of mini-grids and energy centres could not be undertaken and a selected mini-grid developer (OnePower) could not deploy its technical teams to continue with mini-grids works

The project highly dependents on both expert services and inputs from out of the country which were not available during the lockdown periods particularly equipment for establishment of mini-grids and energy centres that has to be imported from abroad. However, the project working together with the implementing partners have developed mitigation plans in consultation with local authorities including the National COVID-19 Secretariat (NACOSEC) to support continuity of ongoing works and to counter anticipated 3rd wave and ensure seamless project implementation. Therefore, the project requires a no-cost extension to address the time lost in 2020 and 2021. During the no-cost extension, UNDP will cover both Oversight costs and Project Management Costs with its TRAC resources not exceeding US\$76,274.

Please also find attached the AWP and budget covering the project January to September 2021, when the project is expected to end, and the supplementary AWP for the requested non-cost extension period (October 2021 – September 2022).

The UNDP Lesotho Country Office and Government counterparts understand that only one extension is possible and based on COVID mitigation plans in place, no further extensions are foreseen and that at the end of the extension period all unused funds will be returned to the GEF.

We would like to express our appreciation for your continuous support and technical leadership.

Yours Sincerely,

Betty Wabunoha

Betty Wabunoha
Resident Representative