

CSR Enterprise Implementation

For

Implementation of Corporate Social Responsibility in Rural
Energy Systems in Isolated Areas in Guyana



Organización Latinoamericana de Energía
Latin American Energy Organization
Organisation Latino-américaine d'Énergie
Organizaçáo Latino-Americana de Energia



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Abbreviations and Acronyms

PSC	Private Sector Commission
OLADE	Organization for Energy Development in Latin America and the Caribbean
GEA	Guyana Energy Agency
OPM	Office of The Prime Minister
RE	Renewable energy
CIDA	Canadian International Development Agency
GoG	Government of Guyana
GCC	Georgetown Chamber of Commerce
CSR	Corporate Social Responsibility

Executive Summary

The proposed CSR Model links corporate Guyana, Government, NGO's, the rural communities and the other stakeholders in the rural electrification thrust. Its role is to harness the interest of businesses utilising the CSR philosophy in the identification, formulation, design and implementation of projects which provide community energy services. It will act to encourage timely project delivery, satisfying economic, social and community needs rather than merely financing and funding of projects.

Two structures have been proposed to ensure sustainability of sponsorship through CSR and continuous benefits from project in the local communities. The Rural Enterprise will operate in the local community and consider two (2) options for implementation; incorporation into an existing structure and the setup of a separate entity with the former having preference because of the cost effectiveness. A local consultant will be secured to perform the required initial activities related to setting up the Rural Enterprises in the three (3) selected communities. The relationship between the commercial beneficiaries and the Rural Enterprise will be governed by a "Rural Enterprise Agreement".

The CSR Entity will operate within corporate Guyana and also consider a few options for implementation. The Private Sector Commission appears to be the best fit and their board is considering the acceptance of this additional role within the next month. There will however be no required role as it relates to the three (3) selected communities since this consultancy has already identified CSR sponsorship for each one. The relationship between the Corporate Sponsor and the Implementer (OPM) and CSR Entity will be governed by a Sponsor's "Letter of Commitment".

Background

Several corporate sponsors have committed to assisting with the electrification of the remote rural Guyana communities. This response has been very good. In association with this, some key communities have also been selected and their needs quantified to provide an indication of the level of need. Needs across the rural communities are quite similar but some have received more assistance than others during past and on-going projects. Some interventions are defined at this time but on-going interventions are required. This will be facilitated through a CSR Entity.

The establishment of the CSR Entity is vital to the sustainability of Corporate Social Responsibility. Its day to day operation must be such that it ensures the infusion of CSR into energy/electrification projects in the remote Hinterlands communities continues until the task is completed. Soliciting and securing corporate sponsorship must be performed on an ongoing basis and CSR relationships managed in a transparent way which reassures corporate sponsors that their contributions are being managed well and are injected where they are needed.

The sustainability of the implemented projects must also be secured. This will be addressed through the development of a Rural Enterprise which will manage the operation of the completed implementation within the community.

1.0 Introduction

Corporate social responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”¹

Modern society’s expectations and heightened interest in the contribution of the private sector to society has been met by the increasing awareness and concern for ethical, environmental and other social issues. Today, many enterprises are now encouraged to develop Corporate Social Responsibility (CSR) policies and actions and globally they dedicate a portion of their corporate profits to CSR. In India, CSR is a significant contributor towards the development and sustaining of rural community projects. It has been made a mandatory part of the corporate and statutory responsibility for those with a turnover of 1000R crore (US\$161.7m), a law taking effect on April 1, 2014 under the Companies Act, 2013.

Consequently, as CSR commitment and concomitant activities become a more complex part of company strategy, this practice is attracting greater and greater dedicated resources. Some companies have dedicated CSR staff to adequately coordinate and manage their growing CSR programmes whilst others incorporate CSR responsibilities within the public relations or corporate communications roles of their companies. Guyana has have not reached this point but a greater awareness is developing.

1.1 Purpose

The purpose of this report is to develop a CSR Entity and a Rural Enterprise which will be responsible for the management and financial sustainability of CSR partnerships related to the implementation of energy projects in the rural communities in Guyana. The tasks which are undertaken in this exercise are:-

- Develop the CSR Entity and Rural Enterprise structures with roles and responsibilities
 - Complete required work to legitimize both structures
 - Prepare a draft agreement for Corporate partners
 - Identify sustainability elements required for the model
 - Examine local financing models
 - Define government's support for the Guyana CSR model
-
- Develop financial model for CSR Entity and Rural Enterprise

1.2 Rationale

Corporations in Guyana will have legitimate concerns that their contributions will be judiciously managed and utilised on sustainable projects and that predetermined objectives are met. Additionally, a more effective and strategic channeling of funds towards projects can be achieved where one entity has CSR as its singular focus.

The proposed structure is recommended to support the establishment of a sustainable CSR programme which will identify new and existing project opportunities and promote and increase the infusion of CSR into those projects.

1.3 Audience

The primary audience for this document will be OLADE and the Key Stakeholders.

2.0 CSR Structures

2.1 Selected CSR Model

After a review of the existing CSR Models and the effective work completed in the recent past in the rural areas of Guyana, the Collaborative Model has been selected as the best fit for the implementation of energy services in the targeted rural areas. In this collaborative model, several parties will work together to deliver a social good – electrification - for a rural community. It is acknowledged that the parties have their own specific interests and they may often be competing, therefore the CSR entity will be tasked to manage those competing expectations whilst meeting the primary objective of rural electrification.

A customised representation of the adopted Collaborative CSR Model for Guyana is shown below.

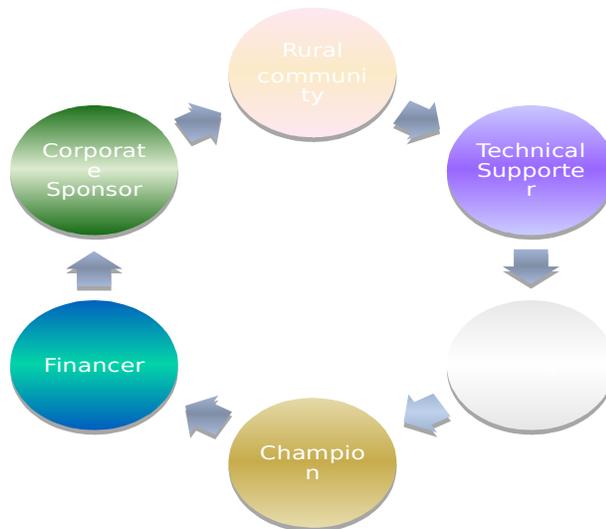


Figure 1: Guyana CSR Collaborative Model

The more specific roles of the entities in this model are mentioned in section 2.4 below.

2.2 Goals

The CSR Model will consistently seek to meet the needs of its stake-holder communities through partnerships by pursuing the concept of Corporate Social Responsibility to accelerate:-

- 1) The improvement of the living conditions of households through the provision of energy services
- 2) The creation of social and economic opportunities for uplifting people within the rural communities
- 3) The expansion of basic healthcare and educational services
- 4) The provision of increased social interaction within the communities
- 5) The promotion of rural enterprises, skills development and training
- 6) Support for initiatives of vocational, technical and higher education to marginalized communities
- 7) Improvements in access to information and availability of communication tools like the computer and internet technologies

2.3. Objectives

The objectives of the CSR Model are:-

- 1) To attract corporate funding for community energy projects
- 2) To monitor and report on the financial activities of every CSR project
- 3) To lobby for grant funds to support its projects and budgetary needs
- 4) To promote the judicious use of corporate funding for the establishment of sustainable rural energy projects
- 5) To ensure transparency in its project selection and prioritization process

6) To actively create and manage CSR agreements

2.4 Roles

The CSR Model links corporate Guyana, Government, NGO's, the rural communities and the other stakeholders in the rural electrification thrust. Its role is to harness the interest of businesses utilising the CSR philosophy in the identification, formulation, design and implementation of projects which provide community energy services. In response to identified societal needs, the entities work together to fulfil the objectives of rural energy services for social and economic advancement in a timely and efficient manner, utilising the most relevant and sustainable technology.

The approach focuses on relationship building (through collaboration and partnering) and management of the complex relationships that so often characterise these projects; relationships between government, corporations and business, communities and other stakeholders. It will act to encourage timely programme delivery, satisfying economic, social and community needs rather than merely financing and funding of programmes. The summary roles in the CSR Model deemed critical are:

Corporate Sponsor-Local corporation contributing funds

Champion -OPM, the Implementer of projects

Rural Community -Head of the local Rural Enterprise

Manager -CSR Entity which mobilises funds (excluding first 3 projects)

Financer -Financing bank (optional and excluding first 3 projects)

Technical Support -Technology advisors (optional and excluding first 3 projects)

3.0 Rural Enterprise Structure

3.1 Proposed Structure

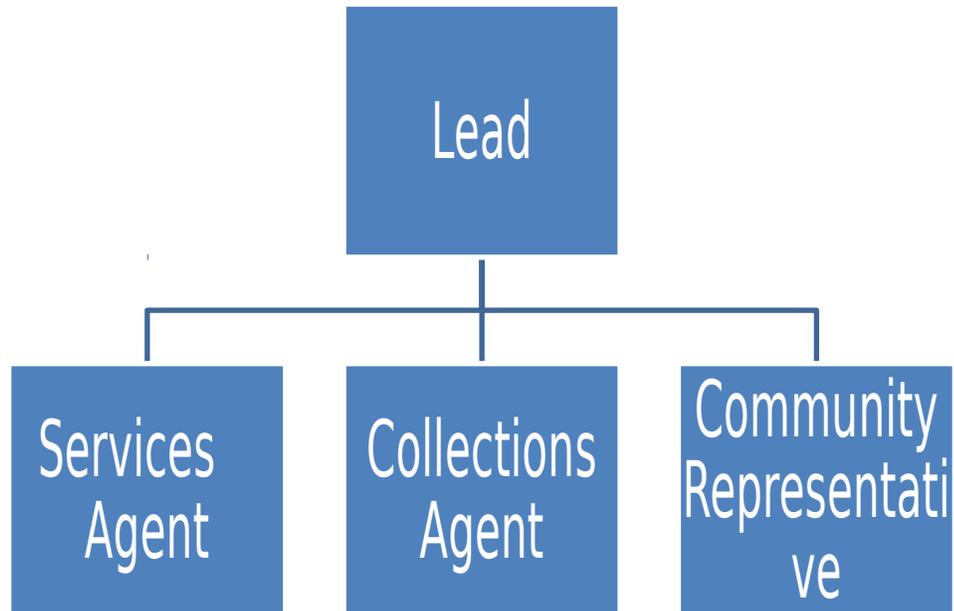


Figure 2 : Rural Enterprise Structure

3.2 Responsibilities

3.2.1 The Lead

The Lead would be responsible for:

- Coordinate the activities of the Rural Enterprise
- Liaising with the OPM on project implementations

- Communicating any new energy needs to the OPM
- Communication between the local council and the Rural Enterprise
- Establishing collections model for any community collections process

3.2.2 Services Agent

The Services Agent would be responsible for:

- Recommending collection rate to the Rural Enterprise for the use of the community facility
- Establishing and maintaining agreements between the Rural Enterprise and commercial interests
- Receiving any new service requests
- Coordinating repairs to the installed operating equipment

See Appendix A for a sample Rural Enterprise Agreement.

3.2.3 Collections Agent

The Collections Agent would be responsible for:

- Collection of payments from commercial interests on behalf of the Rural Enterprise

- Properly recording all collections
- Reporting any collection concerns to the Rural Enterprise

3.2.4 Community Representatives

The two (2) Community Representatives would be responsible for:

- Reporting community interests and concerns to the Rural Enterprise
- Representing the community on the Rural Enterprise
- Assisting the Services and Collections agents in executing their duties as it relates to persons in the community

3.3 Implementation Options

Two (2) options are being considered. The first option looks at including the Rural Enterprise structure into an existing entity. This may be preferred as it would present the most cost effective solution. The second option would be to establish a separate private entity.

3.3.1 Village Council

The Village Council is established to govern the Amerindian villages and lands and is subject to the Amerindian Act 2006 (Act No. 6 of 2006). The Village Council comprises of the Toshao (Village Captain) and Councillors. The number of councillors on the council is dependent on the population of the village. The Village Council has the authority to impose rules and regulations to govern

village life and property. The Minister of Amerindian Affairs has overall oversight function for all Amerindian Villages.

While the Act gives the villagers control of activities within the village lands this control is rather limited in certain aspects. For example, the Minister responsible for Mining and Forestry can overrule village decision regarding the granting of permits for large scale mining and forestry operations.

At the national level the Ministries of Local Government, Health, Education and Amerindian Affairs tend to work very closely to ensure that the Amerindian communities get the maximum benefit of any projects being done by the line Ministry.

3.3.2 Private Company

A Private Company would have to be setup legally in order to have legal standing in the community. This would require legal advice and expertise in fulfilling the requirements of Corporate Affairs. The company would have to be a Not-For-Profit company or a Friendly Society. Based on past experience the former would be preferred. Provision would also have to be made for all the functional positions in the proposed structure.

3.4 Selection

Each entity was carefully reviewed with specific considerations being given to:-

- Scope of organisation
- Knowledge of the overall development plan for the community
- Respectability and success record of organisation
- Appropriate systems of transparency
- Willingness to perform the required functions

The most suitable fit for the Rural Enterprise appears to be an entity under the local Village Council which has legal standing and meets all of the above criteria. There is a very strong informal relationship with the regional councils and line ministries in Georgetown. This provides a good level of overall governance and environmental stewardship. The councils also remain aligned with the strategic priority for the community they serve.

Because of the size of these communities, the councils are regularly engaged in public-private sector projects and programmes as witnessed in several energy related projects.

Its structure is favourable to the kind of efforts which are required to sustain a Rural Enterprise. Some key benefits of selecting this approach to the establishment of the entity are:

- Reduced cost for setup
- Council is well respected
- Council already has some administrative support
- Council had legal standing
- Council is experienced in running community affairs

Despite the apparent fit, a final decision will be made during the planned local consultancy defined below in section 3.6.

3.5 Role Integration

The Village Council would be able to provide oversight to the Rural Enterprise with the Lead role being performed by a Council member. Where possible, any other Council members with the requisite skills may be asked to function as Collections and Services Agents. Community representatives must be selected from the wider community of responsible persons.

3.6 Initial Activities

A local consultant will be secured to perform the required initial activities related to the Rural Enterprise. Such duties will be to:

- Arrange visits to each of the three (3) Communities through the Office of the Prime Minister and the Ministry of Amerindian Affairs
- Visit all three (3) communities
- Meet and discuss the Rural Enterprise with the local council

- Explore the establishment of the Rural Enterprise as an independent entity Vs setting it up as a committee/team under the local council which is already legally constituted
- Setup the Rural Enterprise structure in collaboration with the local council and the office of the Prime Minister
- Complete any required registration process (With legal aide if required)
- Brief members of the Rural Enterprise on how to execute the duties of the Rural Enterprise to ensure sustainability
- Prepare a report for each community including the process followed

This work will be completed in connection with this consultancy but future projects may require the commissioning of such local work by OPM as part of their Implementation. The OPM may perform the Rural Enterprise setup using the documentation produced by the local consultant or outsource the activity.

3.7 Sustainability Elements

The Rural Enterprise has a few key sustainability elements. These are:

- Development of organised community economic activity based upon socio-economic goals established by the Village Council
- Establishment of fair Agreements
- Adequate post implementation service

3.7.1 Community Economic Activity

All funds required to support the activities of the Rural Enterprise will come from activity in the shared facility. Some areas may be used in an ad-hoc manner by residents of the community but other areas will be used by persons engaging in economic activity. The latter group represents the main recipients of the benefits

provide by the facility and will therefore be the group asked to make a contribution toward the maintenance cost of the electricity system.

It is therefore critical that those businesses utilising the facility are sustainable, do well and continue to develop.

3.7.2 Fair Agreement

Like any business arrangement it is imperative that the established agreements remain fair even in changing circumstances. New agreement must also be perceived as fair so that new recipients are encouraged to use the facility and benefit from the provided electricity.

3.7.3 Post Implementation Service

The level of post-implementation service is also a critical factor in keeping existing clients and acquiring new ones. The Rural Enterprise must ensure that the services agent functions effectively.

3.8 Funding Model

As a non-profit unit, the Rural Enterprise entity will seek its funding from commercial entities utilizing the facility. It must seek to implement the following.

- A fair percentage of revenue generated form the facility
- A standard Agreement for services rendered

4.0 CSR Entity Structure

4.1 Proposed Structure

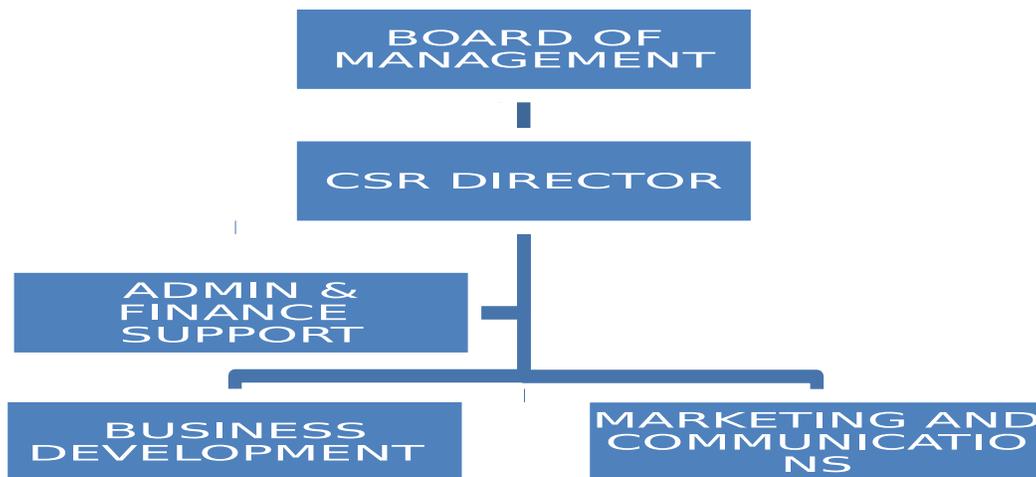


Figure 3 : CSR Entity Structure

4.2 Responsibilities

4.2.1 The CSR Board

The Board would be responsible for:

- Setting the policy direction and approving the policies in keeping with the goals and the vision of the CSR entity
- Setting the culture and values of the CSR entity

- Approving the work programme of the CSR entity
- Approving the budgets and expenditure of the CSR entity
- Ensuring that the CSR entity meets its statutory commitments and operates within the ambit of the laws which govern its existence
- Monitoring the CSR entity's strategic plan to accomplish its mission
- Ensuring the fiscal integrity of the CSR entity's operations and records
- Approve criteria for prioritization and selection of projects for funding and for performance evaluation
- Approve projects for funding

4.2.2 The CSR Director

The Director reports directly to the CSR Board. The responsibilities of the CSR Director are primarily for the fostering of relationships with key stakeholders and developing a sense of trust in and respect for the CSR entity. Consequently, the CSR Director has responsibility for:

- Overseeing the CSR strategy and operational plan of the CSR entity
- Managing the human and physical resources of the CSR entity
- Reporting on the programmes to the Board of Management

4.2.3 Administration & Finance

The Administration & Finance function will be integral to the CSR entity's effectiveness and will include:

- All daily administrative duties related to CSR
- Managing the daily financial and budgetary matters of the Entity
- Maintaining sound international financial and accounting practices

- Establishing and maintaining sound financial model for judicious use and management of corporate donor funding

4.2.4 Business Development

The Business Development function is a core role with responsibilities that include:

- Developing criteria for prioritization and selection of projects for funding and set funding targets
- Developing a performance evaluation methodology
- Evaluating and recommending projects for funding
- Developing and managing CSR arrangements with all requisite partners as required from the list below.
 - Local Sponsors (Corporations)
 - Local community leadership (MoAA)
 - Technical Supporters (Agencies)
 - Champions (OPM)
- Evaluation of sponsors' corporate governance, ethics and values to ensure that they (sponsors) are credible and honest
- Oversee the establishment and periodically review the CSR agreements
- Monitor the implementation and the use of funds
- Performance reporting which evaluates CSR effectiveness

4.2.5 Marketing and Communications

The Marketing and Communications function is also a core role with responsibilities that include:

- Designing CSR Communication strategy and marketing campaign

- Executing CSR engagement campaign (Promoting CSR model)
- Designing and preparing all marketing and promotional material
- Executing campaigns to gain on-going sponsorship and stakeholder involvement
- Develop and maintain a social media presence with relevant material

4.3 Implementation Options

One public sector agency and three private sector umbrella organisations were examined as possible entities for consideration of the expanded role of a CSR Unit. It is believed that if the right fit could be found, incorporation into an existing entity would be preferred as it would present the most cost effective solution. The private sector entities are recommended as potential non-governmental entities which can present possibilities for the establishment of such a Unit along with GEA a public sector agency under the Office of The Prime Minister.

4.3.1 Georgetown Chamber of Commerce

The Georgetown Chamber of Commerce was established in 1890 and is the oldest existing umbrella business organisation in Guyana. It has as its main objective the representation of the partisan interest of its members, including:

- To be an advocate for the business community, and particularly its membership by protecting and promoting the interests of businesses and
- To ensure ethical practices in trade, commerce and industry,
- To connect businesses
- To stimulate policies in order to foster the economic and social development of Guyana

This mandate is very member focused and suggests that the genesis of its activities is to yield benefits to its membership. CSR efforts are intended to provide direct benefit to the communities and people who are impacted rather than the corporate sponsors.

4.3.2 Private Sector Commission

The Private Sector Commission is the highest private sector umbrella body in the country. It comprises of some of the largest corporate entities and the main sub-sector umbrella organizations. It therefore appears to have an influential position in the allocation of resources across the commercial sector.

Its mandate is to “To be the leading advocate for the private sector on articulated and shared positions on national issues which will promote socio-economic growth and development through the creation of strategic partnership with the Government and other stakeholders.”

4.3.3 Empretec Guyana

EMPRETEC Guyana is a non – profit institution with a mission of enhancing private sector development by providing support to established and emerging small and medium enterprises (SMEs). It was implemented as a project within the period March 2003 and August 2006 as a collaborative effort among the Government of Guyana, UNDP and the GMSA.

Operating under license from UNCTAD since June 2007 and with an extension of the license until 2017 EMPRETEC aims at building upon it’s mandate to promote growth oriented enterprises and provide access to a comprehensive and

integrated range of services in order to enhance their participation in national development in co-operation with other SME support programmes.

4.3.4 Guyana Energy Agency

The GEA was established to foster harmonization, increased monitoring, better regulation and greater enforcement in the energy sector. This Agency falls under the responsibility of the OPM as the Ministry responsible for energy and electricity.

The GEA interacts with other ministries in order to manage the production, importation, distribution and utilization of petroleum and petroleum products. It has lead several electrification efforts with other agencies and the OPM and continues to plan the delivery of sustainable energy services delivery for Guyana including the remote hinterlands.

4.4 Selection

Each entity was carefully reviewed to ensure that there is the resource base and mandate to enable this structure to function impartially and efficiently. Additionally, there would need to be a desire to champion the CSR strategy to ensure success. Considerations given in the selection of entity were:

- Activity level of organisation
- Scope of organisation
- Level of national representation of organisation
- Respectability and success record of organisation
- Appropriate systems of transparency
- Willingness to perform the required functions

The most suitable fit for the CSR Unit appears to be the Private Sector Commission. This organization has the highest level commitment for public-private collaboration on socio-economic matters as suggested by its mandate. Its core values of good corporate governance, stakeholder engagement, social and environmental stewardship, its strategic priority areas and its focus on the efficient utilization of national and corporate resources towards the creation of equity for all members of society are easily aligned to the core values of the proposed CSR model. Additionally, it is already engaged in public-private project level programme activity as suggested by its leading role in the implementation process for the Competitiveness Fund.

Its structure as suggested by the available literature is also favourable to the kind of efforts which are required to sustain a CSR Unit. This is particularly so because based purely upon an examination of its mandate, this organization appears to have a long term developmental view which could translate into its support for CSR.

Unlike the Chamber and GEA which are single focused entities, the Private Sector Commission proposes a broader base agenda and bridges the main sectors and agenda of national significance. Some key benefits of selecting this approach to the establishment of the entity are:

- Reduced cost for setup
- Structure residing in an existing well respected agency
- Proposed organisation already has some administrative support
- Proposed structure would attract additional resources into existing organisation
- Private sector oriented organisation better disposed to solicit business

The current PSC structure is show below.

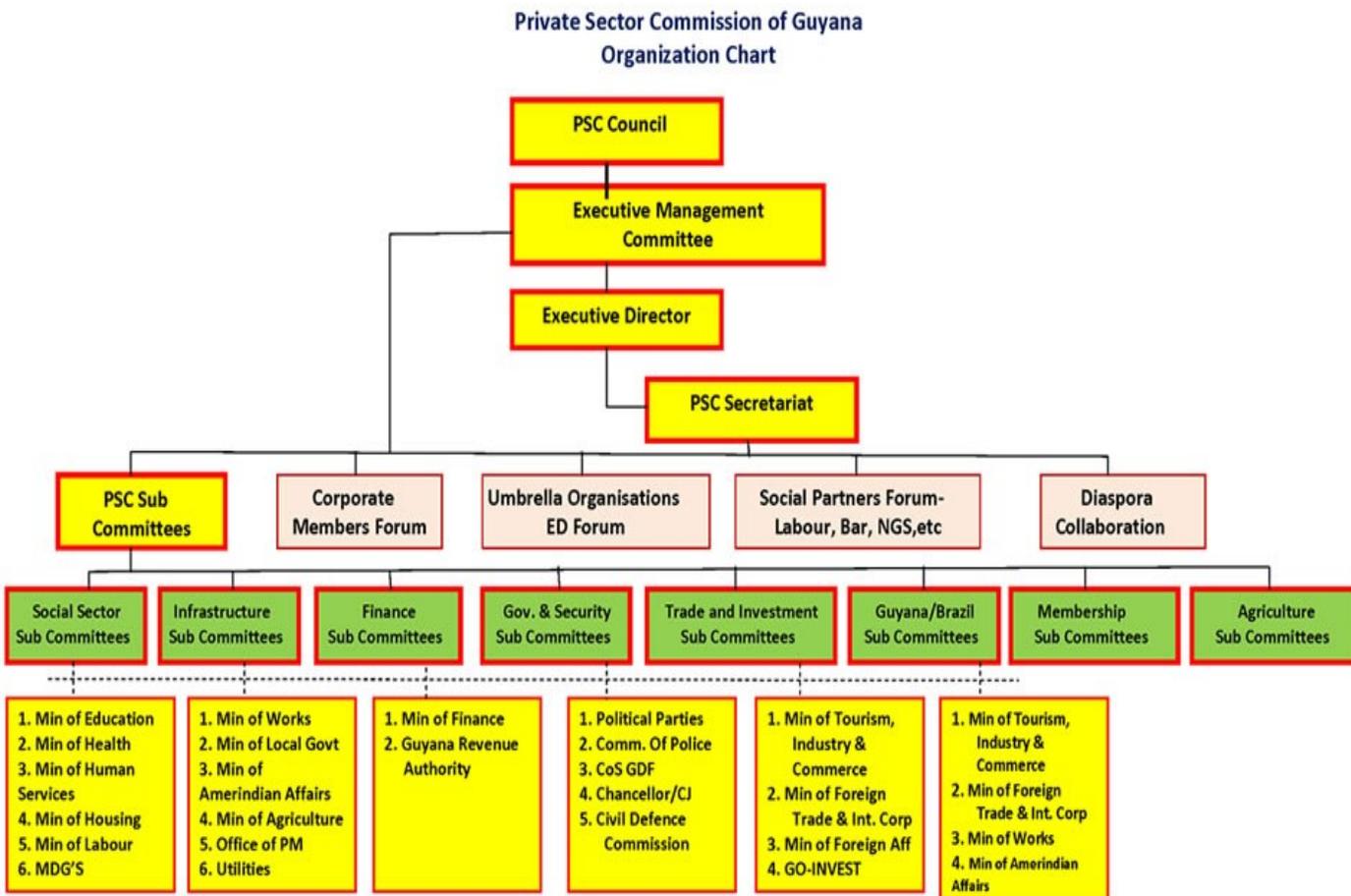


Figure 4 : PSC Model Structure

The next suitable selection was Empretec Guyana. This organisation more or less has the required qualities being sought. It however has a shorter reach than the PSC even though this may be addressed through experience and training.



4.5 Role Integration

The following is proposed based upon the limited observation of the PSC structure and activities. This would be reviewed further if necessary. The required competencies in the CSR model which may be executed within the PSC model are:-

- 1) Board
- 2) Directorship
- 3) Administration & Finance
- 4) Business Development
- 5) Marketing and Communications

4.5.1 Board

The Executive Management Committee of the PSC already functions in the role of a board. It may therefore perform the role of “CSR Board” suggested for the CSR Unit. It exercises its executive responsibilities in the administration, finance and functioning of the PSC.

The present structure comprises of the Chairman, the Vice Chairman, the Honorary Secretary, the Treasurer and the Executive Director, all of whom are elected at the Annual General Meeting with the exception of the Executive Director.

4.5.2 Directorship

The Executive Director of the PSC is recruited and appointed by the Council and is responsible for the day to day administration of the PSC Secretariat. He/she may therefore perform the role of “CSR Director”.

The Executive Director reports to the Executive Management Committee regarding its annual work programme and budget.

4.5.3 Administrative & Financial Support

This can be executed within the existing PSC Secretariat structure.

4.5.4 Business Development

The focus of the Business Development function must be to establish and manage relationships between corporations, community representatives, and other CSR partners in a CSR partnership. It may therefore be necessary to acquire this competency.

4.5.5 Marketing and Communication

Similarly, the marketing and communications functions are vital to the effectiveness and relevance of the CSR programme. Consequently, it requires a dedicated effort.

4.6 Initial Activities

As a consequence of the above, the specific activities in the first year of the establishment of the entity will include:

- Developing a policy and strategy for CSR management
- Designing CSR Programming materials
- Designing CSR Communication strategy and marketing campaign
- Executing CSR engagement campaign (Promoting CSR model)
- Selecting/Designing projects to facilitate alignment to sponsor's CSR vision
- Co-ordinating CSR stakeholder programming
- Establishing financial model for judicious use and management of corporate funding
- Managing CSR relationships which relate to:
 - 1) Staying in touch with community energy needs
 - 2) Matching projects that may benefit from CSR to appropriate sponsors
 - 3) Negotiating with Sponsors and financiers in order to meet financing needs of projects
 - 4) Technical requirements and resources to facilitate project implementation
 - 5) Community level project acceptance and support – (including the management of public relations activities)
- Seeking international financing to support programming and community projects
- Preparing performance reporting which evaluates CSR effectiveness (undertake post implementation evaluations)

4.7 Sustainability Elements

The CSR model has a few key sustainability elements. These are:

- Continuous Community Projects
- Continuous Project Sponsorship

- Continuous CSR Entity Financial Support

4.7.1 Community Projects

By working closely with the ministry of Amerindian Affairs, OPM, GEA and other agencies which work closely with the hinterland communities, the CSR Entity will stay in touch with the energy needs of those communities and be always informed about the requirements of planned and pending projects. Since the community is the centre of the CSR effort, these partnering activities are central to the operations of this unit. Community energy needs will continue to be addressed as long as they remain outstanding and until they are met by CSR or other means.

Community needs will be used to define new projects where no planned project exists and existing projects enhances by a CSR injection where the full need is not clearly addresses.

4.7.2 Project Sponsorship

Continuous sponsorship is the responsibility of the marketing resource who will receive a mandate from the Director. Successful sponsorship determines not only the ability of the unit to assist communities but also its own existence. Success is

therefore critical. In executing this critical mandate that resource will be armed with multiple tools including but not limited to:

1) A CSR package

- CSR literature (what is CSR, goals and objectives of the CSR entity)
- Benefits to Corporate sponsors
- Examples of successful energy services projects
- Community opportunities for energy services projects
- Questionnaire to evaluate interest in CSR for potential sponsors
- Sample MOU

2) A CSR Social Media

- Web presence via website or Facebook page
 - This will facilitate the publishing of materials on stakeholder community programmes and successes
 - Human stories can be published demonstrating how communities have changed through CSR engagement
 - Site can be used to engage community minded citizens to also get involved in partnering with corporate sponsors
 - Site may be used as an income stream through selling of advertising space

➤ Blogs

- Allow corporate sponsors internal CSR team to get involved
- Provide useful analytics relating to areas of public interest in CSR
- Provide useful feedback to corporate sponsors and CSR entity about consumer views on their efforts

3) A Public Seminar Programme

- Selection and Invitation of potential corporate sponsors
- Presentation of Power Point slides
- Distribution of CSR material
- Follow-up with corporate attendees

4.7.3 Funding Model

As a non-profit unit, the CSR entity will seek its funding from various sources. With respect to the initial three (3) projects, the CSR Entity's role in securing sponsorship will not be required. However for its role going forward, the unit must seek to implement the following.

- A small government subvention if possible
- 2-5% of funds identified from Corporate sponsors will be utilised towards the maintenance of the programmes of the unit
- On-going grants from International agency to maintain long-term projects

See sample Sponsor's Letter of Commitment in Appendix B.

4.8 Other Recommendation

4.8.1 PSC Resourcing

Two additional competencies may be required in order to complement the existing structure of the PSC. These are that of Business Development and “Marketing and Communication”. In the initial life cycle of the CSR Unit – which is proposed to function as a sub-unit under the PSC, one additional resource may be trained with the main core competencies of business development and marketing with a mandate to attract a specified minimum value of CSR. This resource can therefore justify its existence. Over time, it is envisaged that the CSR Unit can take a more prominent place within the corporate landscape as it embraces fully, the mandate and programming identified.

4.8.2 PSC Policy Changes

The proposal for the inclusion of the CSR Unit into the PSC can only be effectively executed where CSR is adopted as a strategic corporate objective of the PSC. The recommendation is that:

- The PSC adopt Corporate Social Responsibility as a Strategic Priority Areas with a dedicated CSR Unit within the PSC Secretariat.
- The Programme activities and budget of the CSR Unit be approved at the level of the Executive Director and ultimately at the Executive Management Committee (policy) level
- The CSR Unit (daily operations) report directly to the Executive Director who reports to the Executive Management Committee.
- The proposed levels of reporting build in the rigour necessary to have good governance
- The CSR Unit’s mandate includes the communications and marketing functions, the business development functions and its CSR partnership relationships with international agencies/other technical resources
- The PSC approve the proposed financial model to finance the CSR Unit

4.8.3 Changes For Alternative Choice

If the PSC is unable or unwilling to accept this proposal, Empretec will be asked to undergo a define set of changes at that time.

4.0 WAY FORWARD

4.1 Objectives

The next stage of the consultancy will focus on achieving the following objectives.

- Obtain three (3) signed agreement for CSR Partnerships
- Completing the required Environmental Impact Assessment(s)

4.2 Plans

Discussions will be progressed with those corporations who have indicated their willingness to participate in the CSR programme. This is supposed to culminate in signed agreements.

An environmental impact assessment will be completed for the project(s) which require one to be done.

Appendix A – SPONSOR’S LETTER OF COMMITMENT

Chief Executive Officer
Hinterland Electrification Unit
The Office of the Prime Minister
Co-operative Republic of Guyana
Oranapai Towers, Wright’s Lane
Kingston
Georgetown
Guyana

Dear Mr. Williams:

**Subject: Letter of Commitment to Guyana Corporate Social
Responsibility Electrification Programme**

This Letter of Commitment (LoC) is made by

(Sponsor)

hereinafter called The Sponsor, located at

(Address of Sponsor)

to make a financial contribution towards the electrification of a Rural
Community through The Office of the Prime Minister, Government of the Co-
operative Republic of Guyana hereinafter called The OPM, located at

Oranapai Towers, Wright’s Lane, Kingston, Georgetown, Guyana

(Address of The Office of the Prime Minister)

to partner on the project entitled Guyana Corporate Social Responsibility Electrification Programme hereinafter called The Project, as described in Appendix I.

Background

Guyana is a developing state which attracts several developmental agencies that work side by side with the government in the electrification process in the rural communities. Significant success has been achieved but it is believed that the pace of implementation may be enhanced by including the concept of Corporate Social Responsibility (CSR). This CSR initiative is being executed and managed through **The OPM** which will facilitate sponsors to provide financial support for selected projects.

The Sponsor agrees to the following Terms and Conditions which shall govern the relationship between the two parties:

1: Purpose and Scope

The purpose of this letter of Commitment is to establish a mutual interest between **The Sponsor** and **The OPM** in relation to the delivery of energy services for **The Project**, and to outline the expected roles and responsibilities in regard to the same.

2: Conditions and Arrangements

The Sponsor agrees to provide to **The OPM**, (GY\$)_____ (hereinafter called The Funds) to be utilised towards the acquisition of energy services (hereinafter called Services) described in the Project Description (Appendix I).

The OPM will make 5% of **The Funds** available to

(CSR Entity)
hereinafter called The CSR Entity, located at

(Address of CSR Entity)
to cover administrative cost. **The OPM** will also disburse the remaining 95% of **The Funds** for the implementation of **The Project** in accordance with the provisions stipulated in the Project Schedule (Appendix II).

3: Term, Effective Date and Timing

The term of this LoC shall be effective from _____ for 1 year unless
(dd/mm/yyyy)

terminated by **The Sponsor** as set out in Article 9 of this LoC. **The Sponsor** may seek to renew this Commitment for an additional term upon the approval of the **OPM**. **The Project** will follow the timing as provided in the Project Schedule (Appendix II).

4: Administration and Reporting

The OPM will act on behalf of **The Sponsor** in the administration and implementation of **The Funds** to meet the specific project requirements as provided in the Project Description (Appendix I). **The OPM** will be responsible for the provision of information on the use of **The Funds** at each stage of disbursement in accordance with the requirements as outlined in the Project Schedule (Appendix II). OPM will provide a disbursement Schedule at the commencement of **The Project** to complement the schedule of activities as outlined in the Project Schedule.

5: Areas of Mutual Understanding

The Sponsor and **The OPM** will work with other stakeholders towards the delivery of **The Project**. It is understood that **The Funds** may form part of a pool of funds which can be used towards the provision of Services for **The Project** and that completion of **The Project** may be contingent on the contribution of additional funds and technical resources from other stakeholder contributors.

6: Confidentiality

All parties must respect the confidentiality of each other. Consequently, the parties will not use, disclose to any person or organization or use in any communication, any information pertaining to the other party which that other party has stated in writing as confidential in nature.

7: Communication and Information Sharing

The Sponsor and the **CSR Entity** may publish any unclassified information on **The Project** relevant to **The Sponsor's** contribution to **The Project** at the inception, and at major milestones as indicated in the Project Description (Appendix I). **The OPM** may produce and publish promotional information on **The Project** via its regular media channels as mutually agreed by the parties and to make such available to **The Sponsor** and **The CSR Entity** for its independent promotional use.

8: Conflict Resolution

Where a dispute should arise between any parties, a process of mediation shall be entered into by the parties through the use of an agreed upon neutral third party mediator.

9: Review and Evaluation

An evaluation of the progress of implementation of **The Project** may be conducted through meetings between **The Sponsor, The CSR Entity** and **The OPM** in accordance with the Project Description (Appendix I) and Project Schedule (Appendix II). Where changes to the implementation are requested or required by **The Sponsor** or **The OPM** to **The Project**, either party must have agreement by the other party on these changes prior to any change.

10: Termination of Agreement

The terms of this LoC shall continue in force for the duration of **The Project** and any agreement to change the terms in any way shall be valid only if in writing and mutually agreed upon by **The Sponsor** and **The OPM** hereto. In such case, all commitments incurred prior to such notice of termination pursuant to this Agreement shall be adhered to.

The signatory binds the organisation to the objectives stated in this LoC and the organisation will therefore do its best to abide by its terms and conditions.

Yours sincerely,

Signature : _____ Name (BLOCK): _____

Title : _____ On behalf of: _____

Date : _____
dd/mm/yyyy

Appendix B – RURAL ENTERPRISE AGREEMENT

This Service Level Agreement is created between

(Name of Rural Enterprise)

hereinafter called **The Rural Enterprise** on the one part and

(Business Name)

hereinafter called **The Business** for the provision of energy services required to support and sustain **The Business** under the rural electrification programme hereinafter called **The Project**.

Background

Guyana is a developing state which attracts several developmental agencies that work side by side with the government in the electrification process in the rural communities. Significant success has been achieved but it is believed that the pace of implementation may be enhanced by including the concept of Corporate Social Responsibility (CSR). This CSR initiative is being executed and managed through **The OPM** which will facilitate sponsors to provide financial support for selected projects. These projects will focus on the establishment of commercial entities to stimulate economic activity.

The Parties to this Agreement agree to the following:

1: Purpose and Scope

The purpose of this Agreement is to establish a mutual interest between the two parties in relation to the use of electricity in the operation of **The Business**, and to outline the expected roles and responsibilities in regard to the same.

2: Conditions and Arrangements

The Business agrees to pay to **The Rural Enterprise**, _____ Percent (hereinafter called The Funds) of its revenues to be utilised towards the maintenance of energy services (hereinafter called Services) installed in the community facility of which **The Business** is a tenant. **The Business** will make payments of the Funds on a monthly basis with the 1st monthly payment due on the _____ (day) _____ (month) _____ (year) and continuing every _____ (day) of every month for the duration of the Agreement.

3: Scope of Service

The following services are covered by this Agreement:

- Collection arrangements
- Maintenance arrangements
- Customer Service/technical response

4: Term, Effective Date and Timing

The term of this Agreement shall be effective from _____ for 1 year
(dd/mm/yyyy)

unless terminated by either party as set out in Article 11 of this Agreement. The **Business** may seek to renew this Agreement for an additional term upon the approval of the **Rural Enterprise**.

5: Administration and Reporting

The Collections Agent will act on behalf of **The Rural Enterprise** in the administration and collection of **The Funds** to meet the specific payment schedule.

6: Areas of Mutual Understanding

It is understood by the parties that **The Funds** will form part of a pool of funds which will be used towards the provision of **The Services**. **The Business** and **The Rural Enterprise** agree to co-operate towards the continued sustainability of **The Project** and towards the general economic advancement of the community.

7: Confidentiality

All parties must respect the confidentiality of each other. Consequently, the parties will not use, disclose to any person or organization or use in any communication, any information pertaining to the other party which that other party has stated in writing as confidential in nature.

8: Communication and Information Sharing

The Rural Enterprise and **The Business** may publish any unclassified information on **The Project**. **The OPM** may also produce and publish promotional information on **The Project** via its regular media channels as mutually agreed by all parties.

9: Conflict Resolution

Where a dispute should arise between any parties, a process of mediation shall be entered into by the parties through the use of an agreed upon neutral third party mediator.

10: Review and Evaluation

An evaluation of **The Project** may be conducted through meetings between **The Business(es)** and **The Rural Enterprise**. Any changes to **The Project** must be made through the Services Agent and either party must have agreement by the other party on these changes prior to any change.

11: Termination of Agreement

The terms of this Agreement shall continue in force for the duration indicated above and any agreement to change the terms in any way shall be valid only if in writing and mutually agreed upon by **The Rural Enterprise** and **The Business** hereto. In such case, all commitments incurred prior to such notice of termination pursuant to this Agreement shall be adhered to.

The signatory binds the organisation to the terms and conditions stated in this Agreement.

Signature : _____ Date : _____

Name(BLOCK): _____ For : _____
The Rural Enterprise

Signature : _____ Date : _____

Name((BLOCK): _____ For : _____
The Business

Appendix I – Sample Project Description

Project #4	Rural Community Electrification
Project Details	<p>In an assessment completed for Region 9, it was indicated that the individual energy needs are expected to increase by a factor of five. If each existing supply to individual households is to be increased accordingly, the whole energy supply system will become very inefficient. It is proposed that a more centralized approach to the supply of energy and other services be adopted.</p> <p>Given the scope and objectives of this CSR intervention, resources may be better utilized by addressing the public and commercial aspects of the community needs. This will also meet many of the individual household needs. In the case of this community in Region 9, it is proposed that a multi-purpose public building be provided which can address the needs for a shared facility to be equipped with electricity to provide access to computers, TV, Radio and other small devices and a commercial concern.</p> <p>A Rural Enterprise will be setup to ensure the project remains sustainable and the beneficiaries contribute towards its ongoing maintenance. Local members will be trained to install and maintain systems.</p>
Recipient Community	Shulinab
Region	Region 9
Technology	Solar PV technology with Battery support
Specification	Requires 11,000 KWh per year Peak Demand of KW
Cost USD\$	\$50,000
Implementation Components	PV Panels Batteries Transportation Installation Materials Training
Champion	Office of the President
Technical Supporter	IDB

Corporate Sponsor(s)	ANSA McAL
Local Organization	Local Community Council/Rural Enterprise

Appendix II – Project Schedule

#	Activities	Schedule
1)	Project establishment	Month 1
2)	Procure Equipment	Month 2,3 & 4
3)	Train local community	Month 4
4)	Prepare facility	Month 5
5)	Install System	Month 5
6)	Testing and Commissioning	Month 6
7)	Commissioning of the Rural Enterprise to manage facility	Month 6