

AGREED

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ANNUAL PROJECT REVIEW 2010

Project Title: Removing barriers to energy efficiency improvements in the state sector in Belarus
Project ID: 50819
Year: 2010
Annual Targets: N/A

Activity	Description	Implementing Partner	Fund	Donor	Budget account	Budget account description	Funds planned, USD	Annual target, %	Funds utilized, USD	Annual target achieved, %	Deviation, USD	Overall project assessment of implemented activities (brief description)
Outcome 1: Increased incentives for state organizations to invest in energy efficiency												
Output 1.1	Budget organizations use energy norms in estimating their annual budget	000473	62000	10003	71200	international consultant	24 000 ✓		24 000 ✓	100	0	(see footnote below)
Output 1.2	Budget organizations deposit their energy savings into settlement accounts				71300	local consultant	2 500 ✓		2 500 ✓		0	
Output 1.3	Budget organizations issue incentives to staff responsible for increasing their investments in energy efficiency				71600	travel	4 280 ✓		4 175		105	
Output 1.4	State organizations use best practices in the field of management of EE investments											
1.4.2.	Organizing study tours (Russian Federation, Denmark, other European countries upon the results of Activity 1.4.1) to learn the best existing practices (SPA, ESCO and other advanced options) in the field of EE investments in the state sector.	000473	62000	10003	71600	travel	3 720 ✓		3 541	40	180	A study tour in Russian Federation has been organized and conducted. A Project expert and a top official from the EED have visited and discussed with top specialists in the field of energy efficiency and leaders of relevant institutions, e.g., Institute of Urban Economy, Russian Energy Agency, ECE Energy Efficiency Center and Russian-German Energy Agency. The main purpose was to exchange experience, establish contacts and cooperation, receive new information and study the best practice in enabling appropriate framework for investments in energy efficiency of the state sector.
1.4.3.	Formulating proposals for improving legal and institutional framework for EE investments (using SPAs, ESCOs or similar advanced schemes).	000473	62000	10003	71400	contract. serv. individ.	15 000 ✓		14 876	20	124	The regulation "On Selection Procedure for Energy Efficiency Projects to Be Supported by State Budget" has been elaborated, discussed with key stakeholders, submitted to EED for approval and duly approved (EED Directive No.17, 14.10.2010). The provision is to set up a number of criteria for selection procedures, which are to enhance incentives for state organizations to implement energy efficiency measures through energy saving programmes. Review of draft Resolution of the Council of Ministers "Provisions for Accumulation and Use, by Budgetary Organizations, of the Funds Intended on Payment for Fuel and Energy Resources and Saved as a Result of Introduction of Energy Saving Equipment and Materials" has been provided by the Project, and recommendations have been formulated based on the Project's experience with settlement accounts for energy savings. The Resolution has been adopted Sep 27, 2010, No.1393. Relevant ToRs have been drafted to engage local consultants (legal and investment experts) for preparation of proposals concerning legal and institutional framework improvement for facilitation of investments in energy efficiency of the state sector.
		000473	62000	10003	71300	local consultant	1 200 ✓		1 200 ✓		0	

2.3.1. Monitoring of implementation of the investment projects in the selected state organizations (Project partners) and preparation of analytical report with evaluation and generalization of the results and effectiveness of investments in the EE measures.	000473	62000	1003	71300	local consultant	6 500	6 455	50	45	<p>Monitoring of EE investment projects implemented in four industrial organizations of the State sector is being conducted. These organizations are partners of the Project were the Project initiated, grounded, raised and adopted investments of \$15.36 million USD. The organizations and GHG emission reduction level recorded in 2010 are as follows:</p> <ul style="list-style-type: none"> JSC "BerozaStroyMaterialy" - 1.7 thousand tCO2eq. JSC "KrasnorskStroyMaterialy" - 10.1 thousand tCO2eq. JSC "Keramica" (Vitebsk) - 6.8 thousand tCO2eq. Ivatesevichi Town Utility - 0.5 thousand tCO2eq. <p>In addition, two other energy efficiency project sites have been investigated, business plans developed and feasibility study conducted. They are 3 MW CHP at "Slutsky Meat-Packing Factory" JSC and 1 MW CHP at "Ivatevichy Housing & Communal Services" CJUE. The documents have been approved by EED and the sites have been included in the EED's Investment Programme. The results will be further used for evaluation of investment efficiency, GHG emission reduction and for elaboration of an EE investment business model.</p>
2.3.2. Providing on-going consulting services directly and online through NEEP to the Project Partners and the EE Department in the field of EE investment practices and the generic business framework in the state sector.	000473	62000	10004	71600	travel	500	481	19	65	<p>Consulting services is being provided to the Project Partners, specialists of EED and other interested organizations (Oblast and Rayon level) in the field of business planning, investment appraisals, and bankable proposal preparation.</p>
Outcome 2 - total:										
Outcome 3: Project successes sustained and replicated throughout Belarus										
Output 3.1										
3.1.2. Providing legal assistance to the Energy Centre until its registration (Statute review, Board of Directors Provisions, other registration documents).	000473	62000	10003	74100	Professional Services	900	803	100	97	<p>All necessary legal assistance has been provided. The International Energy Center has been shifted from under direct supervision by the Energy Efficiency Department to its subsidiary RUE "Belinvestenergosberezheniye" on a temporary basis (Directive No.29 was issued by the Energy Efficiency Department on July 9, 2008). In May 2010, the Council of Ministers signed a protocol of approval of creation of the International Energy Center as a closed JSC. Since that date the Center's Statute has been elaborated and the stakeholders have been identified and committed. The Center formally registered and operationalized as a legal entity (Closed JSC) since Sep 6, 2010. The following organizations are the founders of the Center:</p> <ul style="list-style-type: none"> Open Joint Stock Company "BelVneshtEkonomBank"; Open Joint Stock Company "National Space Bank" (Moscow, Russia); Open Joint Stock Company "StroiSektor" (Moscow, Russia); Limited Liability Company "TAWI" (Warsaw, Poland) <p>In Belarus, the Project has established contacts with other companies in energy service market, e.g., "ENECOM" LLC, "BelinvestESCO" CJSC, "Bellis" JSC. Meetings have been organized and preliminary negotiations have been started with GTZ (Germany), ICF-Consulting (UK), ARENA-ECO (Ukraine), Austrian Energy Agency, "Limon" GmbH (Germany), InfraServ GmbH & Co. Gendorf KG (Germany), "NPO Rassvet-ENERGO" JSC, etc. The Project continues this activity.</p>
Output 3.2										
3.1.3. Setting up contacts between the Energy Centre and energy saving institutions and similar organizations (energy centres, ESCOs) in Belarus, the EU and CIS countries.	000473	62000	10003	71400	contract. serv. individ.	19 600	18 920	100	680	

3.2.1.	Conducting energy audits (express-audits) and preparing business plans to finalize a new EE Investment Programme for the EE Department and other agencies.	000473	62000	10003	71600	travel	3 620	3 446	50	174	On a basis of express-audits, the new investment programme has been drafted by the Project in cooperation with EED and the Energy Centre established. The current pipeline of new projects consists of 18 EE measures (projects) in 13 organizations of the State sector. The Investment Programme has been approved by EED (Jan 8, 2010). To attract investments and ensure sustainability of these programme, eight projects have been selected by the Project to be attributed with business plans. The projects are as follows: retrofit of a boiler houses Nos. 1, 2 and 3 in "Slutsky HCS" CJUE, installation of a mini-CHP of 4 MW in "Kpalinka" JSC, construction of a boiler fired with local fuel and installation of 2 mini-CHPs of 4 MW in "Zabudova" JSC, retrofit of compressor equipment with installation of turbine-ORC-generator for waste heat recovery in "Minskaya" and "Krupskaya" compressor stations, and construction of a mini-CHP of 4 MW in Slutsky cheese-making plant. Relevant TORs have been prepared to hire local consultants. The consultants have been selected and engaged.
3.2.2.	Developing feasibility studies, preparing and signing investment agreements with new partners for the selected investment projects of the new EE Investment Programme.	000473	62000	10003	71300	local consultant	10 000	6 000	20	4 000	Relevant TORs have been prepared and approved to hire appropriate local consultants to conduct feasibility studies and prepare business plans to attract investments for other projects. For three projects, detailed action plans and calendar progress charts have been prepared and approved by all stakeholders including EED, potential investors and local governments.
Output 3.3	The number of state organizations increasing the level of investment in energy efficiency expanded										
3.3.2.	Carrying out an ongoing information campaign (hand-books, leaflets, brochures, interviews, press-releases, "Energy Marathon" competitions, etc.) on project activities and best EE investment practices, including dissemination of information through the NEEP.	000473	62000	10003	74 200	audio & video prod.	14 500	13 732	100	768	For the purpose of increasing information campaign of energy efficiency, promo-goods and booklets "Increasing energy efficiency and use of renewable energy in Belarus" were produced. Together with EED and Ministry of Education, and with the support of the Education Council of Minsk City Executive Committee, the national contest "Energy Marathon 2009" was held. The winners in 7 categories were awarded. In addition, the best teachers-organizers of school work were acknowledged. In the framework of the Energy Marathon, training and demonstration materials on holding extracurricular energy efficiency activities at education institutions were prepared and distributed. More than 50 interviews, broadcasts, releases and articles have been published.
3.3.3.	Preparing and signing agreements of cooperation (MoU) between the Project, Energy Centre, other ESCOs and state organizations and municipalities not involved in the UNDP/GEF project.	000473	62000	10003	71400	contract. serv. individ.	14 400	13 765	35	635	In Belarus, the Project initiated six cooperation agreements, which have been negotiated and signed between the Energy Center and potential customers ("KritchevCementoShifer" JSC, "OrshaStroyMaterialy" JSC, "Slutskoye HMS" CJUE, "Volkovskoye HCS" CJUE) and other companies in energy service market, e.g., "ENECOM" LLC, "BelinvestESCO" CJSC. One cooperation agreement has been signed with "NPO Rassvet-ENERGO" JSC (one of ESCOs in Ukraine). The Project continues this activity. At least US\$120 million of loan funds are attracted by the Project and committed by the Center's shareholders to be invested in energy efficiency in the state sector after the end of the Project.
3.3.4.	Organizing annual International Seminar on "Incentives and Best Practices of Investments in Energy Efficiency" under the auspices of the Project and in cooperation with the EE Department, UNDP and UNECE.	000473	62000	10003	72100	contract. serv. companies	8 800	9 727	200	-927	The Project has organized and held the following public events: workshops "Energy Efficiency, Use of Non-Conventional and Renewable Energy Sources as a Factor in Enhancing Energy Security", "The Experience of Energy- and Resource-Saving Activities in Education Institutions in Minsk", "Energy Efficient Technologies as a Factor in Meeting Energy Saving Targets in the System of Housing and Communal Services"; two international workshops "Development of the Renewable Energy Sector in the Russian Federation and CIS States: Prospects for Interregional Cooperation" (25 presentations, a round-table meeting, and a visit of 3 pilot renewable energy sites) and "Fostering Investment and Practical Experience of Attracting Investment to Energy Efficiency Improvements" (30 speakers, more than 120 attendees).

3.3.5. By taking part in international conferences, learning the best experience and practices of the EU countries in the field of EE investments; presentation and discussions of the experience of Project and the Energy Center in the area of EE investments in the state sector of Belarus.	000473	62000	10003	71600	travel	66 380	63 376	100	3 004	The Project organized and supported the following missions of Project experts, representatives of EED and specialists from relevant sectors: (i) Kiev (Ukraine); (ii) Berlin and Hannover (Germany); (iii) Cereise (Ukraine); (iv) Bratislava (Slovak Republic); (v) Astana (Kazakhstan); (vi) New-Delhi (India); (vii) Geneva (Switzerland); (viii) Frankfurt and Munich (Germany); and (ix) Vienna (Austria).
Output 3.4										
3.4.4. The National Energy Efficiency Internet Platform (NEEP) created	000473	62000	10003	71400	contract. serv. individ	16 000	15 360	30	640	Infological architecture and design of the MEEP have been prepared in draft. The commercial proposal has been drafted to prepare for tendering procedure.
	000473	62000	10003	73300	Maint&Licenci ng of Software	300	299		2	
3.4.5. Developing NEEP's modules and their HTML versions.	000473	62000	10003	73400	Rem&Mnt off equip	500	721	20	-221	Prototype versions of some of the NEEP modules are being developed, i.e. heat supply assessment module.
	000473	62000	10003	72200	Equipment and Furniture	200	151		49	
Output 3.5										
3.5.1. Effective project management and monitoring ensured	000473	62000	10003	72500	Supplies	1 000	717	100	283	Project Substantive Revision documents has been prepared, discussed with stakeholders including PSC, RTA, UNDP CO, EED and duly approved. ADWP-2010 and ADWP-2011 have been prepared on the basis of the Project Substantive Revision and duly signed. Budget revision has been prepared and submitted in due time. The Project extension documents have been prepared and submitted in due time. The Project extension has been approved and registered.
	000473	62000	10004	71300	local consultant	17 000	14 298		2 702	The PSC meeting has been organized and held (Sep 03, 2010). The additional evaluation of the Project has been conducted and suggestions for continuation of the Project has been prepared (June 2010).
3.5.2. Project monitoring and finalization.	000473	62000	10003	71400	contract. serv. individ.	20 000	20 323	100	-323	The semiannual report have been prepared and submitted to Ministry of Economy as required. GEF PIR has been prepared and submitted to GEF in due time. The APR has been prepared and submitted in due time. The Project web-site is regularly updated (www.energy-efficiency.by)
	000473	62000	10003	72400	Communicatio ns equipment	2 000	1 493	100	507	The Project's stuff is complete. The performance evaluations and SC contract extensions are prepared and issued in due time.
3.5.4. Project management and project office functioning.	000473	62000	10003	74500	miscellan.	3 200	2 280	100	920	
Outcome 3 - total:						198 400	185 410	83	12 990	
TOTAL:						275 946	262 057	61	13 889	

PROJECT PERFORMANCE-IMPLEMENTATION ISSUES: The Report on Evaluation of the UNDP/GEF Project: "Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus" and Suggestions for Continuation of the Project (June 2010) has been issued by local and international experts hired to prepare recommendations concerning energy efficiency improvement incentives for budget (state) organizations. The report has revealed that most of provisions and approaches of Outputs 1.1-1.3 are outdated. The initial ADWP-2010 envisaged that Energy Efficiency Department and UNDP should take final decision on perspectives of further elaboration of these outputs. In June 2010 it was decided that the project activities related to these issues are to be removed from the Project Plan. A revision of the State Budget Code is required otherwise, which is out of the Project's scope and capability. As a result, a document on project substantive revision has been prepared and duly approved, and a new version of ADWP-2010 has been revised, approved by PSC and RTA, and duly signed. The current APR corresponds to this new version.

Note:
 Budget in this report is indicated based on the signed ADWP for 03-4-2010 and the latest Budgets reapproved by GEF / Comparative Table.
 Expenses are indicated based on the preliminary COE for 2010. Final figures are available after the closure of 2010 financial year.
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