



— 43589 Proposal.

50949 - Project

26 January 2006


Dear Mr. Hermida,

Subject: FP Regional (Costa Rica, El Salvador, Nicaragua, and Panama): Regional Programme on Electrical Energy Efficiency in the Industrial and Commercial Service Sectors in Central America. - PIMS 2819, ATLAS BU: CR10 Proposal No.: 00032497 Project No.: 550644

I am pleased to delegate to you the authority to sign the above-mentioned Full Size project document, which amounts to US\$ 2.53 million on behalf of UNDP. As Principal Project Representative, you are also kindly requested to obtain on the cover page the signature of the government of Costa Rica, Lead Country. The project has received its final approval from the GEF Chief Executive Officer in accordance with the established GEF procedures (CEO approval/endorsement attached for ease of reference). It will be executed by the Biomass Users Network in Central America (BUN-CA), which has received a copy of the project document for signature.

Prior to the signature of the project document, the *Annual Work Plan (AWP)* should be generated through ATLAS, based on the *Total Budget and Annual Work Plan* in the attached project document. A copy of the project document signed cover page and the AWP extracted from ATLAS should be sent to Mr. Oliver page, Regional Technical Advisor in the GEF Panama RCU and to Ms. Xiumei Zhang, Finance Officer at Headquarters, with a request for issuance of an *Authorization of Spending Limit (ASL)*. Comments on the AWP will be provided within 5 working days by the GEF Regional Technical Advisor as relevant.

Budget revisions should be forwarded to the GEF RCU with an explanation of the changes proposed. In this connection, please note that UNDP-GEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project will have to be absorbed by TRAC.

The number of operational and financial transactions and services expected from your office in support of project execution will vary according to the execution modality. The UNDP country office will receive compensation for actual services delivered through the *Implementation Support Services (ISS)* mechanism.

As an Implementing Agency of the GEF, UNDP earns a fee from the GEF upon approval of each main project (Full-Size, Medium-Size or Enabling Activities). The fee of US\$75,900, will be paid directly by UNDP/GEF to the XB account of the UNDP office in Costa Rica in annual installments, and will be used to cover the costs incurred by UNDP, both at Headquarters and in the Country Offices, in supporting project development and implementation. Further to the negotiations with the participating country offices, it was agreed that the fee apportionment for this project would be paid directly to the UNDP office in Costa Rica.

José Manuel Hermida
UNDP Principal Project Representative
UNDP Costa Rica
San José, Costa Rica



The first installment will be effected upon receipt of the signed main project document cover page in the GEF RCU. The second and all subsequent annual fee installments will depend on the satisfactory delivery of the services described in Annex 2 and thus will be directly linked to project expenditure and delivery. Note that the fee includes the cost of services generated by the preparatory assistance phase under the GEF Project Development Facility (PDF) window.

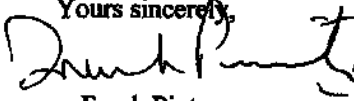
As specified in the project document - and except for PDF As - a detailed project management plan will need to be prepared in collaboration with the executing agent in order to support a timely implementation of the activities. This management plan will specify the actions, timelines and responsibilities for review at the inception workshop. It will be completed and updated throughout the life of the project as relevant in accordance with the various annual reviews such as steering committees; tri-partite reviews etc... The plan will also include all the support activities to be undertaken by the Country Office as listed in Annex 2. It should also highlight the delivery milestones and identify responsible Country Office staff at the programmatic and operational level.

We take the opportunity to draw your attention to the following mandatory requirements for all GEF-funded projects:

- ❖ Any changes contemplated with respect to the project objectives and outcomes will have to be discussed with and approved by the UNDP-GEF Regional Coordination Unit, as they will have to be reported to GEF.
- ❖ All GEF-funded projects are subject to a mid-term and a final evaluation conducted according to Terms of Reference circulated to the RCU and approved on a no-objection basis. Projects of short duration and small to moderate in size such as PDF B, Enabling Activities and Medium-Size may forego the mid-term evaluation while PDF A projects are not subject to any evaluation.

In case you need clarification on the GEF Project Cycle and requirements, please consult the UNDP-GEF Programming Manual at <http://intra.undp.org/gef>.

In concluding, I would like to assure you of the GEF Team's and my personal commitment to a successful implementation of the project. The Regional Coordination Unit in Panama is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me with your feedback on the quality of our services and suggestions for improvements.

Respectfully,

Yours sincerely,
Frank Pinto
Executive Coordinator

cc: Ms. Elena Martinez, Director RBLAC
Mr. José María Blanco, Director BUN-CA
Mr. Oliver Page, GEF Regional Technical Advisor LAC-Panama



Global Environment Facility

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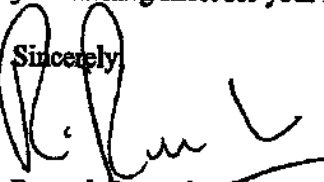
December 21, 2005.

Mr. Frank Pinto
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
304 East 45th St.
FF Bldg., 10th floor
New York, NY 10017

Dear Mr. Pinto,

I wish to inform you that the CEO on December 21, 2005, endorsed the project proposal entitled, *Regional (Costa Rica, El Salvador, Nicaragua, Panama): Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America*, for a total amount of GEF financing of \$2.53 million (including PDF resources previously approved for \$350,000), for final approval in accordance with the UNDP procedures.

Please find attached a copy of the project tracking sheet for your records.

Sincerely,


Ramesh Ramanantny
Head, Operations and Business Strategy

cc: A. Djoghla (UNEP), S. Gorman (World Bank), STAP

Regional (Costa Rica, El Salvador, Nicaragua, Panama) : Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America



~~Program Name~~

Program Manager			Recommendation	Yasemin E.K. Biro
Team leader			Clearance	<i>A Miller</i>
CEO			Approval	<i>Hector G. Archer</i> Mohamed T. El-Ashry 11/13/03
Program Name	\$0.350	\$0.475		

Program Manager			Recommendation	<i>Yasemin E.K. Biro</i> 2/15/04
Team leader			Clearance	<i>A Miller</i> 2/6/04
CEO			Approval	<i>Leonard Good</i> 2/15/04
Program Name	\$2.530	\$9.595		

Program Manager			Recommendation	Yasemin E.K. Biro
Team leader			Clearance	Alex Miller
CEO			Approval	Mohamed T. El-Ashry

SIGNED
04-06-2005

~~Council Approval~~

Need to circulate to Council for	>second review prior to CEO endorsement (4 weeks review period)	Yes
	>CEO endorsement (second review waived)	<input checked="" type="checkbox"/> Yes

Program Manager			Recommendation	<i>Zhibiao Zhang</i> 12/20/05
Team leader			Clearance	<i>Richard Hosier</i> 12/20/05
Program Name	\$2.180	\$2.180		

Program Manager			Recommendation	<i>Zhibiao Zhang</i> 12/20/05
Team leader			Clearance	<i>Richard Hosier</i> 12/20/05
CEO			Approval	<i>Leonard Good</i> 12/21/05

~~Implementing Agency~~

Cumulative GEF Contribution



Annex 1 CEO endorsement/approval (does not apply for PDF A projects except for PDF A>US\$50,000 when final type is 'Full-Size')

Annex 2

PROJECT IMPLEMENTATION ACTIVITIES

Unless otherwise stated, all activities should comply with the UNDP-GEF and the UNDP Programming Manuals

Stage	Responsibilities of UNDP Country Office
Development	▪ Review, appraise and provide guidance to proponent on Concept/project idea.
	▪ Defend Concept/project idea eligibility as needed.
	▪ Support Project formulation.
	▪ Support Co-financing negotiations.
	▪ Defend Proposal eligibility as needed.
	▪ Participates in policy negotiations as needed.
Preparation	▪ Support Project Document formulation.
	▪ Facilitate and participate in Project Document appraisal.
	▪ Prepare response to GEF Council comments for Project Document endorsement by GEF CEO.
	▪ Process UNDP signature of project document.
	▪ Process Government signature of Project Document.
	▪ Process Executing Agent signature of Project Document as relevant.
Implementation	♦ <i>Management Oversight</i>
	▪ Project launching.
	▪ Steering committee meetings.
	▪ Monitoring the implementation of the work plan and timetable.
	▪ <u>Field visits</u> : ensure visit to the project site at least once a year; prepare and Circulate reports no later than two weeks after visit completion.
	▪ Problem identification and trouble shooting
	▪ Project document revision
	▪ Review, editing and response to reports
▪ Technical backstopping as needed	



Implementation (cont'd)	<ul style="list-style-type: none"> ▪ Policy negotiations
	<ul style="list-style-type: none"> ▪ Operational completion activities in agreement with GEF RCU, determining when the project is operationally completed and advising all interested parties accordingly.
	<ul style="list-style-type: none"> ◆ <i>Financial Management & Accountability</i>
	<ul style="list-style-type: none"> ▪ Financial management (verifying expenditures, advancing funds, issuing combined delivery reports, ensuring no over-expenditure of budget).
	<ul style="list-style-type: none"> ▪ Ensuring annual audits of NEX projects are completed and the audited financial statements together with the audit report reach UNDP headquarters (Office of Audit and Performance Review) as needed.
	<ul style="list-style-type: none"> ▪ Timely issuance of the initial Annual Work Plan (AWP) and subsequent Budget Revisions.
Evaluation	<ul style="list-style-type: none"> ▪ Operational and financial completion of the activities in agreement with GEF RCU, ensuring that projects are financially completed no more than 12 months after the date of operational completion by ensuring the final budget revision is promptly prepared and approved.
	<ul style="list-style-type: none"> ▪ Ensure preparation and completion of Annual Project Reports (APRs) by the due date, two weeks before the tri-partite review (TPR).
	<ul style="list-style-type: none"> ▪ Organize and attend tri-partite review (TPR) meetings and ensuring that decisions are taken on important issues).
	<ul style="list-style-type: none"> ▪ Ensure preparation and completion of the GEF Project Implementation Review (PIR) reports by the due date.
	<ul style="list-style-type: none"> ▪ Arrange evaluations (mid-term, final, post-final, independent etc...), hiring personnel, planning mission) as agreed upon with the GEF RCU and ensuring that GEF-specific requirements with regard to <i>Monitoring & Evaluation</i> are met in accordance with the UNDP-GEF Programming Manual.

UNDP RESPONSE TO COUNCIL MEMBERS COMMENTS

**REGIONAL PROGRAMME ON ELECTRICAL ENERGY EFFICIENCY IN
INDUSTRIAL AND COMMERCIAL SERVICE SECTORS IN
CENTRAL AMERICA**

Council Member Comments – USA –	Response to Comments
<ul style="list-style-type: none"> • While we are glad to see a log frame with indicators and some milestones, we note that some of the main impacts occur 20 years from now. It would be a good idea to have more interim benchmarks that lead up to these longer term impacts. Can you agree to this? 	<ul style="list-style-type: none"> • <i>The project logframe presents indicators at different levels: At the level of development objective, energy consumption indicators are expressed over 20 years as it is required by the GEF to monitor impacts. Part of these benefits will occur during project through actual investments while another share of CO₂ reduction will result from project replication.</i> • <i>A success indicator for the FSP Global Objective has been included in the Monitoring Matrix, Annex A.1, i.e.: a total reduction of 33,264 tons of CO₂ as “direct” reduction made during the FSP duration impact –calculated over 4 years- due to the execution of 8 investment projects; and “direct post-project” reductions made during the FSP duration due to the financial closure of another 32 projects.</i> • <i>In effect, setting a legal and regulatory framework, introducing standards and developing capacity are core for project sustainability. For Outcome 1, legal and regulatory instruments are considered to be ready for approval at the end of year 1 and in place after 3 or 4 years depending on the type of instrument. This legal and regulatory environment will allow overall energy consumption reduction at national level by eliminating least efficient technologies for any investment that is to take place in the countries concerned. This is monitored through regional statistics on EE equipment market growth (Act.3.1.3). To take into consideration this comment, please also refer to Section II of the ProDoc –the total work plan-.</i> • <i>As far as concrete benchmarks for the champion investment projects are concerned, in Outcome 2, the level of funding available for EE investment projects is to reach US\$2 million at the end of year 2 and US\$11 million by project end. An additional</i>

	<p><i>US\$1 million in investment funding is to be available to SMEs by project end. These investments are carried out based on detailed energy audits and are to be the showcase for the branch concerned. Please, refer to the activities of Outputs 2.2 and 2.3 of the Brief.</i></p> <ul style="list-style-type: none"> • <i>The percentage of energy consumption is also monitored in investing firms during the project: 16% potential reduction for A/C and 12 to 15% for motors.</i> • <i>A third set of indicators is presented at output level to monitor project activities and direct project result. Please, refer to the log frame matrix in Annex A and Matrix A.1.</i> • <i>UNDP will make sure that project information is allowing Council members to follow project progress in particular through the PIR exercise, in Section I of the ProDoc.</i>
<ul style="list-style-type: none"> • <i>Also, the final evaluation funded by the project should be timed until after the final disbursement, perhaps by as much as 18 months after, to gauge impact more effectively. This is particularly relevant in projects that include private sector investments whose impact on the borrowing enterprises may only begin to occur after the final disbursement by GEF. Can you agree to this?</i> 	<p><i>The concern of the GEF Council Member is very valid. In effect, removing barriers to energy efficiency does take time as it is not only a question of technology or even policy and regulatory environment. It involves in particular changing investment decision processes and O&M practices at the consumer level.</i></p> <p><i>This concern was also one of UNDP and this is why the project duration is 5 years. Activities will take place from year 1 to year 4 and the final evaluation will take place at the end of year 5 securing 12 months between closure of project activities and final evaluation. If GEF Council requests so, the project duration can be extended to 5.5 years to secure 18 months between project activities and final evaluation.</i></p> <p><i>However, final evaluation is to be carried out with project funding. Hence it is logically impossible to carry out an evaluation after final disbursement has occurred. If GEF Council requests a period of 18 months between project activities and final evaluation, the duration will have to be increased accordingly.</i></p> <p><i>A second possibility which would allow to assess GEF projects impact and not only this particular project, would be to carry out a specific evaluation exercise, focused at a regional level and covering all energy efficiency related</i></p>

	<p>GEF projects.</p> <ul style="list-style-type: none"> Please refer to Section III of the ProDoc –the total work plan- for a total project duration of 5 years, securing closure of project activities by the end of year 4 and final evaluation by the end of year 5 to include monitoring of the private sector investments.
<p>Council Member Comments – Switzerland</p>	<p>Response to Comments (June 07, 2005)</p>
<p>Main Concerns:</p>	
<p>(1) <i>Regional Intervention Logic:</i> The proposed project encompasses a regional intervention logic. It is deemed adequate to concentrate on four core countries and at the same time not to exclude other countries in the region by giving them the status of associated project countries. It is acknowledged that through the regional approach a number of synergies can potentially be yielded, and information and lessons-learned can be shared among the countries. However, in particular with regard to the first component of the Project – improvement of policy and regulatory framework – the current situation is characterized by significant differences between the participating countries. Full understanding of the different frameworks together with the related political context in several countries simultaneously is a demanding task and could overstrain available resources of the Project.</p>	<p>Fully agree with this concern. Enabling a proper policy and regulatory environment for triggering EE markets considering the in-country differences was an issue fully considered since the beginning of the PDF-B. For this reason, the preparatory assistance developed in-country actions under the guidance, and in close collaboration, with the corresponding national policy makers, i.e.: COPE in Panama, DSE in Costa Rica, CNE in Nicaragua, and DGEE in El Salvador. These actions included in-country focus groups, and workshops in all the seven countries led by the local authorities (pls. refer to footnote 1 in para.14 of the Brief), review of existing legislation [Section B.2 of the Brief], and arrange meetings with investors, engineering firms, and electric utilities.</p> <p>Activities planned under Output 2.1 –Strengthening of Public Institutions- take into consideration this issue in each of the core-countries. Besides, the FSP will promote the interchange of lessons learned among these countries and also with the associate countries, under Outcome 3, Output 3.2.</p>
<p>(2) <i>Co-financing:</i> According to the table on page 11 in the Executive Summary by far the largest sources of project co-financing are local banks in El Salvador and Panama (5,500,000 million or 78% out of 7,065,000 million USD). Commitment letters for these co-financing funds have already been secured. Nevertheless, actual availability of these funds may be</p>	<p>Outcome 2 focuses on strengthening institutions and developing capacities both in public and private spheres to secure actual EE implementation. A significant portion of the capacity building activities of Output 2.2 in this Outcome is to train lending officers of partner banks to provide them with the necessary tools to take into account EE financial benefits when apprising projects.</p> <p>In addition, BUN-CA, the executing agency, during the first year of the FSP and with financial support from the Renewable Energy and Energy Efficiency Partnership –</p>

<p>questionable. Banks (as other private financiers) could refuse to actually provide the committed funds based on reasons on which the Projects have little or no influence, e.g. too low prospective returns on investment or too high perceived risks of actually proposed energy efficiency projects. The Project proposal does not elaborate on strategies and measures to address this risk.</p>	<p><i>REEEP- will design and implement a strategy to mobilize the interest of well recognized international and local institutions specialized in finance, already participating in the energy industry in Central America (see attached note of the REEEP project approval in Annex D of the ProDoc). The nature of intervention of the REEEP Regional Project is targeted at financial intermediaries and local banks.</i></p> <p><i>Specifically for the SMEs, which is known not to adapt as easily as larger firms, the GTZ funded experience on clean production will be complemented and replicated, in partnership with their GESTA initiative in El Salvador for another US\$1 million investment on EE by the SMEs. To tackle this market particular niche, the FSP has included a series of steps described under Output 2.3.</i></p>
<p>(3) <i>Low-quality EE products on the market:</i> Experience in other countries shows that the proliferation of cheaper low-quality alternatives that are apparently EE products causes unfair competition with bigger and known brands. There is also a risk that EE products will be counterfeited and sold under a label developed under the project, thus undermining the efforts to promote EE products. In the Project Brief the related project risk is rated "low". Depending on the actual situation in the different countries this risk could well be substantial, in particular if such low-quality equipment is (illegally) imported in large quantities. The proposed mitigation strategy consisting of a project activity to enforce and promote strict technical norms for the EE equipment should thus also include support for an effective enforcement of import regulations, including effective control measures at the customs.</p>	<p><i>Agree. Activity 2.1.1 under Output 2.1 clearly indicates the execution of short-term training courses in each of the core-countries to integrate EE supportive actions in the custom codes. This is complemented with the designed indicator for monitoring this output and ensuring capacity building for the public officers responsible for an effective enforcement of import regulations and effective customs controls.</i></p> <p><i>"Table 5: Identified risks", in Section D.2 Risks, has been changed accordingly in Para.47.</i></p>
<p>(4) <i>Complementary Action:</i> It is understood from the Project Executive Summary that complementary action is contemplated to leverage commercial financing from local sources in the order of 11.7 million USD. However, the current status of the</p>	<p><i>Please, refer to response to Comment #2 above.</i></p>

complementary action and the relation to the Project remains unclear.	
Conclusions and Recommendations	
<p>The proposed Energy Efficiency Project in the countries El Salvador, Nicaragua, Costa Rica and Panama is recommended for approval. It is generally well conceived and adopts strategic choices that are consistent with GEF priorities. The proposed regional approach with four core countries and three associated countries is generally deemed adequate and effective. However, sound management and close monitoring of different Project activities will be crucial to avoid overstraining of project resources, in particular with regard to policy and regulatory framework activities. It is further recommended to develop strategies and measures to be better prepared in case the envisaged co-financing funds from local financiers are not available in the committed amount.</p>	<p><i>The executing agency, BUN-CA, is a competent NGO with more than 12 years of experience in supporting renewable energy and energy efficiency policy makers and practitioners within the Central American region. Between 2000 and 2002 BUN-CA successfully implemented a regional MSP related to the development of small-scale renewable energy projects, funded by UNDP/GEF under Operational Programme Number 6 "Promoting the Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs –FOCER". Building on this previous experience, the executing agency will put in place a sound management scheme with regional scope emphasizing the need to demonstrate results and impacts, in accordance with the FSP log frame matrix and the UNDP Results and Resources Framework as described in Section II of the ProDoc.</i></p>
Further Commentaries	
<p>(1) In the Project's logical framework the success indicator for reaching the project's global environmental goal is the reduction of GHG emissions over a period of 20 years. However, in order to allow an evaluation at the end of the proposed project duration of 5 years, a success indicator should be defined for this period only.</p>	<p><i>A success indicator for the FSP Global Objective has been included in the Monitoring Matrix, i.e.: a total reduction of 33,264 tons of CO₂ as "direct" reduction made during the FSP duration impact over 4 years due to the execution of 8 investment projects; and "direct post-project" reductions made during the FSP duration due to the preparation of business plans and submission to FIs of another 32 projects.</i></p>

GEFSEc (March 11, 2005)	Expected at CEO endorsement
Page 11. ZZ, 02/05. Financing plan in the revised submission is scaled down	<ul style="list-style-type: none"> • <i>Changes made accordingly in Section 3 and Section F. INCREMENTAL COSTS and PROJECT FINANCING, of the Brief (para.57 and para.58).</i>
Page 14. ZZ, 02/05. Provide more elaborated description of the barriers.	<ul style="list-style-type: none"> • <i>Please, refer to Section B.1, Barriers to Energy Efficiency in Central America, for more elaborated barrier description, in the Brief (para. 14, 15, 16, 17).</i>
Page 14. ZZ, 02/05. Present a more systematic, coherent approach to market transformation and detailed project activities to address the barriers.	<ul style="list-style-type: none"> • <i>Please, refer to Section C.3, Project Description: Components, Outputs, and Activities (para. 37 through para.44), of the Brief.</i> • <i>Table 6 is presented in para. 41 to show how the proposed activities address the identified barriers.</i>
Page 14. ZZ, 02/05. Discuss the challenges of developing best practice norms and standards in an industrial setting that is often application specific and how the proposed project will achieve aggregate impacts and market transformation.	<ul style="list-style-type: none"> • <i>Introducing minimum standards and labels to inform buyers of best performing equipment and developing best practice norms are core for project sustainability. Under Outcome 1, energy efficiency performing instruments like standards and labels for motors and A/C units are considered to be ready for approval at the end of year 1 and in year 2, and in place by year 3 or 4 years depending on the type of instrument. For these EE equipments, the FSP will create synergisms with normalization institutions in each of the core-countries, i.e.: COPANIT in Panama, INTECO in Costa Rica, MIFIC in Nicaragua, and CONICYT El Salvador. In close coordination with them, the FSP will enforce the official approval of the proposed instruments (Act. 1.2.1).</i> • <i>Now, in order to achieve aggregated impacts, the FSP is taking a holistic view of the market by creating essential public-private partnerships in each of the core-countries, and also at the regional level. For example, since the development and enforcement of national standards and labels is a major component to enable an EE policy environment, the FSP will provoke a national consultation process through consumer focus groups with the participation of normalization institutes, public officers, equipment suppliers, and the academic sector (Act. 1.2.2).</i> • <i>Aggregated impacts and market transformation will be monitored through national energy and sales statistics as part of Outcome 3 (Act.3.1.3).</i>

<p>Page 14. ZZ, 02/05. Link the training and capacity building of policy makers and other stakeholders to specific expected outcomes and impacts.</p>	<ul style="list-style-type: none"> • <i>Outputs 2.1 and 2.2 of Outcome 2 of the FSP includes the development of a capacity building programme for market agents. Policy makers, engineers and electrical technicians, investors and lenders will be the prime target</i> • <i>For the SMEs, which is known not to adapt as easily as medium and large consumers, the GTZ funded experience on clean production will be complemented and replicated, in partnership with their GESTA initiative in El Salvador (Output 2.3).</i>
<p>Page 14. ZZ, 02/05. Given the complicated nature of this regional project, describe the anticipated challenges and risks for an NGO in executing this project and propose specific measures to overcome them.</p>	<ul style="list-style-type: none"> • <i>Since the development of the concept, this process has been led by a NGO with more than 12 years of experience in supporting renewable energy and energy efficiency policy makers and practitioners. Moreover, within the Central American region this NGO is very well known and considered a respected technical body on the subject.</i> • <i>The only anticipated challenge is related to a component which is beyond the boundaries of this FSP. That is, project developers might not be very confident that commercial lending from FIs for EE investments will be readily available and in the adequacy for the development of innovative financial mechanisms. For this reason, the materialization of the 8 investment projects and financial closure of another 32 projects will be implemented by two group of activities that BUN-CA has already secured co-financing, i.e.:</i> <ul style="list-style-type: none"> - <i>Pre-investment activities will be assisted by other bilaterals, including the GTZ/GESTA Regional Project, the REEEP Regional Project, and the Bilateral Project the Netherlands-Costa Rica (pls. see official letters of commitment from these two institutions in Annex D of the ProDoc). These projects include specific activities to improve the capacity of financial institutions to provide commercial lending for at least 8 proposed EE investments.</i> - <i>Investment activities will be channeled by commercial lenders already operating in Central America and which BUN-CA has already close contact, including the regional banks like Banco Cuscatlan, IMPROSA, among others, and the financial intermediaries CABEI and E+Co.</i>

	<ul style="list-style-type: none"> • <i>In addition, the lessons learned from the structuring of at least 8 early investments, negotiated and implemented with the FIs under Output 2.2 of Component 2, will be fully disseminated in Component 3 under Outputs 3.1 and 3.2.</i>
<p>Page 17. ZZ, 02/05. Further revision of the project document should take a systematic approach to identify the barriers and design specific barrier-removal activities accordingly.</p>	<ul style="list-style-type: none"> • <i>Please, refer to Section C.3, Project Description: Components, Outputs, and Activities, for the design of specific barrier-removal activities, in the Brief.</i> • <i>Table 6 is presented in para. 41 to show how the proposed activities address the identified barriers.</i>
<p>Page 17. ZZ, 02/05. It is imperative that project activities, outcomes, outputs, indicators and targets be consistent and coherent in both the project brief and the logframe. Indicators and targets should be clear, specific, realistic, and objectively verifiable. Meaningful sources of verification need to be identified for each of the indicators.</p>	<ul style="list-style-type: none"> • <i>For Outcomes, Outputs, and Activities, please refer to the entire revised Section C.3, Project Description.</i> • <i>For Indicators, Targets, and Means of Verification, please refer to the revised version of the Logical Framework Matrix in Annex A and the Monitoring Matrix in Annex A.1.</i>
<p>Page 17. ZZ, 02/05. Each component and activity should be described in greater detail and clarity vis-à-vis the barriers and the scope of the project.</p>	<ul style="list-style-type: none"> • <i>Please, refer to para. 41 through para. 44 to respond to this request. These paragraphs deal with the activities needed to remove the barriers described in Section B.6, as indicated also in Table 6 (para.41).</i>
<p>Page 18. ZZ, 02/05. The process of market transformation of the targeted EE technologies and applications need to be clearly described, including institutional arrangements, intervention strategies, instruments, incentives targets, and stakeholders and participants (and how they are engaged).</p>	<ul style="list-style-type: none"> • <i>To remove the barriers for a market transformation in Central America, broad and intensive consultation process was initiated with a variety of stakeholders since the PDF-B, in the core-countries, for the setting of minimum standards and labels for motors and A/C. During the FSP, especially during year 1, this process will be extended with the local agencies in charge of establishing norms (Act. 1.2.1). In another front, links already established with the energy policy makers will be expanded to engage public officers in charge of equipment imports for a detailed review of the local codes. This review will include actions applicable at the regional level through the Central American Custom Code already in operation (Act. 1.1.2).</i> • <i>With regards to institutional arrangements, intervention strategies, stakeholders and participants (and how they are engaged), specific</i>

	<p><i>cooperation agreements have been drafted and ToRs of specific activities included as an Annex B in the ProDoc. The agreements will be signed when the ProDoc is endorsed by the GEF, with the following institutions at the country level:</i></p> <p><i>El Salvador: ASI, GTZ, ITCA, UCA, CONACYT</i> <i>Nicaragua: CACONIC, UNI/CNP+L, MIFIC</i> <i>Costa Rica: CICR, CFIA, ITCR, CNFL, INTECO</i> <i>Panama: CONEP, SENCYT, UTP, SIP</i></p> <p><i>Once these cooperation agreements are signed, attached letters of understanding will be structured with specific terms of reference to fulfill the agreed activities between the local UNDP country-office on behalf of the FSP and each institutional partner (See Annex B of the ProDoc for detailed description of these ToRs).</i></p> <ul style="list-style-type: none"> <i>• Instruments and Incentives Targets: Please refer to Annex A.1 Monitoring Matrix, Outcome 1.</i>
<p>Page 17-18. ZZ, 02/05. Given the current focus of the project, the financing plan needs to clearly explain how the proposed co-financing will be channeled to the project, including materialization of the 8 investment projects and financial closure of another 32 projects (which are mentioned under Key Indicators but missing under the Logframe Matrix).</p>	<ul style="list-style-type: none"> <i>• BUN-CA, the executing agency, during the first year of the FSP, with financial support from the Renewable Energy and Energy Efficiency Partnership –REEEP– will design a strategy to mobilize the interest of well recognized international and local institutions specialized in finance participating in the energy industry in Central America (see attached note of project approval in Annex F of the ProDoc).</i> <i>• As a result of obtaining co-finance from REEEP to remove financial barriers, a success indicator for the FSP Global Objective has been included i.e.: a total reduction of 33,264 tons of CO₂ as “direct” reduction made during the FSP duration impact – calculated over 4 years- due to the execution of 8 investment projects; and “direct post-project” reductions made during the FSP duration due to the financial closure of another 32 projects. These 40 investments are profitable by nature.</i>

Regional

United Nations Development Programme Global Environment Facility

UNDP-GEF Project Document

Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America (PEER)

Project Description:

This regional Project will remove the barriers that inhibit the implementation of energy efficiency (EE) measures in order to promote a market transformation for the efficient use of electricity in the industrial and commercial service sectors in Central America, focused on motors, air conditioning and refrigeration. The proposed activities will take place in four core countries, i.e.: El Salvador, Nicaragua, Panama, and Costa Rica, while Guatemala, Belize, and Honduras are the associated countries in which dissemination information and replication activities will also take place.

The establishment of commercially viable markets in energy efficiency will assist commerce and industry in becoming more competitive in the global context, by reducing operating costs -in the short run- and decelerating demand for increased thermal power capacity -in the long run-. Few activities on energy efficiency have been executed in the past, without significant impact to date. This GEF project will enable an environment where private sector business development and investment activities are taking informed decisions, by implementing three main components: (i) create legal and regulatory base for market transformation; (ii) secure institutional and individual capacity to implement EE and support SMEs; and (iii) distil lessons learned and information dissemination.

The Project will be implemented by the UNDP in accordance with the GEF Strategic Priority CC-1, under Operational Programme #5. After successful project completion and barrier removal, the total CO₂ emission reduction will be 1, 66 million tons over a 20-year period.

The expected outcomes for the 5-year FSP are:

1. Created the legal and regulatory basis for removing lowest EE Technologies from the market and promoting high energy efficiency technologies.
2. Institutional and individual capacities sufficient to support market development.
3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.

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Acronyms

Acronym	Meaning
ANAM	National Authority for Environment
ASI	Salvadorian Association of Industries
BUN-CA	Biomass Users Network-Central America
CACONIC	Chamber of Commerce of Nicaragua
CDR	Combined Delivery Reports
CICR	Chamber of Industry of Costa Rica
CCIs	Chambers of Commerce and Industries
CNE	National Energy Commission (Nicaragua)
CONEP	Council of Private Sector of Panama
COPE	Energy Policy Commission of Panama
DGEE	National Directorate of Electricity (El Salvador)
DSE	National Secretariat of Energy (Costa Rica)
EE	Energy Efficiency
FSP	Full Size Project
GEF	Global Environment Facility
GHG	Greenhouse Gases
IA	Implementing Agency
ITC	In-Country Technical Consultant
LAC	Latin America and the Caribbean
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
NPD	National Project Director
NSDO	National Standards Development Organization
PC	Project Coordinator
PEER	Programa de Eficiencia Energetica Regional (Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America)
PDF-B	Project Development Facility, Type B
PSC	Project Steering Committee
PMU	Programme Management Unit
RE	Renewable Energy
TORs	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme

SECTION I – Elaboration of the Narrative

Part I: Situation Analysis

Context and global significance

The Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America is consistent with the Strategic Results Framework G3-SG2-SAS2. Goal 3 is: Environmentally sustainable development to reduce human poverty. Sub-goal is 2: Regional and global instruments for environmentally sustainable development that benefit the poor. The Second Strategic Area of Support is concerned with strengthening national capacity to meet global environmental commitments and to influence the development of existing and new international arrangements for global environmental governance by: Integrating global environmental concerns in national development planning and policy. The Full Size Project is also consistent with the UNDP country office strategy in Costa Rica.

The project is supporting the accomplishment of the Millennium Development Goals, and addresses especially Goal #7 about Ensuring Environmental Sustainability. Target 9 is about integrating the principles of sustainable development into country policies and programmes, and reverse the loss of environmental resources. Two of the indicators for this target is, Indicator 27, Energy use per \$1GDP (PPP), and Indicator 28, Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs. A regional programme on Energy Efficiency will most certainly assist the region in complying with the MDGs.

With a land area of 290,555 square miles, the Central American region is comprised of seven countries: Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, and Belize. The collective population is about 40 million and is growing at around 2.5% per year. Half of the population lives in the capital cities, which are characterized by a high concentration of employment in the commercial and industrial sectors. Small and Medium Enterprises (SMEs) provide for about 80% of total employment. After years of civil wars in most of the countries, an ambitious programme of market-oriented reforms took place through privatizing several public services during the 1990s, boosting national development, macro-economic stability, and creating a more attractive environment to foreign investments. These institutional reforms resulted in a steady economic recovery of an average 5% per year for the last decade.

Electricity is a critical input for the industrial and commercial sectors, where historically, all countries have adopted a traditional supply-side approach. While most of the large hydropower developments in the 1980s fulfilled the demand for electricity, the privatization process that has taken place in the power industry has caused negative effects in the arrangement of the energy matrix. While in 1985, 83% of the electricity production was based mostly on large hydro plants, in 2002 this source of renewable energy declined to 53% because of a rapid expansion of fossil fuel electricity production to meet a rising demand, as well as an aggressive Programme for grid extension to increase rural electrification. From the power sector perspective, this context brings about three major challenges for the Central American countries: (1) To contain a growing demand for power, driven by both increasing populations and increasing electricity consumption per capita, (2) to gain energy independence by decreasing the imports of hydrocarbons for power production, and (3) to

respond quickly to the growth in the commercial and industrial sectors, integrating cost-effective energy efficiency measures in the end-use of electricity, while decreasing greenhouse gas (GHG) emissions.

The regional economies are now confronted with the challenge to become more competitive, increase cross-border transactions, augment international trade, and look for more sustainable, region-oriented solutions to their social, economic, environmental, and shared problems. These challenges should be met through the provision of electricity services that support new investments in the industrial sector and a significant increase in commercial activities. In this context, the negotiation of the Free Trade Agreement between the USA and the Central American countries remains a strong driver for the development of better energy policies with a projected overall increase in the annual demand for electricity from 6% to at least 8% in the next 10 years.

All Central American countries are parties to the UNFCCC, and as such, they are interested in finding ways to ensure the provision of sustainable end-use energy services with a reduction in GHG emissions. According to Central America's First National Communications to the Conference of Parties on Climate Change, while in 1990 total emissions accounted for 1.2 million tons of CO₂, in 2002 jumped up to 4.0 million tons, in part due to greatly increased thermal power production. Emissions from fossil fuel thermal power plants account for 19% of the region's overall carbon dioxide emissions.

The estimated total reduction in CO₂ emissions, in the industrial and commercial sectors, would be in the order of 1.66 million tons over a 20-year period. Hence for a proposed UNDP/GEF contribution of US\$2.2 million, this would mean a cost-effectiveness of US\$1.4/ton CO₂.

Treats, root causes and barriers analysis

As a result of the above mentioned, several barriers have hindered the development of EE in Central America, mainly *financial, technical, informational, and political-cultural* barriers. More detailed information can be found in Annex A, paragraphs 14-17.

Institutional, sectoral and policy context

A detailed description of the regional electricity policies, and more specifically about the electricity sub-sector, can be found in Annex A, paragraph 5-10.

Stakeholder analysis

The institutional framework for energy efficiency has been analyzed during the PDF-b phase, and a description of the stakeholders involvement can be found in Annex A, paragraph 13.

Baseline analysis

The baseline situation is described in Annex A, paragraphs 18-23. This includes a description of both the industrial as well as the commercial sector, and with an estimation of the projected growth with no GEF intervention. The complete Incremental Cost Analysis can be found in Annex A (Annex B of the project Brief).

Part II: Strategy

Project Rationale and Policy Conformity

The *Development Objective* of this Project is to trigger a regional energy efficiency market to reduce the end-use of electricity in the commercial and industrial sectors. By achieving this, the Full Size Project will increase productivity, improve business competitiveness in the face of globalization, and complement actions to fulfill new environmental regulations; all in the context of an on-going transformation of the regional economies.

The target group of this regional Project is made up mainly of medium and large electricity consumers with a minimum monthly electricity consumption of 50,000 kWh. However, given the economic and social importance of the Small and Medium Enterprises (SMEs), the FSP includes this economic sub-sector with specific activities to be implemented in the Salvadorian context to complement the GTZ funded GESTA project.

The Project is consistent with GEF OP#5. It is placing a regional focus on Strategic Priority CC-1, *Market transformation*, in the following manner:

- i. Assisting the release of standards and labels for motors in Costa Rica and El Salvador, and promoting their replication in the other core countries, together with the release of minimum norms and standards for A/C and refrigeration for the core countries thereby eliminating the lower, least efficient end of the market.
- ii. Implement information sharing and incentive policies with instruments to push the market toward highest efficient equipment.
- iii. Triggering a regional process by supporting the knowledge exchange between governments and public institutions; equipment suppliers and financiers with medium and large electricity consumers, as well as with SMEs, under a clear and favorable policy environment.

Project Goal, Objective, Outcomes

The *Development Objective* of this Project is to trigger a regional energy efficiency market to reduce the end-use of electricity in the commercial and industrial sectors. By achieving this, the Full Size Project will increase productivity, improve business competitiveness in the face of globalization, and complement actions to fulfill new environmental regulations; all in the context of an on-going transformation of the regional economies.

The *Global Environment Objective* is to reduce greenhouse gas emissions produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama; through the removal of barriers to market entry of commercially viable *energy-efficient* technologies and sharing best practices in the use of electricity in the industrial and commercial sectors. Annex C of the Brief shows that as a direct impact and replication potential of the FSP, the estimated total reduction in CO₂ emissions would be in the order of 1.66 million tons over a 20-year period.

The Full Size Project intends to reach the following three specific outcomes:

- Outcome 1: Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high energy efficiency technologies;

Outcome 2: Institutional and individual capacities sufficient to support market development, and

Outcome 3: Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.

The barriers that have hindered the development of Energy Efficiency in Central America so far are described in Annex A, paragraphs 14-17.

For a more detailed description of the objectives, outcomes and planned activities for the Full Size Project, please see Annex A, paragraphs 37-44.

Project Indicators, Risks and Assumptions

A group of external risks was identified during the execution of the PDF-B and will be taken into account during the FSP execution depending on the individual core country, sector, business scale (medium to large consumers or SMEs), and EE technology. No internal risks were identified. The following Table presents the different types of risks and describes the risk mitigation strategy that has been designed and included in the proposed initiative.

Identified risks and mitigation strategy

Type of Risk	Likelihood	Mitigation Strategy
Energy prices and pricing policies in the industrial and commercial sectors will not reflect real cost pricing due to political decisions.	Low	Power reforms in Central America have softened electricity pricing regulations. Deregulation of the power sector has led to price increases, and to subsequent increased interest of power distribution companies, end-users, and policy makers in end-use energy efficiency.
Project developers are not very confident that commercial lending from FIs will be readily available and in the adequacy for the development of innovative financial mechanisms.	Moderate	Concrete assistance in market transformation with concrete projects (early investments) will be key for replication. Improving the capacity of financial institutions to provide commercial lending for EE investments is being addressed in Component 1. In addition, the lessons learned from the structuring of at least 8 early investments, negotiated and implemented with the FIs in Component 2, will be fully disseminated in Component 3.
In an emerging market for EE equipment, low quality technologies may drive high quality products out of the market, causing unfair competition.	High	The FSP has included an activity to enforce and promote strict technical norms for EE equipment in the four core countries, as an element of their official EE policy.

The Logical Framework Matrix for the project can be found in Annex A of Annex A. Impact and performance indicators have been identified in that matrix.

Expected global, national and local benefits

As mentioned above, the expected global benefit is an estimated total reduction in CO2 emissions of 1.66 million tons over a period of 20 years. Local and national benefits are described in the same section.

Country ownership: Country Eligibility and Country Drivenness

The countries involved in the project ratified the UNFCCC on the following dates:

Panama ratified the UNFCCC on May 23, 1995

Costa Rica ratified the UNFCCC on June 13, 1994

Nicaragua ratified the UNFCCC on Oct. 31, 1995
Honduras ratified the UNFCCC on Oct. 19, 1995
El Salvador ratified the UNFCCC on Nov. 30, 1998
Guatemala ratified the UNFCCC on Dec. 15, 1995
Belize ratified the UNFCCC on Oct. 31, 1994

Current regional and national energy policies can be found in Annex A, paragraphs 5-10.

Sustainability

In *institutional* terms, provisions for maintaining capacities built with GEF assistance will happen in two ways: i. the development of national and regional level training programmes in the educational centers and through the awareness of the associated energy savings to the members of the chambers of industry and commerce, and ii. the consolidation of a coherent national policy for the promotion of energy efficiency markets in the target sectors, with an articulated strategy backed by reliable data, a revised legal and regulatory framework, and a strengthened lending environment.

Furthermore, given their impact on the regional economies, the FSP will also trigger a sustainable market for EE in the SMEs. In close coordination with the GTZ on-going sub-regional Programme on cleaner production for SMEs, the GESTA Project, the FSP has proposed a technical assistance Programme intended to: i) mitigate existing risks while proactively strengthening the business and technical capacity of SMEs with regards to the efficient use of electric equipment and practices, and, ii) bridge the gap between the FIs' perceived high risks and the actual risks of SMEs. It is expected that by the termination of the FSP, FIs will better understand the risks associated with environmental SME finance and that the actual risk profile of these SMEs will decline, in order to pave the way for EE measures. In conjunction with the GTZ/GESTA project, the FSP is expected to demonstrate that providing financing on commercial terms to some critical sub-sectors, within the SME market, is profitable. Once profitability has been demonstrated, it is expected that market forces will further drive the development of a sustainable and broader EE market for SMEs.

Replicability

Related actions and lessons learned to Energy Efficiency in Central America can be found in Annex A, paragraphs 11 and 12, and will be taken into account during the implementation of the Full Size Project.

The project will use a systematic approach to make sure that the lessons learned from this project will become available to the general public. **Outcome 3: Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impact.** The planned outputs and activities to reach this outcome can be found in paragraph 43 in Annex A.

The regional project intends to use a holistic approach and the intended beneficiaries and major stakeholders associated to the design and implementation of the proposed Project are: government agencies of the power sector, private and public electric utilities, regulatory agencies, local chambers of industry and commerce in all 7 countries, technology and service suppliers, financiers, academic institutions, and UNDP COs.

Part III: Management Arrangements

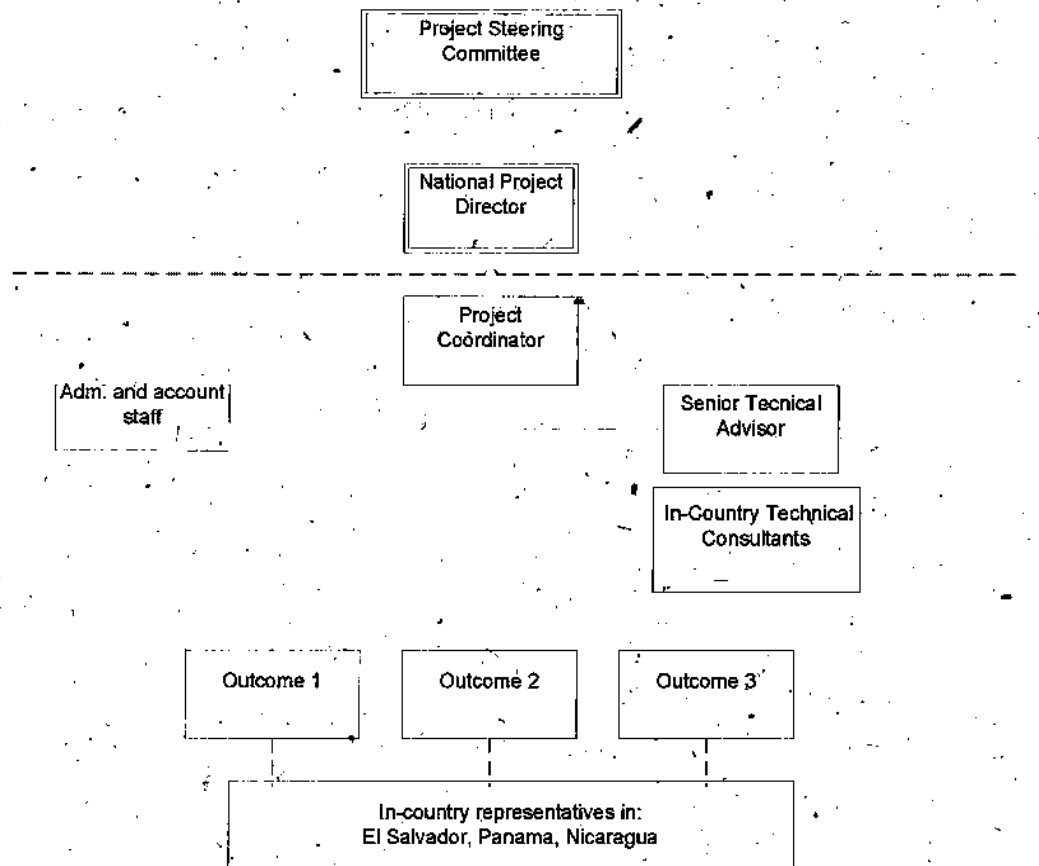
The regional NGO Biomass Users Network in Central America (BUN-CA) will be the implementing and executing agency of the Full Size Project. The UNDP-Costa Rica office is the GEF implementing agency, and will be the official channel of communication with the GEF through the UNDP/GEF Regional Coordination Unit on Climate Change for LAC. The standard UNDP administrative procedures will be used in implementing the activities and the budget allocated for it. The project will have a Project Steering Committee set up with members from the four core countries representing the different sectors involved. The project team in BUN-CA will be co-financially assisted by UNDP/GEF resources and will be supplemented by additional project staff hired by the project. BUN-CA will be responsible to manage and implement the execution of the FSP, which has started from the PDF-B activities. The project activities in each country will be supported by a local representative of BUN-CA, financially assisted by the project. Financially the project will be working with direct payments.

Due to the regional scope of the project, a close coordination and collaboration with other GEF agencies is foreseen, such as with the World Bank, the Inter-American Development Bank, UNEP and UNIDO (Cleaner Productions Centers). Additionally, in Annex A, paragraph 48, a list of potential major stakeholders associated with the design and implementation of the project is presented.

In order to accord proper acknowledgement to GEF for providing funding, all projects documents should include a paragraph to explicitly require that a GEF logo appear on all relevant GEF project publications, including among others, project hardware purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo should be more prominent, and separated a bit from the GEF logo if possible.

At the outset of project implementation (within 3 months after signing the Project Document), an inception workshop will be held with the project team, institutional and other stakeholders relevant to project execution, and UNDP representatives. In this workshop the workplan for the execution of the project will be finalized along with indicators that can be used to determine progress made towards project objectives and outputs by the end of the year. The requirements for the Project Inception Report are specified in Section I, Part IV. The first Project Steering Committee meeting will be held at the Project Inception Workshop. Performance indicators for the implementation of the Full Size Project will also be identified during the Inception Workshop. A more detailed description can be found in Section I, Part IV, Monitoring and Evaluation.

The organizational structure that will be used for implementing the FSP is the following:



Outcomes:

- Outcome 1: Legal and regulatory setup for market transformation of EE
- Outcome 2: Institutions strengthened and capacity existing to enhance EE
- Outcome 3: Information dissemination

Project Steering Committee (PSC)

The Project Steering Committee will be appointed by UNDP. Each of the four core countries will be represented in the PSC, and it should represent the stakeholders involved in the FSP (Government, Academia, Private Sector, Financial Sector, and UNDP).

The PSC will perform the following tasks:

- Ensure the technical and financial accountable integration of the components of the Project financed by GEF and its execution
- Assure that activities are prioritized to meet the region's most pressing energy efficiency needs in the target sectors, and in the core-countries
- Approve the workplans and budgets on an annual basis
- Assure a timely execution of project activities
- Stay informed about project initiatives or complementary activities related to objectives of the components of the Project
- Evaluate the progress of the Project and work of all participants,
- Approve the progress reports
- Meet at least twice a year

National Project Director (NPD)

The National Project Director (NPD) will be a person legally connected to BUN-CA and not paid by the project. The overall role of the National Project Director (NPD) is to:

- Assure political support to the project
- Assure the coordination with Ministries and Public and Private Institutions involved in the Project
- Supervise the Project Coordinator
- Serve as the communication link between the PSC and the Project, drafting the minutes with the decisions taken by the PSC
- Assure the coordination with complementary initiatives and projects
- Keep the PSC informed about the progress of the Project
- At the end of the project he/she will carry out the transfer of inventory indicating its destination, according to UNDP guidelines
- Obtain the signature for the quarterly Combined Delivery Reports (CDR), budget revisions (mandatory, general, and substantive) according to UNDP guidelines and send them to UNDP Costa Rica
- Notify UNDP CR about the operational closure of the project
- UNDP will send for signature to the Executing Agency the last CDR and final mandatory budget revision of the project, in order to declaring the project finished financially

Executing Agency

BUN-CA is proposed as the Executing Agency (EA) for the implementation of the FSP. BUN-CA will perform the normal executing agency duties specified in the UNDP Programming Manual for NGO Execution. This includes being the institution signing the Project Document and responsible for the execution of the project and reaching project objectives. Therefore, BUN-CA will assist the National Project Director and the Project Coordinator in complying with their tasks.

GEF Implementing Agency (IA)

UNDP is the GEF implementing agency and UNDP Costa Rica will perform the GEF implementing oversight functions. This implies on behalf of UNDP the following:

- Assist with UNDP personnel on the administrative and financial activities of the project
- Designate a Programme Officer as the focal point of the project
- Coordinate with UNDP Country Offices in Nicaragua, El Salvador and Panama
- Process payment requests and prepares respective check or bank transactions
- Make contracts and their extensions according to the requests received (and overseeing the hiring process) if requested by the project
- Provide support and procures equipment according to UNDP guidelines if requested by the project (executing support with additional cost)
- Sends accounting, financial and budgetary documentation to the EA
- Sends photocopy of vouchers including annexes to the EA on a monthly basis

Additionally, UNDP CR will perform the following tasks:

- Monitoring the project
- Reports periodically to the GEF on progress towards project's objectives

UNDP is responsible for the financial management and accomplishment of the programmed outputs before the GEF.

The Project Coordinator (PC) (BUN-CA staff co-financed by the Project)

The PC will be responsible for the day-to-day management, coordination and supervision of the implementation of the project activities, and therefore responsible for the achievement of project outcomes. The overall duties of the PC will be:

- Day to day management of the Project
- Secures the coordination of all Project activities
- Keeps the NPD informed about Project progress
- Controls expenditures and assures an adequate management of resources provided for the project and present it to UNDP
- Keeps an updated inventory list and guarantees that the goods and services acquired will be utilized in accordance with the objectives of the Project
- Assesses the necessity of hiring project personnel subject to the budget constraint incurred by the PSC
- Prepares the reports required by UNDP and GEF
- Keeps the participating authorities and institutions informed about the status of the activities to be executed
- Prepares a detailed workplan for the project at the outset of the implementation
- Prepares the TORs for the sub-contracts and consultants
- To supervise, coordinate and facilitate the work of the national and/or international consultants including subcontracts retained for the different activities to be implemented

Qualifications:

- Leadership and Manager capability
- At least 10 years of working experience
- A degree (at least M. Sc. or equivalent) in Renewable Energy / EE or other field relevant to the project
- Experience and a demonstrated ability in managing and implementing projects, and in liaising and cooperating with project personnel including government officials, commercial companies, NGOs, private sector, etc.
- International experience with project management/coordination will be favorably looked upon
- Experience with Management of Regional Projects will be favorably looked upon,
- High-level of oral and written communication, negotiation, partnership building and liaison skills
- Full command of Spanish and proficient in English

Senior Technical Advisor (STA)

The STA will be a highly qualified international consultant, who will report directly to the Project Coordinator. The STA will be working for a total of 5 days per year during 5 years, and he/she will:

- Give general advise about Project Activities every six months (2 days per year)
- Participate in the selection committee for the 8 projects (1 day total)
- Assist in the monitoring of the 8 project (2 days per year)
- Participate in meetings and events where the executing agency requires his/her presence (e.g. PSC meetings, workshops, etc.) (4 days total)

Qualifications:

- At least 10 years of working experience with development of projects in the area of Small Scale Renewable Energy and/or Energy Efficiency in Central America or third world countries
- Experience with identification and development of eligible projects in the thematic area of Climate Change and financial analysis of the projects
- Have the capacity to establish contacts and maintain relations with development organizations and agencies
- Demonstrated experience with procedures, formulation and implementation mechanisms of projects from GEF, UNDP and other multilateral organizations as well as with the elaboration of Project Documents, etc. in the formats required by these organizations
- Knowledge about the industrial and commercial sector in the Central American region;
- Proficiency in Spanish and English.
- At least a Master Degree in an area relevant to development of RE and EE-Projects

In-Country Technical Consultants (ITC)

For the in-country technical consultants in El Salvador, Nicaragua, and Panama, the FSP will consider the following types of duties and responsibilities:

For the technical aspects:

- Provide specialized technical support for the overall execution of the FSP.
- Survey and review the existing institutional framework for the development of energy-efficiency standards and labeling schemes for A/C and motors.
- Prepare a document providing specific information on the technical norms available in the country, including a description of the normalization process.
- Propose options for the implementation of labeling schemes and technical standards for A/C and motors.
- Assist in the development of a project portfolio for carrying out EE investment opportunities.

For the policy, regulatory, and legal aspects:

- Review the existing legislation for the design a political framework for market transformation.
- Collaborate in the preparation of a legal and political set of recommendations to trigger a market transformation for the efficient use of energy in the industrial and commercial sectors.
- Assist in other relevant activities, as requested by the PMU.

In-country Project Partner Organizations in Panama, Nicaragua, El Salvador and Costa Rica

There is a broad range of stakeholders participating at the regional and in-country levels in the execution of the activities. In order to describe their roles, it is presented in two groups.

The Partner organizations, i.e.: COPE/ANAM in Panama, DSE in Costa Rica, CNE in Nicaragua, DGEE/MARN in El Salvador, from the public sector will be participating in some specific activities:

- Participate in the process for preparing and implementing a set of legal and political recommendations related to efficiency energy at the country level.
- Provide relevant environmental legislation and public policy related to energy efficiency.
- Support the dissemination activities through newsletters of articles in the promotion campaigns on EE and dissemination of lesson learned in the execution of the FSP.
- Assist in the creation, design and the set up of minimum standards and a labeling scheme for A/C and motors at the in-country level.

The Partner organizations, i.e.: CONEP in Panama, CACONIC in Nicaragua, ASI in El Salvador, CICR in Costa Rica, from the private sector will be participating in some specific activities:

- Serve as the communication link between BUN-CA and their membership (equipment suppliers, engineering firms, power distribution companies, and small to large electricity consumers).
- Facilitate an exchange process that allow discussions between the members about the implementation of the designed fiscal incentives, their inclusion into the fiscal codes, and the policy and legal principles proposed by the energy authorities.

The National Standards Development Organizations (NSDO)

The NSDO will be responsible to development the energy efficiency minimum standards according to the national process. These organizations, i.e.: INTECO in Costa Rica, SENACYT in Panama, MIFIT in Nicaragua, and CONICYT in El Salvador, operate under a process that is well developed, formally documented, and monitored, as indicated in Annex B, Section II.3.1.

In-country BUN-CA representatives in Panama, Nicaragua, and El Salvador:

This is a group of BUN-CA related staff located in the core-countries, whose main tasks are:

- Assist in the overall management of the Regional Project at the in-country level.

- Assist BUN-CA staff in assessing the local capacity available for developing the activities proposed at the country level, and when required, at the regional level.
- Review the existing legislation for the design a political framework for market transformation.
- Collaborate in the preparation of a legal and political set of recommendations to trigger a market transformation for the efficient use of energy in the industrial and commercial sectors.
- Assist in monitoring of ongoing and planned activities of the FSP (participation in performance assessment missions together with BUN-CA staff) at the country level.
- Assist the PMU in the dissemination of minimum standards and labeling schemes through the local CCIs.
- Review the content of the training courses scheduled at the country level.
- Assessment of a "business like" in-country project portfolio for EE potential investments.
- Final design and implementation of 8 investment projects.

Part IV. Monitoring and Evaluation

Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Logical Framework Matrix provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built.

The following sections outline the principle components of the Monitoring and Evaluation Plan.

1. Monitoring and Reporting

1.1. Monitoring Responsibilities and Events

A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities. *Day to day monitoring of implementation progress* will be the responsibility of the Project Coordinator based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. *Periodic monitoring of implementation progress* will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. Additionally, UNDP will perform field visit at least every three months.

Annual Monitoring will occur through the *Tripartite Review (TPR)*. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

Terminal Tripartite Review (TTR)

The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation or formulation.

The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

1.2. Project Monitoring Reporting

The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process.

(a) Inception Report (IR)

A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed

narrative on the institutional roles; responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

(b) Quarterly Progress Reports

Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team.

(c) Technical Reports

Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary, this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

(d) Project Publications

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

2. Independent Evaluations

The FSP will be subjected to at least two independent external evaluations as follows:

(i) Mid-term Evaluation

An independent Mid-Term Evaluation will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the

effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

(ii) Final Evaluation

- An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

The NGO will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by UNDP or the NGO.

3. Learning and Knowledge Sharing

Results from the FSP will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition:

- ◆ The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics.
- ◆ The project will identify and participate, as relevant and appropriate, in technical, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned.

The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities.

Type of M&E Activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Timeframe
Inception Workshop	<ul style="list-style-type: none"> ▪ Project Coordinator ▪ UNDP CO ▪ UNDP GEF 	\$9,500	Within first three months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP CO 	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> ▪ Project Coordinator will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members 	To be finalized in Inception Phase and Workshop. Indicative cost US\$2,000	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	<ul style="list-style-type: none"> ▪ Oversight by Project GEF Technical Advisor and Project Coordinator ▪ Measurements by regional field officers and local IAs 	To be determined as part of the Annual Work Plan's preparation. Indicative cost US\$2,000	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP-CO ▪ UNDP-GEF 	None	Annually
TPR and TPR report	<ul style="list-style-type: none"> ▪ Government Counterparts ▪ UNDP CO ▪ Project team ▪ UNDP-GEF Regional Coordinating Unit 	None	Every year, upon receipt of APR
Steering Committee Meetings	<ul style="list-style-type: none"> ▪ Project Coordinator ▪ UNDP CO 	\$ 50,000	Following Project IW and subsequently at least once a year
Periodic status reports	<ul style="list-style-type: none"> ▪ Project team 	Indicative cost US\$3,000	To be determined by Project team and UNDP CO
Technical reports	<ul style="list-style-type: none"> ▪ Project team ▪ Hired consultants as needed 	Indicative cost US\$15,000	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP- CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team) 	Indicative cost US\$10,000	At the mid-point of project implementation.
Final External Evaluation	<ul style="list-style-type: none"> ▪ Project team, ▪ UNDP-CO ▪ UNDP-GEF Regional Coordinating Unit ▪ External Consultants (i.e. evaluation team) 	Indicative cost US\$15,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-CO ▪ External Consultant 	None	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc) 	Indicative cost US\$16,000	Yearly
Audit	<ul style="list-style-type: none"> ▪ UNDP-CO 	Indicative cost	Yearly

	▪ Project team	US\$15,000 (average \$3000 per year)	
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	▪ UNDP Country Office ▪ UNDP-GEF Regional Coordinating Unit (as appropriate) ▪ Government representatives	Indicative cost US\$10,000 (average one visit per year)	Twice a year
TOTAL INDICATIVE COST: Excluding project team staff time and UNDP staff and travel expenses		US\$ 147,500 ¹	

Part V. Legal Context

This Project Document shall be the instrument referred to as such in the Standard Basic Assistance Agreement between the United Nations Development Programme (UNDP) and the Government of the Republic of Costa Rica signed by the parties on August 7th, 1973, and enacted by the Law 5878 published in "La Gaceta" on January 31, 1976.

The following types of revisions may be made to this project document with the signature of the UNDP Representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- a. Revisions in, or addition of, any of the annexes of the project document
- b. Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by rearrangement of inputs agreed to or by cost increases due to inflation; and
- c. Mandatory annual revisions which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

SECTION II – Strategic Results Framework and GEF Incremental

The standard UNDP Projects Results and Resource framework can be found in the forthcoming table. In Annex A in Annex A is a detailed description of the Logical Framework Matrix. Annex A1 in Annex A gives a clear description of the Monitoring Matrix.

PROJECT RESULTS AND RESOURCES FRAMEWORK*

Intended Outcome as stated in the Country Results Framework: G3-SG2-SAS2			
Outcome indicator as stated in the Country Programme Results and Resources Framework, including/baseline and target.			
Applicable MYFF Service Line: 3.3 Access to sustainable energy services			
Partnership Strategy: For implementing the Energy Efficiency Project will seek partnerships with Regional Offices of National Authorities (i.e. COPE/ANAM, DSE, CNE, DGEE/MARN), and the in-country private partners (CONEP, CACONIC, ASL, CICR).			
Project title and ID: Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America (PEER).			
Intended Outputs	Output Targets for (years)	Indicative Activities	Inputs
1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high energy efficiency technologies	Year 1 – Year 4 1.1 The policy context for EE technologies has been strengthened. Year 1 – Year 4 1.2 Principles are enforced and applied.	1.1.1 Formulating and supporting the implementation of the recommendations for more favorable policy principles and a more favorable regulatory framework in the core-countries. 1.1.2 Design of selected financial incentives to be included in the fiscal codes. 1.2.1 Implementing minimum energy-efficiency standards and labeling schemes for A/C in Costa Rica and Panama, and for motors in Costa Rica and El Salvador. 1.2.2 Facilitating the policy dialogue in the core-countries for targeting public-private partnerships to support the implementation of the designed fiscal incentives, their inclusion into the fiscal codes, and the policy and legal principles proposed by the energy authorities.	71300. Local consultants \$132,635 71200. International consultants \$7,500 71600. Travel \$33,233 71300. Local consultants \$519,487 71200. International consultants \$45,000 71600. Travel \$99,698 72200. Contractual Services-Companies \$66,040 SUBTOTAL: \$903,594
2. Institutional and individual capacities sufficient to support market development.	Year 1 – Year 4 2.1 Public institutions strengthened and able to support EE market development. Year 1 – Year 3 2.2 Engineering firms and financiers have the capacity to appraise EE related projects.	2.1.1 Carry out short-term training courses in the core-countries on technical standards, custom codes, and policy instruments for energy efficiency. 2.2.1 Design and implementation of a large-scale regional training Programme on EE for professional staff in association with engineering bureaus and CCIs.	71300. Local consultants \$66,318 71600. Travel \$33,233 72200. Contractual Services-Companies \$23,114 71300. Local consultants \$77,370 71600. Travel \$16,366 72200. Contractual Services-

<p>2.2.2 Final design and implementation of a capacity building training programme on financing energy efficiency investments for lending officers and senior decision making personnel of the FIs of the core countries.</p> <p>2.2.3 Assessment of a "business-like" project portfolio for EE investments in the context of production processes in the industrial sectors in Costa Rica and El Salvador and for EE air-conditioning and refrigeration units in the context of building design and cooling needs in the four core countries.</p> <p>2.2.4 Final design and implementation of 8 investment projects on a self-financed basis that could provide a significant "market-push" for which the FSP will provide technical assistance seeking further replication for triggering an EE markets.</p> <p>2.2.5 Strengthening of a "business-focus" project portfolio for prospects identified during the PDF-B in the end-use of the electricity. The FSP will assist in the preparation of business plans and submission to FIs of at least 32 potential investments.</p>	<p>2.3.1 This activity is formulated in 6 steps, from the design of the Programme for El Salvador and Guatemala up to the design and implementation of a reapplication strategy to EE small interventions in Honduras and Nicaragua.</p>	<p>Year 1 – Year 2</p> <p>2.3 An EE market for Small and Medium Enterprises (SMEs) has been triggered in El Salvador and shared results in Guatemala, Costa Rica, and Nicaragua in partnership with GTZ.</p>	<p>3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.</p>	<p>Companies \$75,946</p>
<p>3.1.1 Documenting and systematizing lessons learned related to the 8 energy efficiency investing projects in the industrial and commercial sectors.</p> <p>3.1.2 Carrying out 8 case studies showing on-the-ground impact of EE projects.</p> <p>3.1.3 Keeping regional statistics on EE equipment market growth.</p>	<p>3.2.1 Preparing and releasing four manuals including: EE practices, use and maintenance of motors, air conditioning, and refrigeration systems.</p> <p>3.2.2 Prepare and release two technical publications for</p>	<p>Year 2 – Year 5</p> <p>3.1 Lessons learned are assessed and documented.</p> <p>Year 2 – Year 5</p> <p>3.2 A program for dissemination of lessons learned allows benefiting from</p>	<p>71300. Local consultants \$88,423 71200. International consultants \$0</p> <p>SUB TOTAL: \$ 381,021</p>	<p>71300. Local consultants \$55,265 71200. International consultants \$7,500 71600. Travel \$33,233</p>
<p>71300. Local consultants \$55,265 71200. International consultants \$15,000 71600. Travel \$49,849</p>				

	<p>all existing opportunities to promote EE.</p> <p>Year 1 – Year 5</p> <p>3.3 A plan for monitoring and steering of FSP implementation has been designed and is in full implementation.</p>	<p>implementing EE measures and best practices for SMEs.</p> <p>3.2.3 Strengthening of the existing BUN-CA database on EE equipment suppliers, engineering firms, private consultants, public and private institutions, and financiers.</p> <p>3.2.4 Carrying out 4 thematic workshops.</p> <p>3.3.1 For all FSP activities, a monitoring system will be developed and implemented</p>	<p>74200. Print Prod Costs \$19,250</p> <p>71300. Local consultants \$110,529</p> <p>74200. Print Prod Costs \$8,250</p> <p>74100. Professional Services \$25,000</p> <p>SUB TOTAL: \$ 379,140</p> <p>\$516,246</p> <p>\$2,180,000</p>
Project Management			
TOTAL			

The indicators and annual targets will be verified and confirmed during the Inception Workshop.

SECTION III -- Total Work Plan and Budget

The total work plan and budget, plus the Annual Work Plan can be found in the forthcoming table. The total budget is distributed according to the budget presented in the Brief Document, Annex A, paragraph 58. The category/activity Project Management is intended to include costs that are not activity specific such as audits, etc. This separate category has been created for accounting purposes only.

Total Work Plan

Overall Objective	Key Activities	Implementing Agent	Activities	Year 1	Year 2	Year 3	Year 4	Year 5	Total USD		
To reduce GHG produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama; through the removal of barriers to market entry of commercially viable energy-efficient technologies and sharing b	Project Management	BUN-CA	Bud Acc	103,249	103,249	103,249	103,249	103,249	518,248		
			71400 Admin Staff	46,196	46,156	46,156	46,156	46,156	225,780		
			74200 Communication	3,600	3,600	3,600	3,600	3,600	18,000		
			74500 Miscellaneous	3,000	3,000	3,000	3,000	3,000	15,000		
			72800 Office Equipment	4,000	4,000	4,000	4,000	4,000	20,000		
			75100 I/A NGO Execution fee	32,700	32,700	32,700	32,700	32,700	163,500		
			74100 Professional Services Financial Audits	1,500	1,500	1,500	1,500	1,500	7,500		
			71600 Travels (PSC, PMU, Govt. Officers)	13,293	13,293	13,293	13,293	13,293	66,466		
			1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high efficient technologies.	BUN-CA	1.1. The policy control for EE technologies has been strengthened.	39,805	58,930	46,462	33,188	0	178,386
			71300 Local Consultants (Part Time:CA, IS, Nic)	33,159	33,159	33,159	33,159	0	132,636		
	71200 International Consultants (AD, CB, FIDE)	0	7,500	0	0	0	7,500				
	71600 Travels	6,647	13,293	13,293	0	0	33,233				
	72100 Contractual Services-Companies	0	0	0	0	0	0				
	74200 Print Prod Costs	0	0	0	0	0	0				
	74100 Professional Services M&E	0	0	0	0	0	0				
	1.2. Principles are enforced and applied.	145,850	256,243	256,243	71,588	0	730,226				
	71300 Local Consultants	103,897	181,821	181,821	51,949	0	519,497				
	71200 International Consultants	0	22,500	22,500	0	0	45,000				
	71600 Travels	19,940	29,909	29,909	19,940	0	99,698				
	72100 Contractual Services-Companies Workshops	22,013	22,013	22,013	0	0	86,040				
74200 Print Prod Costs	0	0	0	0	0	0					
74100 Professional Services M&E	0	0	0	0	0	0					
2. Institutional and individual capacities sufficient to support market development.	BUN-CA	2.1 Public Institutions and stakeholders are strengthened and able to support EE market development.	30,931	34,254	28,549	30,931	0	122,664			
71300 Local Consultants	15,579	16,579	15,579	15,579	0	66,318					
71200 International Consultants	0	0	0	0	0	0					
71600 Travels	6,647	9,970	9,970	6,647	0	33,233					
72100 Contractual Services-Companies Workshops	7,705	7,705	7,705	7,705	0	23,114					
74200 Print Prod Costs	0	0	0	0	0	0					
74100 Professional Services M&E	0	0	0	0	0	0					
BUN-CA	2.2 Engineering firms and financiers have the capacity to appraise EE related projects.	31,329	58,844	58,844	25,515	0	169,833				
71300 Local Consultants	25,790	25,790	25,790	0	0	77,370					
71200 International Consultants	0	0	0	0	0	0					
71600 Travels	5,539	5,539	5,539	0	0	16,818					
72100 Contractual Services-Companies Workshops	0	25,315	25,315	25,315	0	75,946					
74200 Print Prod Costs	0	0	0	0	0	0					
74100 Professional Services M&E	0	0	0	0	0	0					
BUN-CA	2.3 An EE market for small and medium Enterprises (SMEs) has been triggered in El Salvador, Costa Rica and Nicaragua in accordance with GIZ.	44,212	44,212	0	0	0	88,423				
71300 Local Consultants	44,212	44,212	0	0	0	88,423					
71200 International Consultants	0	0	0	0	0	0					
71600 Travels	0	0	0	0	0	0					
72100 Contractual Services-Companies Workshops	0	0	0	0	0	0					
74200 Print Prod Costs	0	0	0	0	0	0					
74100 Professional Services M&E	0	0	0	0	0	0					
3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.	BUN-CA	3.1 Lessons learned are assessed and documented.	0	13,816	13,816	37,993	36,433	95,997			
71300 Local Consultants	0	13,816	13,816	13,816	13,816	55,265					
71200 International Consultants	0	0	0	7,500	0	7,500					
71600 Travels	0	0	0	16,816	16,816	33,233					
72100 Contractual Services-Companies Workshops	0	0	0	0	0	0					
74200 Print Prod Costs	0	0	0	0	0	0					
74100 Professional Services M&E	0	0	0	0	0	0					
BUN-CA	3.2 A program for dissemination of lessons learned allows benefiting from all existing opportunities to promote EE.	0	13,816	13,816	65,388	48,366	139,364				
71300 Local Consultants	0	13,816	13,816	13,816	13,816	55,265					
71200 International Consultants	0	0	0	15,000	0	15,000					
71600 Travels	0	0	0	24,925	24,925	49,849					
72100 Contractual Services-Companies Workshops	0	0	0	0	0	0					
74200 Print Prod Costs	0	0	0	9,625	9,625	19,250					
74100 Professional Services M&E	0	0	0	0	0	0					
BUN-CA	3.3 A sector monitoring and reporting of FSP implementation has been designed and is in full implementation.	0	0	48,423	40,988	56,968	143,779				
71300 Local Consultants	0	0	38,843	36,843	36,843	110,529					
71200 International Consultants	0	0	0	0	0	0					
71600 Travels	0	0	0	0	0	0					
72100 Contractual Services-Companies Workshops	0	0	0	0	0	0					
74200 Print Prod Costs	0	0	0	4,125	4,125	8,250					
74100 Professional Services M&E	0	0	10,000	0	15,000	25,000					
TOTAL GEP				395,376	576,187	563,613	406,808	238,015	2,180,000		

Annual Work Plan Year 1

Overall Objective	Key Activities	Timeframe				Resp. Party	Planned Budget			Am
		Q1	Q2	Q3	Q4		Fund	Donor	Budget Description	
To reduce GHG produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama; through the barriers to market entry of commercially viable energy-efficient technology	Project Management	Project Management				BUN-CA	62000	GEF Trustee	71400	Admin Staff
						BUN-CA	62000	GEF Trustee	74200	Communication
						BUN-CA	62000	GEF Trustee	74500	Miscellaneous
						BUN-CA	62000	GEF Trustee	72900	Office Equipment
						BUN-CA	62000	GEF Trustee	75100	F/A NGO Execution fee
						BUN-CA	62000	GEF Trustee	74100	Professional Services
1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high efficient technologies.	1.1 The policy context for EE technologies has been strengthened.	BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
2. Institutional and individual capacities sufficient to support market development	2.1 Public institutions and associations strengthened and able to support EE market development.	BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
2.2 Engineering firms and financiers have the capacity to appraise EE related projects.		BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
2.3 An EE market for Small and Medium Enterprises (SMEs) has been triggered in El Salvador, Costa Rica and Nicaragua in partnership with GTZ.		BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.	3.1 Lessons learned are assessed and documented.	BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
3.2 A program for dissemination of lessons learned allows benefiting from all existing opportunities to promote EE.		BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
3.3 A plan for monitoring and testing of ESP implementation has been designed and is in full implementation.		BUN-CA	62000	GEF Trustee	71300	Local Consultants				
		BUN-CA	62000	GEF Trustee	71200	International Consultants				
		BUN-CA	62000	GEF Trustee	71600	Travels				
		BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies				
		BUN-CA	62000	GEF Trustee	74200	Print Prod Costs				
		BUN-CA	62000	GEF Trustee	74100	Professional Services				
TOTAL										

Annual Work Plan – Year 3

Overall Objective	Key Activities	Timeframes				Respt Party	Planned Budget		Amount US\$			
		Q1	Q2	Q3	Q4		Fund	Donor				
To reduce GHG produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama, through the removal of barriers to market entry of commercially viable energy-efficient technology	Project Management					BUN-CA	62000	GEF Trustee		103,249		
						BUN-CA	62000	GEF Trustee	71400	Admin Staff	45,155	
						BUN-CA	62000	GEF Trustee	74200	Communication	3,600	
						BUN-CA	62000	GEF Trustee	74500	Miscellaneous	9,000	
						BUN-CA	62000	GEF Trustee	72900	Office Equipment	4,000	
						BUN-CA	62000	GEF Trustee	75100	F/A NGO Execution fee	32,700	
						BUN-CA	62000	GEF Trustee	74100	Professional Services	1,500	
						BUN-CA	62000	GEF Trustee	71600	Travels	16,293	
1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high efficient technologies.	1.1. The policy context for EE technologies has been strengthened.					BUN-CA	62000	GEF Trustee	71300	Local Consultants	33,155	
						BUN-CA	62000	GEF Trustee	71200	International Consultants	0	
						BUN-CA	62000	GEF Trustee	71600	Travels	13,293	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0	
	1.2. Principles are enforced and applied.						BUN-CA	62000	GEF Trustee	74100	Professional Services	0
												256,243
							BUN-CA	62000	GEF Trustee	71300	Local Consultants	181,821
							BUN-CA	62000	GEF Trustee	71200	International Consultants	22,500
							BUN-CA	62000	GEF Trustee	71600	Travels	29,909
2. Institutional and individual capacities sufficient to support market development	2.1. Public institutions and associations strengthened and able to support EE market development.					BUN-CA	62000	GEF Trustee	71300	Local Consultants	26,549	
						BUN-CA	62000	GEF Trustee	71200	International Consultants	16,579	
						BUN-CA	62000	GEF Trustee	71600	Travels	9,970	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0	
	2.2. Engineering firms and financiers have the capacity to approve EE related projects.						BUN-CA	62000	GEF Trustee	74100	Professional Services	0
												56,644
							BUN-CA	62000	GEF Trustee	71300	Local Consultants	25,790
							BUN-CA	62000	GEF Trustee	71200	International Consultants	0
							BUN-CA	62000	GEF Trustee	71600	Travels	5,539
2.3. An EE market for Small and Medium Enterprises (SMEs) has been triggered in El Salvador, Costa Rica and Nicaragua in partnership with GTZ.						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	23,315	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services	0	
											0	
						BUN-CA	62000	GEF Trustee	71300	Local Consultants	0	
3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.	3.1. Lessons learned are assessed and documented.					BUN-CA	62000	GEF Trustee	71300	Local Consultants	13,816	
						BUN-CA	62000	GEF Trustee	71200	International Consultants	13,816	
						BUN-CA	62000	GEF Trustee	71600	Travels	0	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0	
	3.2. A program for dissemination of lessons learned allows benefiting from all existing opportunities to promote EE.						BUN-CA	62000	GEF Trustee	74100	Professional Services	0
												13,816
							BUN-CA	62000	GEF Trustee	71300	Local Consultants	13,816
							BUN-CA	62000	GEF Trustee	71200	International Consultants	0
							BUN-CA	62000	GEF Trustee	71600	Travels	0
3.3. A plan for monitoring and reporting of PSP implementation has been designed and is in full implementation.						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services	0	
											46,843	
						BUN-CA	62000	GEF Trustee	71300	Local Consultants	36,843	
					BUN-CA	62000	GEF Trustee	71200	International Consultants	0		
					BUN-CA	62000	GEF Trustee	71600	Travels	0		
					BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies	0		
					BUN-CA	62000	GEF Trustee	74200	Print Prod Costs	0		
					BUN-CA	62000	GEF Trustee	74100	Professional Services	10,000		
									TOTAL	\$563,613		

Annual Work Plan - Year 4

Overall Objective	Key Activities	Timeframe				Resp. Party	Planned Budget						
		Q1	Q2	Q3	Q4		Fund	Donor	Budget Description	Amount US\$			
To reduce GHG produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama, barriers to market entry of commercially viable energy-efficient technologies through the removal of	Project Management					BUN-CA	62000	GEF Trustee				103,249	
						BUN-CA	62000	GEF Trustee	71400	Admin Staff		45,156	
						BUN-CA	62000	GEF Trustee	74200	Communication		3,800	
						BUN-CA	62000	GEF Trustee	74500	Miscellaneous		3,000	
						BUN-CA	62000	GEF Trustee	72800	Office Equipment		4,000	
						BUN-CA	62000	GEF Trustee	75100	F/A NGO Execution fee		32,700	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		1,500	
						BUN-CA	62000	GEF Trustee	71600	Travels		13,293	
		1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high efficient technologies.											33,159
		1.1. The policy context for EE technologies has been strengthened.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		33,159
							BUN-CA	62000	GEF Trustee	71200	International Consultants		0
							BUN-CA	62000	GEF Trustee	71600	Travels		0
							BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		0
							BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0
							BUN-CA	62000	GEF Trustee	74100	Professional Services		0
													71,886
		1.2. Principles are enforced and applied.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		51,949
							BUN-CA	62000	GEF Trustee	71200	International Consultants		0
							BUN-CA	62000	GEF Trustee	71600	Travels		19,940
							BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		0
							BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0
							BUN-CA	62000	GEF Trustee	74100	Professional Services		0
		2. Institutional and individual capacities sufficient to support market development											30,931
		2.1. Public institutions and associations strengthened and able to support EE market development.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		16,579
							BUN-CA	62000	GEF Trustee	71200	International Consultants		0
							BUN-CA	62000	GEF Trustee	71600	Travels		6,647
							BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		7,705
							BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0
							BUN-CA	62000	GEF Trustee	74100	Professional Services		0
		2.2. Engineering firms and financiers have the capacity to appraise EE-related projects.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		25,315
						BUN-CA	62000	GEF Trustee	71200	International Consultants		0	
						BUN-CA	62000	GEF Trustee	71600	Travels		0	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		25,315	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		0	
	2.3. An EE market for Small and Medium Enterprises (SME) has been triggered in El Salvador, Costa Rica and Nicaragua in partnership with GTZ.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		0	
						BUN-CA	62000	GEF Trustee	71200	International Consultants		0	
						BUN-CA	62000	GEF Trustee	71900	Travels		0	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		0	
	3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.											37,933	
	3.1. Lessons learned are assessed and documented.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		13,816	
						BUN-CA	62000	GEF Trustee	71200	International Consultants		7,500	
						BUN-CA	62000	GEF Trustee	71900	Travels		18,616	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		0	
	3.2. A program for dissemination of lessons learned allows benefiting from all existing opportunities to promote EE.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		63,366	
						BUN-CA	62000	GEF Trustee	71200	International Consultants		13,816	
						BUN-CA	62000	GEF Trustee	71600	Travels		15,000	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		24,925	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		0	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		9,625	
	3.3. A plan for monitoring and reporting of M&E performance has been developed and is in full implementation.					BUN-CA	62000	GEF Trustee	71300	Local Consultants		40,868	
						BUN-CA	62000	GEF Trustee	71200	International Consultants		36,643	
						BUN-CA	62000	GEF Trustee	71600	Travels		0	
						BUN-CA	62000	GEF Trustee	72100	Contractual Services-Companies		0	
						BUN-CA	62000	GEF Trustee	74200	Print Prod Costs		4,125	
						BUN-CA	62000	GEF Trustee	74100	Professional Services		0	
												TOTAL	\$406,809

Annual Work Plan – year 5

Overall Objective	Key Activities	Performance Indicators				Fund	Donor	Flows/Budget		
		Q1	Q2	Q3	Q4			Budget Description	Amount US\$	
<p>To reduce GHG produced by thermal-power generation in the national inter-connected systems of El Salvador, Nicaragua, Costa Rica and Panama, through the removal of barriers to market entry of commercially viable energy-efficient technology</p>	Project Management					BUN-CA	62000 GEF Trustee	71400	Admin Staff	103,249
						BUN-CA	62000 GEF Trustee	71400	Communication	45,158
						BUN-CA	62000 GEF Trustee	74200	Miscellaneous	3,800
						BUN-CA	62000 GEF Trustee	74500	Office Equipment	3,000
						BUN-CA	62000 GEF Trustee	72800	F/A, NGO Execution fee	4,000
						BUN-CA	62000 GEF Trustee	75100	Professional Services	32,700
						BUN-CA	62000 GEF Trustee	74100	Travels	1,500
						BUN-CA	62000 GEF Trustee	71600		13,293
										0
										0
<p>1. Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high efficient technologies.</p>	1.1 The policy context for EE technologies has been established.					BUN-CA	62000 GEF Trustee	71300	Local Consultants	0
						BUN-CA	62000 GEF Trustee	71200	International Consultants	0
						BUN-CA	62000 GEF Trustee	71600	Travels	0
						BUN-CA	62000 GEF Trustee	72100	Contractual Services-Companies	0
						BUN-CA	62000 GEF Trustee	74200	Print Prod Costs	0
						BUN-CA	62000 GEF Trustee	74100	Professional Services	0
										0
						BUN-CA	62000 GEF Trustee	71300	Local Consultants	0
						BUN-CA	62000 GEF Trustee	71200	International Consultants	0
						BUN-CA	62000 GEF Trustee	71600	Travels	0
<p>2. Institutional and individual capacities sufficient to support market development</p>	2.1 Public institutions and associations strengthened and able to support EE market development.					BUN-CA	62000 GEF Trustee	71300	Local Consultants	0
						BUN-CA	62000 GEF Trustee	71200	International Consultants	0
						BUN-CA	62000 GEF Trustee	71600	Travels	0
						BUN-CA	62000 GEF Trustee	72100	Contractual Services-Companies	0
						BUN-CA	62000 GEF Trustee	74200	Print Prod Costs	0
						BUN-CA	62000 GEF Trustee	74100	Professional Services	0
										0
						BUN-CA	62000 GEF Trustee	71300	Local Consultants	0
						BUN-CA	62000 GEF Trustee	71200	International Consultants	0
						BUN-CA	62000 GEF Trustee	71600	Travels	0
<p>3. Information available to all stakeholders in useful form and adaptive management resulting from M&E maximizes impacts.</p>	3.1 Lessons learned are assessed and documented.					BUN-CA	62000 GEF Trustee	71300	Local Consultants	30,433
						BUN-CA	62000 GEF Trustee	71200	International Consultants	13,816
						BUN-CA	62000 GEF Trustee	71600	Travels	0
						BUN-CA	62000 GEF Trustee	72100	Contractual Services-Companies	16,515
						BUN-CA	62000 GEF Trustee	74200	Print Prod Costs	0
						BUN-CA	62000 GEF Trustee	74100	Professional Services	0
										48,366
						BUN-CA	62000 GEF Trustee	71300	Local Consultants	13,815
						BUN-CA	62000 GEF Trustee	71200	International Consultants	0
						BUN-CA	62000 GEF Trustee	71600	Travels	24,525
					BUN-CA	62000 GEF Trustee	72100	Contractual Services-Companies	0	
					BUN-CA	62000 GEF Trustee	74200	Print Prod Costs	9,625	
					BUN-CA	62000 GEF Trustee	74100	Professional Services	0	
									55,968	
					BUN-CA	62000 GEF Trustee	71300	Local Consultants	38,843	
					BUN-CA	62000 GEF Trustee	71200	International Consultants	0	
					BUN-CA	62000 GEF Trustee	71600	Travels	0	
					BUN-CA	62000 GEF Trustee	72100	Contractual Services-Companies	0	
					BUN-CA	62000 GEF Trustee	74200	Print Prod Costs	4,125	
					BUN-CA	62000 GEF Trustee	74100	Professional Services	15,000	
								TOTAL	\$238,015	

SECTION IV – Other Arrangements

BUN-CA will be the Executing Agency for the implementation of the FSP. BUN-CA is a regional Non-Governmental Organization promoting and facilitating the sustainable use of natural resources to improve the quality of life in Central America. Between 2000 and 2002, BUN-CA implemented a regional MSP related to the development of small-scale renewable energy projects, funded by UNDP/GEF under Operational Programme number 6 "Promoting the Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs". The project underwent a very satisfactory final independent evaluation, where it was concluded that the project had been successfully implemented by BUN-CA. Additionally, the annual audit reports reflected a sound and professional management of the project funds, and only minor comments were received and corrected accordingly during project implementation. Another result of the above mentioned project has been that BUN-CA has established contacts with many stakeholders in the energy industry.

In conclusion, BUN-CA lives up to the requirements set up in the UNDP Programming Manual regarding NGO execution, and have a very positive record as executing agency. BUN-CA is therefore chosen to be the executing agency of the current FSP, and they will perform the normal executing agency duties mentioned in the UNDP Programming Manual for National Execution. This includes being the institution signing the Project Document and responsible for the execution of the project and reaching project objectives.

A project cooperation agreement between UNDP and Biomass Users Network in Central America has been signed and will be complemented to this project document.

Signature page

United Nations Development Programme
Global Environment Facility

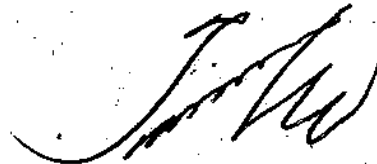
Country: Costa Rica

Strategic Results Framework G3 – Sub-goal 2 – SAS 2

Implementing partner: Biomass Users Network – Central America

Programme period:	July 2005 – June 2010
Project Name:	Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America
Project ID:	2819
Project Duration:	60 months
Total Budget:	US\$ 9,595,000
GEF (managed by UNDP)	US\$ 2,180,000
Others	US\$ 7,065,000
Management arrangement:	NEX (NGO execution)

Agreed by BUN-CA :

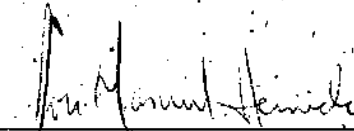


James Hirsch Keibel,
National Project Director, BUN-CA

Date:

1/2/06

Agreed by UNDP :



José Manuel Hermida,
Resident Representative, UNDP Costa Rica

Date:

1/2/06

Annex A	Approved GEF Brief Document and Annexes (Separate document)
Annex B	Implementing Arrangements – Terms of Reference (Attached to this document)
Annex C	Co-financing Letters (Separate document)
Annex D	List of Equipment (Attached to this document)

Annex B Implementing Arrangements – Terms of Reference

I. Introduction

BUN-CA, in accordance with the agreements acquired on the United Nations Convention on Climate Change, has turned its efforts in finding innovative strategies, which will remove the barriers that inhibit the implementation of energy efficiency (EE) measures in order to promote a market transformation for the efficient use of electricity in the industrial and commercial service sectors in Central America. To this end, BUN-CA, presented to the Global Environmental Facility (GEF) through the United Nations Development Programme (UNDP) a Full Size Project called "Regional Programme on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America". The proposed activities will take place in four core countries, i.e.: El Salvador, Nicaragua, Panama, and Costa Rica, while Guatemala, Belize, and Honduras are the associated countries in which dissemination information and replication activities will also take place.

Relevant information on the project background, objectives, outcomes, expected outputs, activities, and budget are provided in the Project Document for which the information presented herein is an attachment.

For the execution of the BUN-CA/UNDP/GEF Full Size Project, the following Terms of Reference have been prepared in order to retain the major consultancies considered in the UNDP Project Document:

1. Steering Committee.
2. Coordinator of the Project
3. Terms of Reference to achieve Outcomes:
 - 3.1. Consultancies to achieve Outcome 1: Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high energy efficiency technologies
 - 3.2. Consultancies to achieve Outcome 2: Institutional and individual capacities sufficient to support market development
4. Senior Technical Advisor

Finally, in Section II.5 of this Annex, Table B.4 presents a description of the BUN-CA staff enrolled and their responsibilities, as part of the Project Management Unit (PMU), for the following personnel:

- Project Coordinator
- Technical Staff (at least two full time officers)
- Administrative Officer
- Information and Dissemination Staff
- In-country BUN-CA representatives in Panama, Nicaragua, and El Salvador

I.2 General Conditions (that apply to all the consultancies)

All the consultants to be retained for the execution of the BUN-CA/UNDP/GEF Full Size Project should meet the following general conditions:

- a) The Project Document is considered an integral part of the Terms of Reference for each consultancy.
- b) Execute the consultancy in accordance with standard UNDP regulations, within his/her line of work, the consultant must maintain at all times a conduct proper to his/her condition, avoiding, above all, clash of interests, immediately informing, if they ever produce, BUN-CA and UNDP.
- c) The contract will be revocable at anytime, without cause justification, by joint decision of BUN-CA and the UNDP. In this case, the consultant has to deliver to the Project Coordinator all information related to the consultancy, in his/her power.
- d) The consultant must treat all the information related to the consultancy and the Project in a confidential manner, not being able to communicate it to others, unless authorized by BUN-CA.

II. Specific Terms of Reference

II.1 Terms of Reference for the Steering Committee

General

The Project Steering Committee will be appointed by UNDP. Each of the four core countries will be represented in the PSC, and it should represent the stakeholders involved in the FSP (UNDP, Government, Academic, and Private Sectors).

The proposed Steering Committee, chaired by the National Director, is composed of the National Secretariat of Energy (Costa Rica), who will chair the Steering Committee, the Salvadorian Association of Industries, the UTP from the academy sector in Panama, the United Nations Development Programme (UNDP), and the Project Coordinator (without vote member). It is the consulting body of the Project, and it shall provide guidance and support for the accomplishment of the expected outcomes.

Responsibilities

- i. Ensure the technical and financial accountable integration of the components of the Project financed by GEF and its execution
- ii. Assure that activities are prioritized to meet the region's most pressing energy efficiency needs in the target sectors, and in the core-countries
- iii. Approve the workplans and budgets on an annual basis
- iv. Assure a timely execution of FSP activities
- v. Stay informed about project initiatives or complementary activities related to the components of the Project
- vi. Evaluate the progress of the Project and work of all participants,
- vii. Approve the progress reports and meet at least twice a year

Each Project Steering Committee member will be regularly informed by BUN-CA/PMU about:

- a) Project implementation and achieved results,
- b) Project financial spending, and
- c) Advance of external consultancies.

II.2 Terms of Reference for the Project Coordinator (PC) (BUN-CA staff co-financed by the Project)

General

The Project Management Unit for the execution of the BUN-CA /UNDP/GEF Full Size Project (PMU) is the managerial and administrative body of the Project, under the directives and guidance of the Project Steering Committee. This body is organized into three areas of action, corresponding to the three proposed outcomes.

The Project Management Unit shall be physically located within the BUN-CA Office in San Jose, Costa Rica, and it shall facilitate the exchange of information between all the stakeholders. A group of technical-personnel team shall compose this Unit, including a Project Coordinator, in charge of its technical and administrative management, and supporting staff.

Obligations and responsibilities

The PC will be responsible for the day-to-day management, coordination and supervision of the implementation of the project activities, and therefore responsible for the achievement of project outcomes and outputs.

The main responsibilities of the position shall include:

- i. To prepare a detailed work plan for the FSP to ensure the accomplishment of the Project's objectives and the achievement of the deliverables in accordance with the Project Document approved by the UNDP and the GEF, along with their respective budgets;
- ii. To prepare a work plan for the implementation of the FSP;
- iii. To prepare the terms of reference for the recruitment of consultants; to evaluate, pre-select and negotiate the hiring of the national and international consultants selected, in accordance with the UNDP and BUN-CA regulations, guide and review of the overall work and performance of the consultants;
- iv. To undertake the due diligence for obtaining co-financing funds (reimbursable and non-reimbursable) that allow the generation of a market thrust for energy efficiency in the commercial and industrial sectors;
- v. To take part (ex-officio) in the Selection Committee of the different Bids;
- vi. To promote the coordination and complementarity with other related EE projects taking place in Central America, i.e. the PESIC/UNDP/GEF Project in Honduras;
- vii. To maintain and coordinate working relationships with the relevant Government agencies, CCIs, other NGOs, and other pertinent institutions, involving their staff in Project activities in a participatory approach;
- viii. To ensure an adequate management and use of Project resources;
- ix. To contribute in the dissemination of the Project's outputs;
- x. To prepare periodic quarterly Project progress reports for UNDP and submit them to the UNDP Costa Rica office;
- xi. To represent the Project in relevant events and before institutions related to the subject;

- xii. To allocate and manage funds according to the criteria and objectives of the Global Environmental Facility (GEF), and the administrative procedures of the UNDP and the BUN-CA;
- xiii. To report to the NPD and Steering Committee Chair, who shall be the direct supervisor;
- xiv. To collaborate in the organization and supervise the workshops and training programs needed during the Project, including the workshops' methodology and their contents;
- xv. To control the expenditures and to ensure otherwise an adequate management of the resources provided for the project.

It is understood that all the above tasks will be executed in accordance with the criteria and objectives of the GEF and the administrative procedures of UNDP.

Qualifications:

- Leadership and Management capability
- At least 10 years of working experience
- A degree (at least M. Sc. or equivalent) in Renewable Energy / EE or other field relevant to the project
- Experience and a demonstrated ability in managing and implementing projects, and in liaising and cooperating with project personnel including government officials, financiers, NGOs, private sector, etc.
- International experience with project management/coordination of UNDP and GEF initiatives will be favorably looked upon
- Experience with Management of Regional Projects will be favorably looked upon,
- High-level of oral and written communication, negotiation, partnership building and liaison skills
- Full command of Spanish and proficient in English

II.3 Terms of References to achieve Outcomes

General

The consulting activities hereby described were identified during the Preparatory Assistance PDF-B Phase, concluded under the BUN-CA direction and in coordination with UNDP. In many cases, these are the first vital activities for the successful future of the BUN-CA/UNDP/GEF Project. A strict and thorough selection process shall be required, aiming at expedience with relation to the general Project timeline and workplan.

The coordination of each consultancy shall be under the responsibility of the PMU in BUN-CA, and it shall be carried out according to the procedures described in the National Execution Contracts Law.

Functions and Expected General Results

The consultants hired for these consultancies should at least be able to carry out the following:

- a) Execute and carry out the activities foreseen in the work plan of the Project Document, according to the timetable previously elaborated, and also the new activities which arise in order to achieve the objectives of the Project.
- b) Complete the specific terms of reference for his/her consultancy, and organization of selection processes and bidding for the hiring of studies, consultant services and acquisitions foreseen in the Project, elaboration of drafts of the specific terms of reference for such selection processes and bids, and all other instruments related to the different components of the Project.
- c) Review, evaluate and know the Project Document, monitoring of the selection processes, contracting and monitoring of all the activities and tasks elaborated within the project implementation frame.
- d) Present for approval to BUN-CA a work plan to execute the consultancy, with dates, specific expected outputs and responsibilities.
- e) Establish and ensure the operation of the mechanisms of coordination and information necessary for the implementation of the consultancy. Including, keeping work links with the organizations involved in the Project, maintaining open communication with BUN-CA, and permanent interaction with the rest of the advisors and consultants, as necessary, and participating in convened meetings.
- f) Prepare periodic reports and articles on the progress of the consultancy, as required by the GEF, UNDP, BUN-CA or the Steering Committee. The consultant will be responsible for presenting a final report, containing a summary, and documenting all the pertinent information related to the different implemented activities and yearly implementation reports, according to BUN-CA and/or UNDP/GEF requirements.
- g) Design and develop dissemination actions of the Project, that is, those already mentioned in the Project Document, and those necessary for an optimal national and international awareness of the actual results of the Project.
- h) When it is required, make fieldwork trips to the Central American region.

General Requirements for the Consultants

The consultants responsible for executing the work shall meet the following general requirements:

- Demonstrated experience in similar consulting services within or beyond the country.
- Superior university degree in Engineering, Economy, Energy, Energy Efficiency, Environmental Management, Law or other fields related to the Consultancy.
- Knowledge on subjects such as: climate change, energy efficiency, command of the Methods of Scientific Research.
- Written and oral command of the English language.
- Experience in editing scientific publications.
- Familiarity with the geographic region of the Consultancy (the seven countries of the Central America Region).
- Basic familiarity with the issues of Climate Change, GEF and its operational programs, and of UNDP.
- Demonstrated ability to work with government institutions, NGOs, private sector, academic institutions and financial institutions.

Additional and specific requirements needed for each consultancy will be prepared for BUN-CA before releasing the terms of reference for bidding.

Duration and Starting Date

The contracts will start according with the progress of the Project, and the duration of each one will be established per BUN-CA. Some activities of the BUN-CA/UNDP/GEF Project will be executed closely with other on-going in-country and regional initiatives carried out BUN-CA. For this reason, the consultant has to establish a close coordination with corresponding activities with these initiatives under the leadership of BUN-CA, as required.

Accountability

The contractor will be jointly responsible to the UNDP and BUN-CA for the quality and timeliness of the products required under this contract and accountable for ensuring that the UNDP and GEF's guidelines are applied, in particular those pertaining to incremental costs.

The main consulting activities, to achieve the outcomes described in the Project Document, are as follows:

Table B.4 presents a description of the BUN-CA staff enrolled and their responsibilities, as part of the Project Management Unit (PMU).

H.3.1 Consultancies to achieve Outcome 1: Creating the legal and regulatory basis for removing lowest EE technologies from the market and promoting high energy efficiency technologies.

Table B-1: Summary of the Sub-contracts for Outcome 1

Output 1.1	The policy context for EE technologies has been strengthened.
Output 1.2	Principles are applied and enforced.

Output 1.1: The policy context for EE technologies has been strengthened.

Consultancy on Fiscal Incentives for Energy Efficiency

Background of Outcome 1

The Consultancy regarding the creation of fiscal incentives that is being described was identified in the preparatory assistance (PDF-B) stage at the regional level. It responds to the aforementioned mechanisms for the removal of political and legal barriers and the lack of fiscal incentives to promote the introduction of efficient equipment into the market. This Consultancy is part of a group of project activities proposed for the market transformation with regards to Energy Efficiency. It is focused on four core-countries: El Salvador, Nicaragua, Costa Rica, and Panama. However, this outcome has an impact on all the Central America countries, due to the on-going unification of customs codes and the so-called opening of the borders, in addition to the economic interaction brought about by the free trade agreements

The Consultancy about fiscal incentives is an action of the energy efficiency policy, which has the objective of promoting the import of energy efficient equipment by lowering their tax burden. This would result in greater penetration of efficient equipment in the industrial and commercial sectors, thus promoting the transformation of final use of electricity towards a more efficient market.

To undertake this Consultancy, the expert will have to coordinate with the main key agents at the government level of each country, as follows:

Panama: Ministry Of Finance, COPE, Ministry of the Environment

Costa Rica: Ministry of Finance, DSE, CICR

Nicaragua: Ministry of Finance, CNE

El Salvador: Ministry of Finance, DGEE, ASI

Regional: CCAD and SIECA

Objective of the contract

The general objective of the consultant service is to have an expert be responsible for the elaboration, implementation and monitoring of the activities necessary to adjust the existing regulatory framework in order to promote and develop energy efficiency markets in the industrial and commercial sectors in Panama, Costa Rica, Nicaragua, and El Salvador.

Scope of the Consultancy

- Propose work plans, one per country and a regional one, to present activity progress.
- Coordinate with BUN-CA the actions to be carried out at the country level with government entities.
- Compile and analyze existing fiscal incentives and their applicability, according to the main categories to incentive the imports of efficient equipment, both at the country and the regional levels.
- Carry out an analysis at the country level about the current tax, customs and tariff structures that affect the import of engines and air conditionings.
- With the support of BUN-CA, create a work group at the country level with the institutions that are involved, in order to analyze, propose, formulate and implement fiscal incentives for energy efficiency. Formulation and follow-up of a Tax Incentive Programme for the promotion of EE.
- These measures may include moratoriums and exemptions on national taxes, income tax, import tax, accelerated depreciation, among others.
- Write the preliminary draft of a bill or law that will introduce reforms to existing fiscal incentives and propose new incentives.
- Once the preliminary draft is approved by BUN-CA and the commission, it will be presented to either the Ministry of Economy or Ministry of Finance of each country. This preliminary draft will contain all the suggested reforms or modifications to the existing fiscal incentives, as well as new fiscal incentives, to regulate the import of equipment.

Main Outputs

- An assessment at the country level about the tax and customs structures that affect the import of efficient engines and air conditionings.
- A proposal regarding fiscal incentives in each of the countries, to promote the introduction of efficient equipment into the market.
- Design and propose the support instruments for the introduction of efficient equipment that will facilitate the development of an EE market. They will be presented to BUN-CA and the local policy makers for approval.

Output 1.2: Principles are applied and enforced.

Background

Specialized technical assistance is needed to formulate standards and labeling schemes for motors and air conditioning through the participation of the normalization institutes in each core-country. For the PMU, norms and standards applied in the Mexico, the USA, and Europe and also participatory elaboration methodologies, will serve as a reference point.

Objective

The National Standards Development Organizations (NSDO) will be responsible for the development of the energy efficiency minimum standards according to the official procedures in each of the core-countries. These organizations, i.e.: INTECO in Costa Rica, SENACYT in Panama, MIFIT in Nicaragua, and CONICYT in El Salvador, operate under an official process that is well developed, formally documented, and monitored.

Scope of the contract

This process usually includes seven distinct stages:

- **Preliminary Stage:** On receipt of a request for the development of a standard, an evaluation is conducted and the project is submitted for authorization.
- **Proposal Stage:** Public notice of intent to proceed is published and a Technical Committee is formed - or the project is assigned to an existing Technical Committee.
- **Preparatory Stage:** A working draft is prepared and a project schedule is established.
- **Committee Stage:** The Technical Committee or Technical Subcommittee - facilitated by the NSDO staff - develops the draft through an iterative process that typically involves a number of committee meetings.
- **Enquiry Stage:** The draft is offered to the public for review and comment, the Technical Committee reaches consensus, NSDO staff conduct a quality review and a pre-approval edit is completed.
- **Approval Stage:** The Technical Committee approves the technical content by letter ballot or recorded vote. A second level review verifies that standards development procedures were followed.

- **Publication Stage:** NSDO staff conducts a final edit to verify conformity with the applicable editorial and procedural requirements and then publishes and disseminates the standard.
- **Maintenance Stage:** The standard is maintained with the objective of keeping it up to date and technically valid. This may include the publication of amendments, the interpretation of a standard or clause, and the systematic review of all standards.

Main Outputs

- Norms for motors effective in Costa Rica and replicated in El Salvador.
- Norms for A/C effective in Costa Rica and replicated in Panama.

II.3.2 Consultancies to achieve Outcome 2: Institutional and individual capacities sufficient to support market development.

Table B-2: Summary of the Sub-contracts for Outcome 2

Output 2.1	Public institutions strengthened and able to support EE market development.
Output 2.2	Engineering firms and financiers have the capacity to appraise EE related projects.
Output 2.3	An EE market for Small and Medium Enterprises (SMEs) has been triggered in El Salvador and results shared in Guatemala, Costa Rica, and Nicaragua in partnership with GTZ.

Background of Outcome 2

This Outcome deals with strengthening a number of institutional stakeholders at the national and regional levels, with special attention paid to the public officers, due to its being the guiding body with authority for the development of energy efficiency.

Objective of the contract

The main objective of this consultancy is to strengthen the national and regional capacity of the public institutions, and private stakeholders like engineering firms, technicians and financiers, for the promotion of the development of EE markets in the industrial and commercial sectors.

Scope of the consultancy

- i. Design and implementation of a training plan in each of the core-countries for the public institutions mainly represented in the Steering Committee, and other key stakeholders, that allows the strengthening of capabilities of public institutions in order to foster the development of EE markets.
- ii. Design and implementation of a National Training Programme in each of the core-

countries in association with specialized national institutions, where, these national institutions, like local Universities, technical Institutes, CCIs, and others with the capacity to design and teach technical-professional training courses, shall play a key role.

Main Outputs

- Strengthening of institutional capabilities of CNE, COPE, DSE, and DGEE, and other key public stakeholders –like customs officers- in order to foster the development of EE markets.
- A training Programme for engineering firms and technicians designed and implemented under the leadership of BUN-CA to support the promotion and development of energy efficiency investments. This will be implemented in cooperation with other non-GEF projects which BUN-CA is carried out in Central America.
- A training Programme designed and implemented in El Salvador and Guatemala under the leadership of the BUN-CA/GTZ-GESTA to support the promotion and development of energy efficiency investments for SMEs.

Output 2.1: Public institutions strengthened and able to support EE market development.

Background

Public institutions including energy planning agencies and ministries, normalization institutes, customs offices, and laboratories are strengthened to apply new policy instruments through capacity building activities. An institutional diagnosis and clear recommendations on staffing will be made to the governments of the core-countries. International experiences including nearby Mexico will be most useful. In order to consider the current situation which is characterized by significant differences between the participating countries, in-country actions will be developed under the guidance, and in close collaboration, with the corresponding policy makers, i.e.: GOPE in Panama, DSE in Costa Rica, CNE in Nicaragua, and DGEE in El Salvador. Public officers of the associated countries will be also invited to participate.

Objective of the contract

The objective of this Consultancy is to remove the main political and regulatory barriers that hinder the development of an energy efficiency market in the industrial and commercial sectors of Central America. Such a development would reduce the emission of greenhouse gases in the electrical sector, and through the design and implementation of a training Programme with the support of international agencies with a well-known track record in the development of energy efficiency programmes and projects.

Scope of the Consultancy

BUN-CA needs to hire a Consultant for the formulation of the training proposal that will be presented to the Programme, through the execution of the following activities:

1. Compilation and systematization of the information

- 1.1 Elaborate a matrix to systematize the information collected during PDF-B on the topic of training solutions on Energy Efficiency that are available in Central America. This will be based on mission reports and research material that are generated during the process of gathering information for the project.
- 1.2 If necessary, and after consultations with BUN-CA, read and systematize additional bibliography related with the topic, in order to complement the systematization matrix mentioned in item 1.1.

2. Elaborate a training proposal

- 2.1 Elaborate a training proposal based on the collected and systematized information (see item 1, above). This proposal has to be oriented toward the following sectors:
 - ⇒ Professionals and decision-making levels at energy planning agencies.
 - ⇒ Personnel from technical laboratories
 - ⇒ Customs agents
 - ⇒ Harmonization institutes
- 2.2 The training proposal has to include an integrated analysis of all the training curricula that are found in the region; counterpart institutions that are interested in participating in its execution; periodicity; objectives; a preliminary curriculum for each sector mentioned in 2.1.

Main Outputs

- Methodological design of the training course for public officials
- Partial reports of the training sessions held in each country (Panama, Costa Rica, Nicaragua and El Salvador)
- Final report on the training.

Output 2.2: Engineering firms and financiers have the capacity to appraise EE related projects.

Background

It focuses on strengthening of technical abilities in engineering firms as possible project developers, as well as building the skills of plant engineers and electrical, mechanical and electromechanical technicians in charge of maintaining electromechanical systems in both industry and commerce. Within this training programme, The FSP can highlight the participation of relevant key agents, such as universities, government institutions and the region's chambers of industry and commerce, as the first parties interested in offering their members an ongoing training programme that allows each enterprise to grow, integrating the different measures of energy efficiency in their management. Therefore, in each target country the following workgroup will be constituted:

Panama: Technological University of Panama (Universidad Tecnológica de Panamá, UTP), Cleaner Production Center, CONEP, Industrial Workers Union of Panama (SIP) and COPE.

Nicaragua: National Engineering University (Universidad Nacional de Ingeniería, UNI), Cleaner Production Center of Nicaragua, Nicaraguan Chamber of Commerce (CACONIC) and the National Energy Commission (CNE).

Costa Rica: Technological Institute of Costa Rica (Instituto Tecnológico de Costa Rica, ITCR), National Electricity Company (Compañía Nacional de Fuerza y Luz, CNFL), Federated Association of Architects and Engineers (CFIA), Costa Rican Chamber of Commerce (CICR) and the Energy Sector Administration (DSE).

El Salvador: Central American University (Universidad Centroamericana, UCA), Salvadorian Industrial Association (ASI), Technological Institute of Central America (Instituto Tecnológico de Centro América, ITCA) and the General Energy Administration (DGE).

Each country will hold training sessions about electric motors and air conditioning systems and refrigeration. The training sessions that correspond to the energy efficiency programme on electric systems will be delivered at the country level by a regional consultant specializing in Energy Efficiency.

Scope of the Consultancy

The training programme has three main technical components:

- Electric motors
- Air conditioning and refrigeration systems
- Energy efficiency in electric systems

Terms of Reference: Training Programme on Electric Motors

Scope

- Coordinate with BUN-CA the methodological strategy used to deliver the training sessions.
- Design and implement a training plan on Electric Motors, aimed at engineering professionals, engineering firms and electromechanical technicians in charge or providing maintenance to industrial and commercial facilities. The training plan must be approved by BUN-CA and the institutions at the country level that are involved in its implementation.
- Elaboration of a technical manual on electric motors: operation and maintenance as didactic material that will be handed to the students.
- The training programme on Electric Motors has to include the following topics:
Monophasic and triphasic motors.

- Evaluation of electric motors
- Speed variators
- Practical analysis
- Motor maintenance

These topics will be discussed with BUN-CA and the institutions at the country level that are involved in the training process.

- Design and implement, within the training programme, fieldwork, laboratory sessions or technical visits that allow the students to strengthen the theoretical knowledge acquired with hand-on experience. The fieldwork will be evaluated by BUN-CA and the entities at the country level that are involved, to contact university laboratories or companies in order to make these technical visits possible.
- Design a General Preventive Maintenance Guide and Energy Saving Tips for electric motors; these would include technical data sheets as reference material for the trainees once they return to the companies where they work.
- Prepare the minimum necessary standards with which a high-efficiency motor must comply, to achieve optimum operation of electrical and mechanical systems in both industry and commerce. Finally, lead the compilation of a Technical Manual on Norms and Standards for the Installation of Motors, with prior approval from BUN-CA and certification entities in each country.

Main Outputs

- Methodological design of the training course.
- Technical Training Manual.
- Final report on the training.

Requirements of the Consultant:

- Leadership, organization skills.
- Minimum a M.Sc. degree in a field relevant to the development of energy efficiency projects, preferably in Electrical Engineering, Mechanical Engineering or similar.
- At least 5 years as trainer or teacher in a recognized higher education institution.
- With experience in conservation measures for air conditioning, lighting and electric motors.
- Broad experience in projects at the regional level (applicable to the Energy Efficiency consultant).
- Knowledge of financial analysis for Energy efficiency projects.
- Speak Spanish fluently and able to speak, read and write English.
- Immediate availability.

Terms of Reference: Training Programme on Air Conditioning and Refrigeration Systems

Scope:

- Coordinate with BUN-CA the methodological strategy used to deliver the training sessions.

- Design and implement a training plan on Air Conditioning and Refrigeration Systems, aimed at engineering professionals, engineering firms and electromechanical technicians in charge or providing maintenance to industrial and commercial facilities. The training plan must be approved by BUN-CA and the institutions at the country level that are involved in its implementation.
- Elaborate a Technical Manual on Air Conditioning and Refrigeration Systems: operation and maintenance as didactic material that will be handed to the students.
- The training programme on Air Conditioning and Refrigeration Systems has to include the following topics:

- Fundamentals of air conditioning
- Components of an air conditioning system
- Energy-saving techniques
- Practical examples of savings in A/C
- Refrigeration Systems
- Practical examples of savings in refrigeration

- Design and implement, within the training programme, fieldwork, laboratory sessions or technical visits that allow the students to strengthen the theoretical knowledge acquired with hand-on experience. The fieldwork will be evaluated by BUN-CA and the entities at the country level that are involved, to contact university laboratories or companies in order to make these technical visits possible.
- Design a General Preventive Maintenance Guide and Energy Saving Tips for A/C and refrigeration systems; these would include technical data sheets as reference material for the students once they return to the companies where they work.
- Prepare the minimum necessary standards with which high-efficiency air conditioning units must comply to achieve optimum operation. Finally, lead the compilation of a Technical Manual on Norms and Standards for the Installation of motors, with prior approval from BUN-CA and certification entities in each country.

Main Outputs

- Methodological design of the training course.
- Technical Training Manual.
- Final report on the training.

Requirements of the Consultant:

- Leadership, organization skills.
- Minimum a M.Sc. degree in a field relevant to the development of energy efficiency projects, preferably in Electrical Engineering, Mechanical Engineering or similar.
- At least 5 years as trainer or teacher in a recognized higher education institution.
- With experience in conservation measures for air conditioning, lighting and electric motors.
- Broad experience in projects at the regional level (applicable to the Energy Efficiency consultant).

- Knowledge of financial analysis for Energy efficiency projects.
- Speak Spanish fluently and able to speak, read and write English.
- Immediate availability.

Terms of Reference for the Training Programme on Energy Efficiency for Electric Systems

Scope:

- Coordinate with BUN-CA the methodological strategy used to deliver the training sessions.
- Design and implement a training plan on Energy Efficiency for electric systems, aimed at engineering professionals, engineering firms and electromechanical technicians in charge or providing maintenance to industrial and commercial facilities. The training plan must be approved by BUN-CA and the institutions at the country level that are involved in its implementation.
- Elaboration of a technical manual on Energy Efficiency for electric systems: energy analysis, good practices and identification of savings opportunities, to be given to the students as didactic material.
- The training programme on Energy Efficiency for electric systems must include the following topics:

Introduction and basic concepts
 Energy management
 Energy diagnostics
 Saving techniques with different technologies
 Good practices in A/C, Refrigeration and Motors
 Electricity (such as Correcting the Power Factor)
 Principles of project formulation
 Financial analysis

- Design and implement, within the training programme, fieldwork, laboratory sessions or technical visits that allow the students to strengthen the theoretical knowledge acquired with hand-on experience. The fieldwork will be evaluated by BUN-CA and the entities at the country level that are involved, to contact university laboratories or companies in order to make these technical visits possible.
- Design a technical manual on energy analysis and the principles of project formulation.
- Collect information for the compilation of a Technical Manual on Norms and Labeling Layouts for electric motors and air conditioning and refrigeration systems, with prior approval from BUN-CA and certification entities in each country.

Main Outputs

- Methodological design of the training course.
- Technical Training Manual
- Final report on the training.

Requirements of the Consultant:

- Leadership, organization skills.
- Minimum a M.Sc. degree in a field relevant to the development of energy efficiency projects, preferably in Electrical Engineering, Mechanical Engineering or similar.
- At least 5 years as trainer or teacher in a recognized higher education institution.
- With experience in conservation measures for air conditioning, lighting and electric motors.
- Broad experience in projects at the regional level (applicable to the Energy Efficiency consultant).
- Knowledge of financial analysis for Energy efficiency projects.
- Speak Spanish fluently and able to speak, read and write English.
- Immediate availability.

Output 2.3: An EE market for Small and Medium Enterprises (SMEs) has been triggered in El Salvador and results shared in Guatemala, Costa Rica, and Nicaragua in partnership with GTZ.

Background

In partnership with GTZ, which is implementing a regional initiative on clean production for SMEs—the GESTA Project- the FSP will provide targeted support to SMEs on EE, including joined training of energy auditors (eco-consultants), identification of sources and access conditions for EE investments in SMEs, channeling bankable projects to partner FIs and regional and national funds. The first experience will be carried out in year one in El Salvador and Guatemala in seven steps and replicated in two other countries, i.e. Honduras, and Nicaragua in year 2, of the FSP.

Scope of the consultancy

This activity is formulated in 6 steps, i.e.:

- Step 1. Design of the Programme for El Salvador and Guatemala. Identification of the most relevant SME clusters with the highest potential for CO₂ reduction and competitiveness, identification of at least 15 selected SMEs, preparation of *“Technical Manual for Motors and Cooling and Freezing Units in SMEs”*, registration of the eco-consultants, retaining of senior trainers specialized on EE, and the overall logistics for FSP/GESTA implementation in year 1.
- Step 2. Supporting and capacity building training for GTZ/GESTA eco-consultants for EE small interventions in El Salvador and Guatemala, considering competitiveness aspects to be faced under the Free Trade Agreements. Three training courses of one week duration each will be held, two in El Salvador and one in Guatemala, for a total of 45 trainees in both countries on EE measures for SMEs.
- Step 3. Hands-on training in selected SMEs. The participants in the training courses –divided in group of 3 trainees each- are obliged to carry out a field hands-on practice in 15 SME

facilities, following the guidelines prepared and released in the "Technical Manual for Motors, Cooling and Freezing Units in SMEs", and under the guidance and supervision of the trainers. Each Report has to be delivered to the each one of selected SMEs.

Step 4. Evaluation and Analysis of Results. After the field training, the FSP and GESTA trainers will carry out an evaluation process together with the eco-consultants to discuss lessons learned during the field visits, appraise technical results of the energy audits and feasibility for their implementation in the SMEs, hold open discussions of key issues; in order to integrate the field experience with the knowledge package presented in the training courses -Step 2 above-.

Step 5. Monitoring of Impacts in the SMEs: During 6 months after the submission of the 15 reports to the selected SMEs, GESTA will monitor the impacts to each one and will carry out a final evaluation. The FSP will accompany this sub-activity.

Step 6. Elaboration and dissemination of Success Stories. Based on the outcomes of Step 5, GESTA will prepare a series of success stories for publication. The FSP will participate in this action and integrate it also into the activities foreseen in Outputs 3.2. The information will be released in the other Central American countries throughout the chambers of industry and commerce.

Step 7. Design and implementation of a reapplication strategy to EE small interventions in Honduras, in close coordination with the UNDP/GEF PESIC Project, and Nicaragua - through CACONIC- based on the experience gained in El Salvador and Guatemala.

Main Outputs

- Methodological design of the training course.
- Elaboration and dissemination of Success Stories
- Final report on the training.

II. 4 Senior Technical Advisor (STA)

Objective of the contract

Undertake an independent (technical) review of the activities carried out by BUN-CA, the PMU, and other consultants, and provide a judgment on the validity and quality of their FSP development process as well as on the subsequent outputs, in accordance with the GEF criteria and UNDP management procedures.

Scope of the consultancy

The STA will be a highly qualified international consultant, who will report directly to the Project Coordinator. Correspondence will be copied to all individuals representing the institutions involved. The STA will be working for a total of 8 days per year during 4 years (from month 6 through month 54 of the FSP execution), and he/she will:

- Provide general advise and council about FSP activities every six months in accordance with the degree accomplishment of the corresponding workplan, carried out by the PC, technical staff, and consultants. He/she will propose changes that benefit the development of the project (2 days per year)
- Assist the PMU in the overall monitoring of the outcomes, outputs, and activities (2 days per year)
- Participate in meetings, telecoms, and in-country and regional events where the PMU requires his/her presence (e.g. PSC meetings, technical workshops, etc.) (4 days per year)

Main Outputs

- Recommend an appropriate selection of investment projects according to the technical criteria that are evaluated.
- Submit a biannual monitoring report, including general recommendations according to his/her criteria.

Qualifications:

- At least 10 years of working experience with development of projects in the area of Small Scale Renewable Energy and/or Energy Efficiency in Central America or third world countries
- Experience with identification and development of eligible projects in the thematic area of Climate Change and financial analysis of the projects,
- Have the capacity to establish contacts and maintain relations with development organizations and agencies,
- Demonstrated experience with procedures, formulation and implementation mechanisms of projects from GEF, UNDP and other multilateral organizations as well as with the elaboration of Project Documents, etc. in the formats required by these organizations,
- Knowledge about the industrial and commercial sector in the Central American region,
- Flexible, pro-active, willingness to travel and ability to work and communicate in the English and Spanish languages,
- At least a Master Degree in an area relevant to development of RE and EE Projects.

II:5 BUN-CA Staff and its role in the PMU

Table B.1 presents a description of the BUN-CA staff enrolled in the execution of the FSP and their responsibilities, as part of the PMU.

Table B.1 Brief Description of the BUN-CA staff Responsibilities.

Position Title	Main Responsibility	Other functions
Project Coordinator	Design and policy development of the Project Design and supervision of the Project	<ul style="list-style-type: none"> • Supervise the general advancement of the project • Provide executive direction for the diverse project activities • Direct the leadership sessions of the project

	Management and implement the execution of the Project	<ul style="list-style-type: none"> • Contract the required team for development of the project • Make up the work plans and timelines that facilitate the execution of the activities • Coordinate with the administrative area to formulate a budget • Coordinate the tasks that will be carried out by consultants and officials of the project • Put together the technical progress reports • Coordinate the monitoring and evaluation activities • Produce required terms of reference for the officials and consultants
Technical Staff (at least two-full time officers)	Execution of technical components of the FSP	<ul style="list-style-type: none"> • Support the design of the technical contents of the training sessions • Select the 8 EE projects for presentation to the financiers • Support the formulation of label schemes and standards • Facilitate the design and implementation of a large-scale regional training programme on EE for professional staff in association with engineering bureaus and CCIs • Support the implementation of a market triggering for SMEs • Overall regional coordination for information dissemination and FSP monitoring
Administrative Officer	Leadership in the financial, accounting, and administration of the project	<ul style="list-style-type: none"> • Elaborate detailed budgets in accordance with UNDP financial regulations • Make required payments • Produce timely financial reports of the project • Revise the administrative proceedings of the project • Establish controls in the

		<p>administrative area</p> <ul style="list-style-type: none"> • Attend the financial auditors appointed by the UNDP when required
Information and Dissemination Staff	Carry out activities related to Outcome 3 upon information and dissemination of the project	<ul style="list-style-type: none"> • Facilitate the preparation of the methodology for carrying out technical meetings and local and regional workshops • Participate in the systematization and compilation of information • Process the regional statistics in databases involving the main EE stakeholders • Prepare and release at least 4 technical publications
BUN-CA in-country Representatives	Be the counterpart official of the project in the country and facilitate all the management that is needed	<ul style="list-style-type: none"> • Maintain a database updated with stakeholders in each core-country • Submit, as required by the PMU, periodical reports • Facilitate the logistics and in-country support for the preparation and coordination of workshops or other events • Maintain a close relationship with the UNDP CO programme officer • Revise the technical contents of the training programmes • Support for the formulation and analysis of potential EE investments based on existing project pipeline

Annex D List of Equipment



Description	Quantity	Cost Per Unit	Total USD	Year
Laptop	3	2,000	6,000	Year 1
Desktop	3	1,500	4,500	Year 1
Software Licenses*	1	4,000	4,000	Year 1
Cabinets	4	500	2,000	Year 2
Server	1	2,500	2,500	Year 1
Printers	1	1,000	1,000	Year 1
List of Equipment			\$20,000	

* MicroSoft Office Pro (5 @ \$400), Norton (5 @ \$200), Windows Server (US\$700), Acrobat (US\$300)