

AGREED

Assistant Resident Representative
E. Bejraktari
Date

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Project Manager
S. Prokazov
Date

Annual Project Review

Project Title: Removing barriers to energy efficiency improvements in the state sector in Belarus
Project ID: 50819
Year: 2009
Annual Targets: N/A

Activity#	Description	Implementing Partner	Fund	Donor	Budget account	Budget account description	Funds planned, USD	Annual target, %	Funds utilized, USD	Annual target achieved, %	Variance, USD	Overall project assessment of implemented activities (brief description)
1. Increased incentives for state (budget) organizations to invest in energy efficiency												
1.1 Budget (state) organizations use energy norms in estimating their annual budgets												
1.1.1	Prepare recommendations for project partners (Mogilev and Vitebsk executive committees) on implementation of energy efficiency incentives for budgetary institutions to take final coordinated decision of perspectives in this area.				71600		5390		1532.21		3857.79	Recommendations were developed and submitted to the project partners (Mogilev and Vitebsk executive committees). Official responses of the project partners and consultation of project experts with them allowed to make the preliminary conclusion of infeasibility to continue providing services to the project partners on using technically valid energy norms in estimating annual budgets. It is connected with the deficit of budget funds and wide-spread practices of reallocation funds saved among deficit budget lines. The issue was considered and the conclusion was confirmed by the mid term project evaluation experts.
1.1.2	Provide consulting services to the project partners (budget organizations) in energy planning and budgeting (should be specified based on the results of item 1.1.1)	000473	62000	10003								See item 1.1.1 above.
1.1.3	Develop and implement at pilot sites a procedure of realization of the proposal on keeping energy norms unchanged during payback periods plus one year of energy efficiency projects implemented for public utilities				71300	Local consultant	1000		0		1000	Consultations of project experts with the Ministry of Housing and Communal Services revealed that development of a procedure of keeping energy norms unchanged during payback periods plus one year of energy efficiency projects implemented for public utilities can't actually lead to its implementation in practice due to shortage of budget funds, which public utilities receive as budget subsidies and, therefore, by the same reason as noted in item 1.1.1, using technically valid energy norms in estimating such subsidies can currently be considered as impracticable.
1.2	Budget (state) organizations deposit their energy savings into settlement accounts											

A new pipeline of energy efficiency investment projects for implementation after project closure is developed									
3.2.4	Energy auditing, development of feasibility studies and business plans and a new energy efficiency investment program (costs are included in item 3.3.2 as travels related to both points)	000473	62000	10003					Proposals on new investment projects were developed by the project experts.
3.3 Number of project's and Energy Center's partners is expanded									
3.3.1	Carry out an information campaign about the project activities and the Energy Center's work								To improve project information strategy a PR specialist was hired in October 2009. The project web-site (www.energy-efficiency.by) was reconstructed and has been updated. Information of the project was published in mass media. Interviews for radio and TV were given by the project experts. Press conference on the project activities was held.
3.3.2	Set up contacts between the Energy Center and energy conservation institutions in Belarus and abroad	000473	62000	10003	74200; 72100	Printing costs; Contractual services - companies	14500	1076,95	13423,05
3.4	Project Management and Monitoring				71600	Travel	39850	32144,83	7705,17
3.4.1	Project Management Unit				71400	Service contracts	34000	38283,85	-4283,85
3.4.2	Meetings of the Project Steering Committee				72400	Communic. equipment	3300	1554,34	1745,66
3.4.3	Arranging operation of the Project Office				72500	Supplies	2000	788,87	1211,13
3.4.4	Midterm evaluation of the project	000473	62000	10003	74500 71200; 71300	Miscellaneous consultant; Local consultant	2800 40000	1620,36 21592,65	1179,64 18407,35
3.4.5	Reporting on the project				71300 72100	Local consultant Contractual services - companies	1500	3885,33	-2385,33
3.4.6	Hold a seminar aimed at assessment of the Project's progress and Energy Centre's operation						3000	3550,61	-550,61
							Activity 3 total:	237500	74999,11
							Activity 3 total after Budget Revision:	173180	10679,11
							Grand total:	406790	105082,76
							Grand total after Budget revision:	330480	29581,51

PROJECT PERFORMANCE-IMPLEMENTATION ISSUES: 1. The current project approach to development of energy efficiency incentives needs significant revision. Application of technically valid energy norms in estimating annual budgets seems to be currently infeasible due to the deficit of budget funds and wide-spread practices of authorities to reallocate the funds saved among deficit budget lines. That leads to impossibility to issue institutional and staff incentives dependent on actual results of energy and budget savings. 2. The Energy Center was not established as a legal entity in 2009 because of the delay of EED in taking the final decision of its patterns of ownership and business entity. Being not a legal entity the Energy Center can't make contracts with partners on providing energy efficiency services, earn income and move to self-sustainability; 3. EED didn't purchase the equipment for the information database as was planned in the work plan for 2009. Without the equipment the information database can't be developed and put into operation properly.