



**Removing Barriers to Energy Efficiency Improvements in the State Sector
in Belarus**

#00050819

Substantive Revision

**Minsk
July 2010**

PROJECT DOCUMENT – SUBSTANTIVE REVISION

SIGNATURE PAGE

Country: Belarus

UNDAF Outcome(s)/Indicator(s): Clean energy technologies promoted through energy efficiency, renewable energy, and technology demonstration/ leapfrogging, to reduce emissions of green house gas

Expected CPAP Outcome(s)/Indicator(s):

Implementing Partner: Energy Efficiency Department of State Standardization Committee of the Republic of Belarus

Programme Period: 2006-2010
Programme Component: Access to sustainable energy services
Project Title: Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus
Project ID: 2426
Atlas Award ID:
Project Award ID:
Project Duration: 4 years
Management Arrangement: NEX

Total budget:	US\$ 9,769,600
Allocated resources:	
• GEF	US\$ 1,400,000
Co-financing:	
• Committee on EE (incl. US\$ 150,000 in-kind)	US\$ 3,150,000
• Project partners including	US\$ 15,110,000
• JSC “KrasnoselskStroymaterialy”	US\$ 9,780,000
• JSC “Keramika”, Vitebsk	US\$ 3,580,000
• JSC “BerezaStroymaterialy”	US\$ 1,700,000
• Ivatsevichy Town Utility	US\$ 50,000
• UNECE (in-kind)	US\$ 100,000

REVISION DESCRIPTION

This document envisages removal of Outputs 1.1, 1.2 and 1.3 under Outcome 1 and re-allocation of resources formerly designated for the removed outputs to new Output 1.4 and to other activities, which are related to deployment of the SPA scheme and improvement of some energy norms principals and tariff policy to enhance incentives for effective investments in EE projects, and to some additional activities in the framework of previously announced results of Outcome 3 in order to achieve full implementation of the main Project objectives. Some of the activities under Outcomes 2 and 3 are re-formulated to reflect updated information. In addition, the revision extends the project duration until Dec 2011.

ACRONYMS

APR	— Annual Project Report
AWP	— Annual Work Plan
CHP	— Combined heat and power
CO	— Country Office
DH	— District heating
EE	— Energy Efficiency
GDP	— Gross Domestic Product
GEF	— Global Environment Facility
GHG	— Greenhouse gas
LogFrame	— Logical Framework
M&E	— Monitoring and Evaluation
NEEP	— National Energy Efficiency Platform
PMU	— Project Management Unit
PSC	— Project Steering Committee
RCU	— UNDP/GEF Regional Coordination Unit
SPA	— Simple Partnership Agreement
TCE	— Tons of coal equivalent
UNDP	— United Nations Development Programme
UNECE	— United Nations Economic Commission for Europe
UNFCCC	— United Nations Framework Convention on Climate Change
USD	— US Dollars

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Background

After recession of economy in early 1990th, the Government of the Republic of Belarus has implemented significant efforts and measures to reduce GDP energy intensity. However, energy efficiency results of Belarus are still lower than in other industrialized countries with similar climate. It should be noted that the state sector in Belarus represents 68% of the country's total energy and fuel consumption. That's why the Government intends to explore new policy and measures including effective financing mechanisms in the near future in order to increase energy efficiency in the state sector.

There are a number of barriers that block incentives for investment in energy efficiency in this sector. Therefore, as per the Project Document adopted, one of the primary Project objectives is to increase internal investments in energy efficiency projects in the state sector through targeted assistance in the areas of application of energy norms to energy planning, introduction of staff incentives and settlement accounts for accruing energy savings, improving audit standards, increasing share of loan funds compared to grants in energy efficiency financing. In the Project Document it was envisaged that this goal would be achieved by (i) addressing the legal and regulatory barriers in order to provide incentives for state organizations and other internal investors to invest in energy efficiency in the state sector, (ii) attracting and leveraging loan funds for several energy efficiency projects in Belarus' state sector, and (iii) establishing an Energy Centre as a self-supporting consulting/engineering institution and securing its capitalization in order to provide sustainability and replication of the results of the Project.

It was supposed that the Project if fully implemented will attract several stakeholders and partners for developing a state sector energy efficiency investment programme and catalyzing investments in this sector of no less than USD 8 million from different sources including USD 2.9 million from the Energy Efficiency Department. The investment programme will result in reduction and offset of fossil fuel consumption in Belarus by the state sector that in turn will lead to GHG emission reduction of 350 thousand tons of CO₂eq during 15 years. In addition, the Project will create a pipeline of energy efficiency investments for implementation after project closure with at least USD 10 million committed by investors.

The project is implemented by UNDP/GEF. The Project Document was signed, the Project was registered and launched in Dec 20, 2006. The Inception Mission and inception workshop opened Project's activities in Jan 2007. In the course of inception stage of the Project, 4 state-owned organizations (hereinafter referred to as target organizations) have been initially selected for and then were committed to being Project's partners. These organizations participate in the Project activities as pilot sites where a set of pilot energy efficiency measures (a pilot EE Investment Programme) is to be implemented.

Project Activities

As per the adopted Project Document it was initially supposed that the Project would be conducted in line with the following Outcomes and Outputs:

Outcome 1: Increased incentives for state organizations to invest in energy efficiency

Output 1.1: Budget organizations use energy norms in estimating their annual budget

Output 1.2: Budget organizations deposit their energy savings into settlement accounts

Output 1.3: Budget organizations issue incentives to staff responsible for increasing their investments in energy efficiency

- Outcome 2: Financial resources made available by the state sector for energy efficiency investment are used more efficiently
- Output 2.1: Build the capacity of state organizations to audit and identify cost effective energy efficiency investments*
- Output 2.2: Increase the portion of loans compared to grants, offered by the state for energy efficiency*
- Output 2.3: Build the capacity of state organization to secure credit (as opposed to grants) for energy efficiency investment*
- Output 2.4: USD 8 million in energy efficiency project investments secured*
- Outcome 3: Project successes sustained and replicated throughout Belarus
- Output 3.1: Create an Energy Centre to provide on-going support to state organizations for realizing more energy efficiency investments*
- Output 3.2: Create a pipeline of energy efficiency investments for implementation after project closure*
- Output 3.3: Expand the number of budget organizations using energy norms for annual budgeting, settlement account for energy savings, and providing incentives to staff for expanding the level of investment in energy efficiency*
- Output 3.4: Project Management and Monitoring*

Achievements to Date

In the course of Project implementation, deviations from its budget delivery occurred, as well as inability to implement some of the activities within the scheduled timeframe was revealed, results of which were expected to be achieved by the end of 2009, especially within Outcome 1. Achievements as of today of the quantitative indicators established by the initial Project Logframe with some explanations are as follows:

Indicator	Target level	Level achieved as of June 30, 2010
Direct project annual emission reductions	23.5 thousand tCO ₂ eq	34.0 thousand tCO ₂ eq (based on monitoring of the pilot investment projects; verification is needed)
Amount of resources invested in energy efficiency (EE) in the public sector due to direct participation of the Energy Centre established within the project	USD 8 million, including at least USD 1 million of loan funds	USD 15.36 million, including USD 10.99 million of loan funds, USD 4.12 million of owners' equity and USD 0.25 million of state loans.
Amount of investments in EE by targeted state organizations (i.e. Project partners)	No less than USD 100000 annually by the end of the Project	USD 1,031000 annually (or USD 4.12 million total within 4 given years of Project duration)

Indicator	Target level	Level achieved as of June 30, 2010
Number of budgetary organizations using energy norms to estimate their annual budget requirements	No less than 30 by the end of the Project	This provision in the ProDoc is outdated. All organizations, including state owned ones, use energy norms to determine their annual consumption of energy and, therefore, to estimate their annual budget requirements. All necessary methodologies for evaluation and fixing energy norms are standardized under existing regulations, published and made widely available.
Number of budgetary organizations depositing their energy savings into settlement account	No less than 30 by the end of the Project	This provision in the ProDoc is outdated. Under the existing legislation, including the State Budget Code, it is impossible to implement incentives at the cost of funds of special current accounts.
Number of budgetary organizations issuing incentives to staff responsible for increasing their levels of investment in EE	No less than 30 by the end of the Project	This provision in the ProDoc is outdated. Under the existing legislation, the budgetary organizations can establish bonuses or other monetary-based stimulus, but these incentives are not related to energy savings or attracted investments and are made from savings of a wage fund. Revision of the State Budget Code is required, which is out of the Project's scope and capability.
The proportion of loans compared to grants made available by the state for energy efficiency investment	10% of state resources available as loans	Although about 25% of total investment cost is currently invested in EE measures as repayable resources (loans and credits) in the Energy Saving Programme framework, the provision concerning state loan in the ProDoc is outdated. Everything depends on ownership type of a beneficiary of the state funding. For the budgetary organizations, the state, as a unitary shareholder, always invests non-repayable state budget resources. Therefore, it is not in the interest either of the state or of the budgetary organizations to invest repayable funds. As for Joint Stock Companies, the Government is interested to invest non-repayable funds if it is going to increase its share in a stock capital. For unitary state-owned organizations, as a potential means of increasing the share of state loan funding as compared to grants, the Project recommended the EE Department and holders of Regional programmes to direct the indications to local authorities to provide at least 10% of EE financing under respective regional programmes in the form of loans (rather than in grants).
Share of energy audits that meet international standards (based on analysis of audits submitted to the EE Department)	60% by the end of the Project	40% of the audits that meet international standards plus 20% of the audits that demand improvements to fully meet international standards, according to the report prepared by an independent entity accredited for energy auditing by the Russian Federation. This statement needs to be verified.
New government regulations are put in force to increase the portion of loans compared to grants	New government regulations are put into force to increase the portion of loans compared to grants	The Provisions on the Procedure of Financing Annual Regional and Republican Energy Saving Programmes have been developed by the Project and adopted by the State Standardization Committee of the Republic of Belarus in May 5, 2010, No.80. The Provisions determine financing of EE projects from funds of the state budget on repayable and non-repayable basis ¹ .

¹ The current government policy, as illustrated by the National Energy Savings Program 2006-2010, actually aims at increasing the share and absolute value of bank loans (from 8.4% to 23.4%) in the total program funding. Meanwhile, the State keeps

Indicator	Target level	Level achieved as of June 30, 2010
Amount of credit funds from the EE Department used by Project partners	Project partners use at least USD 1 million in loan funds from EE Department by the 3rd project year	USD 0.25 million have been invested by the EE Department in EE measures implemented by one of Project partners. The EE Department confirms that it will release additional funding to reach the committed USD 2.9 million investments under the auspices of the Project.
Agreements signed between project sites and investors	At least 4 investment agreements signed	3 investment agreements signed and 1 agreement prepared to be signed between the Project, Energy Centre, project pilot sites and investors.
Energy Centre is established as a self-supporting consulting institution	The Energy Centre is established and becomes self-sustainable; new EE investment programme launched	In May 2010, the Council of Ministers signed a protocol approving creation of the Energy Centre as a closed JSC. After that a Statute of the Energy Centre has been elaborated as a JSC-type and the shareholders have been identified and committed. It is expected that the Centre will be formally registered and put into operation during the 3rd quarter of 2010. The new EE Investment Programme is currently under preparation by the Project for EE Department and will be finalized and approved by the end of the Project.
Share of costs of the Energy Centre covered by business revenues	All costs of the Energy Centre covered by business revenues by the end of the Project	Financial self-sufficiency of the Energy Centre after closure of the Project is predicted by a business plan prepared by TAWI. According to the business plan, the Centre becomes fully self-sustainable entity by the end of 2010.
Volume of new investment programme adopted by the EE Department	No less than USD 10 million (including USD 5 million in loan funds)	The new EE Investment Programme for the EE Department is being elaborated, which includes, as of June 30, at least 17 sites. The draft is widely discussed by the EE Department, owners of project sites and other co-financing stakeholders. The Programme will be completed before the end of the Project. About USD 120 million of investments to be allocated to this Programme have been already committed as loans by one of the Energy Centre's shareholders. Actual investment agreements are planned to be signed for at least USD 10 million before the end of the Project.
Number of new partnership agreements signed by the Energy Centre	At least 30 additional agreements signed by the end of the Project	16 additional agreements and MoUs signed with potential stakeholders. It is planned to sign other new partnership agreements as well as investment agreements after setting up the Energy Centre as a legal entity.

One can see from the above table that while some important indicators of the overall project objectives will be undoubtedly met, there are a number of indicators for individual project outcomes, which will unlikely be met by the end of the Project.

Justification for the Revision

Starting from August 2009 two rounds of project performance evaluations were conducted and respective reports were issued, i.e., the Mid-Term Project Evaluation Report (August 2009) and Report on Evaluation of the UNDP/GEF Project: "Removing Barriers to Energy Efficiency

majority of its investments in the state sector in a form of a non-repayable financing from the state budget in order to secure its rights as a unitary shareholder.

Improvements in the State Sector in Belarus” and Suggestions for Continuation of the Project (June 2010).

Both reports have revealed that most of shortcomings of Project implementation are rooted in a number of outdated and discrepant provisions and approaches stated in the Project Document and its Logframe. Dissemination and PR coverage of project's results have been rated insufficient. An opinion was also expressed that it is necessary to involve more international experience and international expertise. It was also underscored that management of and supervision over the Project from the side of PMU and UNDP have had to be better. While implementing the Project, changing circumstances have not always been taken into account, and this has been aggravated by inconsistencies and differences in the annual work plans and their harmonization with the Logframe. Also, the Project was lacking documented monitoring, verification, visualization, generalization and dissemination of the results achieved by the Project.

Short description of the results of evaluation and shortcomings revealed as per project outcomes is as follows²:

Outcome 1. The Project failed to achieve its targets for the Outputs 1.1, 1.2 and 1.3 because of initially outdated assumptions in the Project Document, particularly, those concerning deposits of energy savings into settlement accounts and issuance of incentives to staff responsible for EE investments. Pursuant to existing regulations, calculation of funds required to pay for energy consumption in the following financial year is done on the basis of the previous year's energy consumption subject to the energy saving indicator established and the increase in tariffs expected. For budgetary organizations, the achieved savings of these funds, if it occurs, are not paid and kept in the state budget or reallocated between other critically scarce budget items. The project activities related to these issues should be removed from the Project Plan. A revision of the State Budget Code is required otherwise, which is out of the Project's scope and capability.

Outcome 2. The project targets for the Outcome 2 will likely be met. The Project shows evident progress in attracting repayable investments in addition to the national budget. As of June 30, 2010 all investments in EE measures at the pilot state organizations (the partners of the Project as per the Project Document and the Project Steering Committee's decisions) were presented by bank loans, state loans (repayable credits) and owners' equity. The EE Department confirms its commitments to finance EE projects at the state organizations from national budget funds. The Provisions on Financing Regional and National Energy Saving Programmes (including repayable and non-repayable financing of EE projects from funds of the state budget) was developed in the framework of the Project and adopted by the State Standardization Committee of Belarus in May 31, 2010. This document stipulates that the state budget percentage should not exceed 50% of total investments in EE of the state sector and encourages state organizations to increase a portion of loans. Number of EE measures, volume of corresponding funding and number of partnership agreements and MoUs as per relevant activities of the Project are also progressing.

Nevertheless, certain activities under this Outcome have some shortcomings, which should be eliminated. Still significant percentage of energy audits is not in conformity with internationally recognized standards. Capacity of state organizations in attracting EE investment lags behind because of insufficient knowledge in the area of energy auditing, identification and management of cost-effective EE investments, business planning, and preparation of bankable proposals and loan applications. There is also a certain lack of monitoring and evaluation of the results and effectiveness of investments in the EE measures conducted by the pilot state organizations under the Project, and this does not allow establishing a solid ground for generalization and

² For more details, see the Mid-Term Project Evaluation Report (August 2009) and the Report on Evaluation of the UNDP/GEF Project: "Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus" and Suggestions for Continuation of the Project (June 2010)

dissemination of the project results. Overall, there is a lack of generic business framework that allows mobilizing investments in the EE field.

Outcome 3. The Project shows good results in establishing and securing future profitable functioning of the Energy Centre, although the Energy Centre still needs guidance for some new directions and new EE project categories, which have not been tackled yet and become important in new circumstances (for example, due to the changes in norms and tariffs). Also, the Energy Centre will still need consultations from a legal adviser until it is formally registered (finalizing the Statute, shareholder negotiating, preparing provisions for a Board of Directors, other registration documents).

An EE project pipeline is being progressively developed on a basis of a number of energy express-audits and draft business plans for its future implementation after closure of the Project. This new EE Investment Programme is being discussed with former and new partners of the Project, and its preliminary version is approved by the EE Department. On the other hand, there are no actual investment agreements for this new EE Investment Programme with necessary legal commitments from potential investors, because investors require at least complete feasibility studies in addition to business plans. Therefore, in order to attract investments of USD 10 million stipulated as a target of the respective output in the Project Document (Output 3.2) at least three relatively big potential investment projects should be attributed with feasibility studies. After legalization of the Centre more MoUs can potentially be transformed into legally binding investment agreements and loan applications. The project indicators for Outcome 3 are likely to be met in this regard.

A discrepancy in Output 3.3 and some of its activities should be mentioned. They are mainly related to the fact that settlement accounts and staff incentives do not work (see comments to Outcome 1 above). As a result, no further activities in achieving output 3.3, as stated in the Project Document, should be carried out unless Output 3.3 is re-formulated.

Insufficient efforts were engaged to the development of a web-based National EE Platform (EE Internet Portal). Other existing shortcomings are related to the absence of information campaigns, seminars and publications about project results and achievements.

Description of the Revision

The evaluation reports suggest substantive revision of the Project Document and Logframe in order to reflect the abovementioned shortcomings and remedy the project performance. Reset of some outputs and respective targets is recommended to improve the management of the Project, and this is elaborated hereinafter.

Under this substantive revision it is deemed necessary to provide sufficient time to successfully complete implementation of all outstanding project tasks. Therefore, the revised Project Plan and new Project Logframe should foresee extension of the UNDP/GEF Project at least until December 31, 2011 without changes in the budget. All revised outputs and budget deliverables are expected to be finalized by that time. The outputs removed from the revised Logframe are given in Appendix 1. The revised Project Logframe is given in Appendix 2. The principal recommendations reflected in the revised Logframe are as follows:

Outcome 1: Increased incentives for state organizations to invest in energy efficiency

The Project should examine and propose other institutional and legal frameworks instead of those mentioned in the Project Document related to the deposits of energy savings into settlement accounts (special accounts for incentives) for staff incentives to increase EE investments in state budgetary organizations. Actually, the state organizations should be split into different types: (i) state budgetary organizations, whose principal activity as well as energy and fuel consumption are fully funded by the budget, (ii) state owned unitary enterprises, whose

principal activity can be only partially funded by the state budget, and (iii) JSCs with main state-owned stock share. Under existing legal framework, which regulates provisions for formation and allocation of state budget, the state budgetary organizations are not eligible to allocate independently their budget resources including investments in EE.

As suggested by the Project recently and endorsed in the evaluation reports, the remaining resources should be re-allocated to strengthen the pilot demonstration of simple partnership agreements (SPAs) between state organizations (especially budgetary and quasi-budgetary³ organizations) and ESCOs. Demonstration of some other incentive schemes, which are currently under investigation by Project experts in support of EE investment in the state sector, is expected. These schemes seem also to be a means to increase incentives for the implementation of EE measures by state-owned unitary enterprises, in particular under communal ownership.

It is important to underscore that without changing the policy in the field of energy norms and tariffs it will not be possible to attract investors, and therefore, the SPA scheme may not work properly for some categories of EE projects. Legal acts that establish provisions on energy norms without changes during EE project payback period plus one year, provisions on feed-in tariffs for EE projects, as well as provisions on compensation of a part of bank interests on loans by the State, etc. would also help increase efficiency of investments through SPAs or similar schemes for state-owned unitary enterprises and JSCs. For the time being, energy norms in the state sector are fixed only for the duration of one year. If any organization in the state sector achieves certain level of reduction of energy or fuel consumption today by using EE measures, the norms will be established at this achieved level for the next year, so that the organization would not be able to do any savings. This does not provide any incentives to reduce consumption of energy or fuel. The tariffs can also be a tool to ensure feasibility of the SPAs, e.g., establishing a special feed-in tariff for electricity and heat being produced as a result of EE project would increase EE investment incentives.

Thus, these three main issues, i.e. the SPAs (or other similar schemes), energy norms and tariffs should be addressed, and the resources of Outcome 1 should be redirected to them. The revised Project Plan and new Project Logframe (see below) elaborated hereafter include the study, testing and dissemination of the SPA concept proposed by the Project. Due to modest experience in the SPA and ESCO schemes in Belarus⁴, it is important to engage international consultants and organize study tours of Belarusian relevant specialists abroad if needed. It is foreseen to receive and discuss information from the first hands of EE policy-makers, regulatory bodies, ESCOs and SPAs, and to get other stakeholders' opinions from some of the EU countries. It is also important to establish contacts and exchange views directly, especially for representatives of the EE Department.

Provisions in the area of EE investments in the state sector will be drafted using SPAs, ESCOs or similar investment schemes and further submitted to the EE Department for further processing through conciliation procedure established by law. Then a round table (ad-hoc meeting) on legal and institutional framework for EE investments using SPAs or similar schemes will be organized as a part of conciliation process for adoption of the Provisions.

To implement these recommendations the project extension until at least December 31, 2011 is necessary.

³ The example of a quasi-budgetary organization is a state unitary enterprise under communal ownership which profit in its sufficient part consists of subsidies and donations from the state budget. Most of enterprises in the sphere of housing and communal services are quasi-budgetary organizations.

⁴ Only one SPA for EE investments has been established in Belarus so far. A cogeneration mini power plant of 2 MW has been built and is successfully operated under a SPA signed by the Communal Unitary Enterprise "Lidskoye Housing & Communal Services" and "BellInvestESCO" JSC; the latter was a majority investor (75%). Annual net profit is about USD 25 thousand.

Outcome 2: Financial resources made available by the state sector for energy efficiency investment are used more efficiently

The Project, as already mentioned above, was lacking for documented monitoring and verification of the results achieved. This does not provide visualization required from the Project. This also does not provide a solid ground for evaluation of the EE projects already invested to help verify effectiveness of investments and potential GHG emission reduction, i.e. to help verify implementation of the Project targets. The evaluation of existing EE investment projects is also deemed important in order to provide "lessons learned", elaboration of generic EE investment business framework and preparation of training materials and guidelines on existing EE investment practices.

Under this Outcome, the Project should closely monitor EE investments developed based on allocated Project resources. The selected organizations are Project partners where investments have already been made and EE projects are under implementation, i.e. at least four organizations for the moment. As the number of organizations continues to grow, new organizations will be involved in the monitoring process. The revised Project Plan and new Project Logframe should envisage recruitment of several local consultants to provide detailed monitoring of the EE investment, payback terms, actual payments, energy baseline, energy used and saved by the EE investment and level of GHG reductions achieved.

The hands-on experience received by the Project during its implementation and the results of other best practices, both domestic and international, should be utilized in a form of generic business framework for EE projects in Belarus to be elaborated and disseminated by the Project until its completion. Such framework would include financial schemes, contractual rules and modalities, and typical project cycles for major EE project categories in Belarus. The idea here is to guide project owners, developers and investors through a typical project and investment cycles for EE projects in Belarus including description of all steps and typical documents that are necessary at all the stages, i.e., (i) project concept, (ii) audit (+ baseline), (iii) project design, feasibility and financing, (iv) tendering and contracting, (v) implementation, (vi) measurement and verification, (vii) preparation of bankable proposals, (viii) preparation of loan application, and (ix) business cycle of carbon financing. To create such a framework the Project should hire international and local consultants to conduct an analytical study including objectives and tasks, evaluation and analysis of several practices, synthesis of these practices and benchmarking with situation and practices in Belarus; as a result an analytical report should be prepared by the consultants.

Afterwards, guidelines will be prepared and disseminated. They will summarize analytical part mentioned above in a form of manual, which will guide the Belarusian EE business community through the generic EE business framework proposed. These guidelines will focus in particular on identifying and managing cost-effective EE investments, business planning, developing feasibility studies and preparing bankable proposals and loan applications that would help mobilize co-financing from banks and other investors.

Capacity and knowledge have to be enhanced and scaled up for state organizations in the area of energy auditing. Therefore, continuation of training of energy auditors, energy business planners and key personnel from Belarusian-based ESCOs is deemed important. In addition, guidelines on energy auditing and energy planning in the state sector based on internationally recognized practices and standards should be developed and published. The revised Project Plan should also address training of teaching staff in universities which will allow disseminating experience and knowledge among future specialists. Trainers must possess knowledge in international best practices in a wide range of EE areas.

At least two one-week training sessions on these topics are foreseen in support of both direct consultations on a demand basis and indirect consulting actions conducted through the National EE Internet Platform (NEEP).

It is expected to establish a special virtual forum under the web-oriented NEEP. The forum will be administrated by the Project. In addition, any qualified energy auditing experts, including international ones, who will be given authorization by the Project, will be responding questions on-line. Offline services will be provided on a routine basis, e.g. through post, phone calls, site visits and trainings as it usually is done by the Project team and its experts.

To implement these recommendations the project extension until at least December 31, 2011 is necessary.

Outcome 3: Project successes sustained and replicated throughout Belarus:

It is still deemed necessary to provide some minor assistance to the Energy Centre until it becomes a self-sustainable legal entity. It is foreseen to provide some legal support (prepare the Energy Centre's Statute, Provisions for Board of Directors, other registration documents, etc.). It is important also do develop a mid-term strategy and action plan with additional directions of the Centre's activity in order to ensure its smooth transition to financial self-sufficiency after project closure. More attention should be devoted to strengthening ties between the Energy Centre and energy saving institutions, similar organizations (other energy centres, ESCOs) and commercial banks in Belarus, the EU and CIS states. The Energy Centre will be further utilized as an important component of the Project playing several roles after its registration as a key instrument to be used for (i) benchmarking typical cycles for EE projects and EE investments; (ii) sharing knowledge and experience with Project's stakeholders; (iii) providing learning-by-doing; (iv) testing new EE investment schemes, e.g. through SPAs; (v) assisting in developing EE investment project pipeline; (vi) raising investments; (vii) operating the NEEP (likely) under administering by the EE Department.

Development and evaluation of the new EE Investment Programme (a pipeline of EE projects for EE Department) is one of the principal tasks of the Project. The Programme is to be prepared for national and oblast energy saving programmes and can be implemented by the Energy Centre and other ESCOs after completion of the Project. On a basis of express-audits of more than 40 potential sites conducted by the Project a preliminary pipeline of additional EE projects was elaborated, discussed and approved by the EE Department. Further actions for reviewing, amending and expanding this list should be planned under revised Project Plan. At least 10 business plans for 10 new EE projects to contribute to the new EE Investment Programme is requested by the EE Department. Not all projects from the entire list will be chosen by investors or public funds. Therefore, the Project should continue screening potential sites to achieve the USD10-million raise of EE investments stipulated by one of the principal Project targets. Feasibility studies should be conducted for at least three most feasible projects to be selected by potential investors with a view of USD 10 million of non-repayable funding. The feasibility studies will be conducted by the Project (hired local consultants and/or local company). The documents will be proposed and discussed with potential investors and at least three EE investment agreements are supposed to be signed between the EE project owner and investor(s). The Project will also propose the SPA (or similar) scheme for its benchmarking under at least two of the selected EE projects.

It is of vital importance to introduce the aforementioned web-oriented National EE Platform where technology, finance, legislation, projects and stakeholders would come together. The conceptual design and info-logical structure have been elaborated and standard software tools are available. Several specific instruments like a model for calculations of hydraulic conditions of heat networks and heat losses in heat network are to be developed. Before this it is necessary to develop a NEEP business-plan and manage issues related to NEEP administration and maintenance. It is expected that the NEEP would be helpful in and allow the following:

- Increasing public awareness, collecting and providing information about EE and available EE equipment and techniques;

- Providing on-line training, EE audits, networking, transferring state-of-the-art and know-how, sharing experience and technical solutions on EE related issues in Belarus;
- Lobbying EE stakeholder interests, supporting Belarus ESCOs and producers of EE technologies, providing information on financing options and the project pipeline for potential investors and the legal framework, existing standards and best practices for developing and implementing a wide range of EE projects in the state sector for project developers;
- Coordinating / integrating NEEP with new UNDP/GEF/EE Residential Buildings Project.

The concept for management of this tool can be outlined as follows:

- The EE Department will administer and own the platform.
- The NEEP Provisions will be developed by the Project and adopted by the UNDP CO and the EE Department.
- Selection procedure will be conducted as to the Operator, which could be any company, likely an ESCO (e.g., the Energy Centre).
- The selected Operator will be authorized by the EE Department and relevant agreement will be signed.
- The equipment will then be transferred to the Operator because the Administrator (i.e., the EE Department) even being an owner will not be able to maintain the equipment or to bear depreciation costs.
- Most of the information will be accessible to any user for free (news, forum, articles, reports, guidelines and training aids, list of EE equipment, typical technical designs, solutions and recommendations, typical EE investment schemes, typical project cycle and business model, relevant experience, trends, typical business plans, databases of relevant legislation, standards, project pipeline, potential EE investors, project developers, other useful contacts, etc.).
- Some information (e.g., classified or confidential data, the country energy balance module, energy and fuel consumption data from some enterprises, hydrological data and scheme of city heat supply, etc.) will be accessible for free to some limited users through authorization issued by the Administrator (i.e., the EE Department).
- Some information will be commercial (e.g. advertisements of producers and sellers of equipment, advertisements of investors and other interested parties) in order to cover the costs for maintaining and populating the platform.
- The Operator will be also allowed to develop and use a limited number of its own commercial software product in the field of EE and RES.

It is necessary to create a new concept, define a target audience and develop terms of reference for an updated informational source about the Project for an efficient information campaign. A set of hand-books, leaflets, brochures and etc. should be released by the Project that would address dissemination of the experience gained and best practices, e.g., in EE auditing, investment schemes and financial models, contractual framework, business models of establishing ESCOs, typical EE project cycle, and designing a pipeline of commercially attractive EE projects.

To implement these recommendations the project extension at least to Dec 31, 2011 is necessary.

Management Arrangements and Budget

The management arrangement of the Project will not be changed. In terms of budget, USD 740,006 remain from previous years and it will be re-allocated to 3-4q 2010 budget and 2011 budget while the total budget for 2007-2011 will not be changed (see Tables below).

Table 1. Total Revised Budget

Outcome	Output	From 2007 to 2q 2010	For revised period			TOTAL from 2007 to 2011
			For 2010 as per Initial ProDoc	From 3-4q 2010 to 2011	Difference	
		A	B	C	D=C-B	E=A+C
1	1.1-1.3	79,599	42,300	0	-42,300	79,599
	1.4	n/a	n/a	98,300	98,300	98,300
2	2.1-2.4	164,878	46,300	132,430	86,130	297,308
3	3.1-3.4	415,517	252,400	509,276	256,876	924,793
TOTAL		659,994	341,000	740,006	399,006	1,400,000

Table 2. Revised Annual Work Plan for 3-4q 2010

Outcome	Budget line	Budget Description	Amount USD
Outcome 1: Increased incentives for state organizations to invest in energy efficiency	71200	International Consultants	18 300
	71300	Local Consultants	9 700
	71400	Contractual Services - Individuals	7 800
	71600	Travel	39 100
	74200	Audio Visual & Print Prod Costs	450
	74500	Miscellaneous Expenses	130
Outcome 2: Financial resources made available by state organizations for energy efficiency investment are used more efficiently	71300	Local Consultants	100
	71400	Contractual Services - Individuals	7 800
	71600	Travel	1 900
	74500	Miscellaneous Expenses	150
Outcome 3: Project successes throughout Belarus sustained and replicated	71200	International Consultants	5 300
	71300	Local Consultants	73 700
	71400	Contractual Services - Individuals	34 200
	71600	Travel	23 950
	72100	Contractual Services - Companies	8 300
	72200	Equipment and Furniture	1 100
	72400	Communic & Audio Visual Equip	1 400
	72500	Supplies	700
	72800	Information Technology Equipment	63 000
	73400	Equipment Services	750
	74100	Professional Services	2 100
	74200	Audio Visual & Print Prod Costs	6 000
	74500	Miscellaneous Expenses	906
Total			306 836

Table 3. Revised Annual Work Plan for 2011

Outcome	Budget line	Budget Description	Amount USD
Outcome 1: Increased incentives for state organizations to invest in energy efficiency	71300	Local Consultants	4 700
	71400	Contractual Services - Individuals	15 600
	72100	Contractual Services - Companies	2 200
	74500	Miscellaneous Expenses	320
Outcome 2: Financial resources made available by state organizations for energy efficiency investment are used more efficiently	71200	International Consultants	43 700
	71300	Local Consultants	27 150
	71400	Contractual Services - Individuals	15 600
	71600	Travel	22 330
	72100	Contractual Services - Companies	10 200
	74200	Audio Visual & Print Prod Costs	3 100
Outcome 3: Project successes throughout Belarus sustained and replicated	71200	International Consultants	29 850
	71300	Local Consultants	103 770
	71600	Travel	38 250
	71400	Contractual Services - Individuals	69 800
	72100	Contractual Services - Companies	17 000
	72400	Communic & Audio Visual Equip	2 800
	72500	Supplies	1 600
	73400	Equipment Services	2 250
	74100	Professional Services	4 600
	74200	Audio Visual & Print Prod Costs	15 950
	74500	Miscellaneous Expenses	2 000
Total			433 170

Appendix 1. Former Project Outputs removed from the revised Logical Framework

<p>Output 1.1. Budget organizations use energy norms in estimating their annual budget</p>	<p>The expected output and targets are outdated. All state organizations already use energy norms to estimate their annual energy budget. All necessary methodologies to evaluate and fix energy norms are already standardized, published and made widely available.</p>
<p>Output 1.2. Budget organizations deposit their energy savings into settlement accounts</p>	<p>Otherwise, a revision of the State Budget Code is required that is beyond the Project's scope and capability. In order to increase incentives in the state sector for EE measures, a framework based on simple partnership agreements (SPA) has been proposed by the Project (see Output 1.4 in the revised LogFrame below).</p>
<p>Output 1.3. Budget organizations issue incentives to staff responsible for increasing their investments in energy efficiency</p>	<p>In the state sector, neither bonuses nor other monetary-based stimulus for EE investments using savings from EE measures can be established under existing legislation.</p>
<p>Output 2.2. Increase the portion of loans compared to grants, offered by the state for energy efficiency</p>	<p>Activities have already been implemented and targets have already been accomplished.</p>
<p>Output 2.4. USD 8 million in new cost effective energy efficiency investments secured</p>	<p>Activities have already been implemented and targets have already been accomplished.</p>

Appendix 2. Revised Logical Framework

Project strategy		Objectively verifiable indicators			
<p>Goal: Greenhouse gas emissions are reduced. Fossil fuel consumption is reduced.</p>	<p>Investments by Belarusian investors in EE projects developed by the Project in cooperation with its partners will be no less than USD 8 million. The resulting annual energy savings will total approximately to 9,880 tons of coal equivalent. Annual greenhouse gas emission reductions will equal approximately 23,437 tons of CO2 equivalent. As a result of Project implementation a reduction of approximately 352,500 tons of CO2 equivalent over a 15-year period will be achieved due to energy savings.</p>				
Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
<p>Principal project objective: Influx of internal investment in energy efficiency projects in the state sector (including budget organizations and state enterprises) increased as the result of the project implementation</p>	<p>Cumulative domestic investments in EE of state sector by the end of the Project.</p>	<p>The state sector consumes 68% of total fuel and energy resources. Low interest from the side of investors and low level of motivation and capacities in the state sector exist in the field of EE.</p>	<p>Increase in investments in EE in the state sector by at least USD 8 million by the end of the Project. Majority of the investments are non state budget resources. At least 12 pilot EE projects implemented for four state organizations (Project partners) under the above investments. Energy Centre established and legalized as a self-sustainable legal entity and its investment plan for EE projects is developed and committed.</p>	<p>Project reports. Reports of the EE Department. Independent final evaluation of the project.</p>	<p>Lack of support from the EE Department, be it organizational, financial or administrative, to ensure project success and subsequent sustainability (low risk). Lack of assistance from Project partners in appointing dedicated personnel and providing required inputs for project consultants (low risk). Unadvanced business environment and poor investment climate (medium risk).</p>

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
<p>Specific objectives:</p> <p>Outcome 1: Increased incentives for state organizations to invest in energy efficiency</p>	<p>Increased level of investment in EE by selected state organizations (Project partners) within Project implementation period.</p>	<p>Selected state organizations (Project partners) invest no funds of their own in energy efficiency. (Currently funds for EE enhancement measures are coming from state budget, not from their own resources).</p>	<p>Selected organizations (Project partners) have increased their annual investment in EE by USD 100,000 in average within Project implementation period.</p>	<p>Project reports. Annual reports of the Project partners. Independent final evaluation of the Project.</p>	<p>Negative decision of the EE Department to update relevant regulations proposed by the Project (low risk). Lack of support from the Project partners (low risk). Time delays in completion of relevant project activities because of delays in the use of proposed recommendations (medium risk).</p>
<p>Output 1.4. State organizations use best practices in the field of management of EE investments</p>	<p>Number of state organizations using SPAs and other schemes for effective EE investments Provision(s) proposed for raising EE investment incentives under SPA framework or similar schemes upon the results of analysis of best existing practice. Number of study tours.</p>	<p>No common practice and no provisions exist in Belarus in the field of EE investments using SPA or similar scheme. Specialists must be trained.</p>	<p>At least 2 state organizations use SPAs or other best practices by the end of the Project. Draft provision(s) in the field of EE investments in the state sector using SPAs or similar schemes submitted to the EE Department and endorsed for further processing through conciliation procedure established by law. At least 3 study tours</p>	<p>- Project reports provided for in M&E plan. - Draft provision(s). - Round-table minutes. -- A short report on the study tours</p>	<p>Lack of compromise among the key stakeholders with regards to submitted draft provision(s) so that the EE Department does not endorse it within the project time-frame (high risk). This risk is reduced by establishing flexible mutually agreed conditions under which the EE Department considers the draft acceptable. This risk</p>
<p>Activity 1.4.1. Critical analysis and evaluation of the best practice for effective EE investments in state sector (SPA, ESCO and other advanced options) existing in Belarus and elsewhere (e.g., in Russian Federation, the EU and the USA), and preparing recommendations for application of experience of EU and CIS to Belarus with regard to raising of EE incentives in the state sector.</p>					

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
<p>Activity 1.4.2. Organizing study tours (Russian Federation, Denmark, other European country upon the results of Activity 1.4.1) devoted to the best existing practice (SPA, ESCO and other advanced options) in the field of EE investments in state sector in the field of EE investments in the state sector.</p> <p>Activity 1.4.3. Formulating proposals for improvement of legal and institutional framework for EE investments (through SPA, ESCO or similar advanced schemes).</p> <p>Activity 1.4.4. Organizing a round table (ad-hoc meeting) on legal and institutional framework for EE investments through SPA, ESCO or similar advanced schemes.</p> <p>Activity 1.4.5. Drafting provision(s) for EE investments through SPA, ESCO or similar advanced schemes.</p> <p>Activity 1.4.6. Selecting pilot EE projects (use data from the EE project pipeline as per Activities 3.2.1-3.2.2) suitable for the advanced schemes of investments, and drafting respected agreements to be signed by selected organizations.</p>					<p>is also mitigated by involvement of the stakeholders concerned at all preparatory stages.</p>
<p>Outcome 2: Financial resources made available by state organizations for energy efficiency investment are used more efficiently</p>	<p>The proportion of loans compared to grants for energy efficiency investment in state organizations</p>	<p>4% of state resources available as loans</p>	<p>10% of state resources available as loans</p>	<p>Project reports. Annual reports of the Project partners. Independent final evaluation of the Project.</p>	<p>Negative decision of Department on EE to increase proportion of loans (low risk). Lack of support from the Project partners (low risk). Low fossil fuel prices (low risk). Time delays in completion of relevant project activities because of delay in loan funding (medium risk).</p>

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
<p>Output 2.1. Build the capacity of state organizations to audit and identify cost effective energy efficiency investments</p>	<p>Share of audits which meet international standards. Number of training sessions on the best audit practices. Number of specialists trained. Guidelines on audit practice.</p>	<p>30% of audits submitted to the EE Department meet international standards. Local professionals must be trained.</p>	<p>60% of audits submitted to the EE Department meet international standards by the end of the Project. At least 1 training session on the best audit practice. 30 specialists trained during the session. The guidelines approved by EE Department.</p>	<p>- Project reports provided for in M&E plan. - Report by Independent Entity on meeting the standards. - Guidelines approved by the EE Department. - Training workshop agendas and lists of participants.</p>	<p>Inadequate project implementation (low risk)</p>
<p>Activity 2.1.1. Preparing training materials, a curriculum for technical training workshops and guidelines on energy auditing in the state sector based on internationally recognized standards and practices and publishing them online and offline using the National Energy Efficiency Platform (NEEP) for online publications.</p> <p>Activity 2.1.2. Organizing a 5-day training workshop for national experts and local energy auditing firms to improve their capacity in energy auditing.</p> <p>Activity 2.1.3. Formulating proposals for improvement of legal and institutional framework in the field of energy norms for energy and fuel consumption and tariff setting in the state sector to raise incentives for EE investments.</p> <p>Activity 2.1.4. Providing on-going consulting services directly and online through NEEP to the Project Partners and the EE Department in the field of energy auditing, budgeting and energy planning in the state sector.</p>					
<p>Output 2.3. Build the capacity of state organizations to secure credit (as opposed to grants) for energy efficiency investment</p>	<p>Amount of credit funds including those from the EE Department used by new Project partners. Number of training sessions on the best EE investment business practice. Number of specialists trained. The guidelines on EE investment</p>	<p>Project partners use zero credit funds. Local professionals must be trained.</p>	<p>New Project partners use at least USD 1 million in loans including the EE Department's repayable funds by the end of the 4th year of the Project. At least 1 training session on the best business practice for EE investment. 30 specialists trained during the session. The guidelines approved by EE Department.</p>	<p>- Project reports provided for in M&E plan. - Guidelines approved by the EE Department. - Training workshop agendas and lists of participants.</p>	<p>Withdrawal of baseline (government) project funding (medium risk). Insufficient cooperation between project stakeholders (low risk) The Project partners are not proactive (low risk).</p>
<p>Activity 2.3.1. Monitoring of implementation of the investment projects in the selected state organizations (Project partners) and preparation of analytical report with evaluation and generalization of the results and effectiveness of investments in the EE measures.</p>					

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
Activity 2.3.2. Developing a generic business framework for EE projects in Belarus based on the hands-on experience, both domestic and international, in schemes of financing, contractual rules and modalities, and typical project cycles for majority of EE project categories in Belarus.					
Activity 2.3.3. Preparing training materials and a curriculum for technical training workshop on EE business planning in the state sector, as well as preparing Guidelines based on internationally recognized practices for the business framework elaborated, including best practices of EE investment schemes and project cycle, business planning, developing feasibility studies, bankable proposals and loan application, and publish them on-line (use NEEP for on-line publications).					
Activity 2.3.4. Organizing a 5-day training workshop for national experts, potential investors, ESCOs and other local business planners interested in familiarization with suggested EE investment business framework and improvement their capacity and knowledge in EE investment schemes, EE project business planning, developing feasibility studies, bankable proposals and loan application.					
Activity 2.3.5. Providing on-going consulting services directly and online through NEEP to the Project Partners and the EE Department in the field of EE investment practice and the generic business framework in the state sector.					
Outcome 3: Project successes throughout Belarus sustained and replicated	Energy Centre is established as a self-sustainable consulting institution New energy efficiency investment program. New partners of the Energy Centre	No Energy Centre. Limited investments in loans for energy efficiency	The Energy Centre achieves self-sustaining level by the end of the Project New EE Investment Program launched	Final report of the project including funds invested, tons of fuel equivalent reduced, and reductions in GHG emissions. Independent final evaluation of the Project. Final workshop presentation.	Lack of support from the Project partners (low risk). Low fossil fuel prices (low risk). Time delays in completion of relevant project activities because of delay in negotiations on Energy Centre with shareholders (medium risk).
Output 3.1. Create an Energy Centre to provide on-going support to state organizations for realizing more energy efficiency investments	Share of costs of the Energy Centre covered by business revenues.	No Energy Centre.	All costs of the Energy Centre covered by business revenues by the end of the Project	- Project reports provided for in M&E plan. - The Centre's registration documents. - NEEP User Manual.	The shareholders are not proactive and it delays negotiations on Energy Centre (medium risk).
Activity 3.1.1. Developing a mid-term strategy and action plan for the Energy Centre with additional directions of its activity in order to ensure a smooth transition to financial self-sufficiency after project closure.					
Activity 3.1.2. Providing legal assistance to the Energy Centre until its registration (Statute review, Board of Directors Provisions, other registration documents).					

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
Activity 3.1.3. Setting up contacts between the Energy Centre and energy saving institutions and similar organizations (energy centres, ESCOs) in Belarus, the EU and CIS states.					
Output 3.2. Create a pipeline of energy efficiency investments for implementation after project closure	Volume of new EE Investment Programme adopted by the EE Department.	No new EE investment programme.	<p>The new EE Investment Program adopted by the EE Department by the end of the Project and at least USD 10 million investments assured</p> <p>At least 10 new state organizations investigated and business plans provided.</p> <p>Feasibility studies completed, funding guaranteed and investment agreements signed for at least 3 state organizations.</p>	<ul style="list-style-type: none"> - Project reports provided for in M&E plan. - EE Investment Programme approved by the EE Department. - Investment agreements. - Final report of the project. 	<p>The new Project partners are not proactive (low risk).</p> <p>The EE Department does not endorse the Programme within the project time-frame (low risk).</p>
Activity 3.2.1. Conducting energy audits (express-audits) and preparing business plans to finalize a new EE Investment Programme for the EE Department and other agencies.					
Activity 3.2.2. Developing feasibility studies, preparing and signing investment agreements with new partners for the selected investment projects of the new EE Investment Programme.					

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
<p>Output 3.3. The number of state organizations increasing the level of investment in energy efficiency expanded</p>	<p>Number of new partners increasing the level of EE investments. Number of guest seminars Number of informational materials. Number of International seminars</p>	<p>Insufficient quantity of state organizations increased their levels of investment in EE. Negligible number of informational materials about best EE investment practice. No International seminars in Belarus on EE investment</p>	<p>At least 15 new agreements (MoU) signed with state organizations for increasing their levels of investment in EE by the end of the project. At least 5 informational materials prepared and published. At least 6 guest seminars held. At least 2 International seminars held. At least 5 International conferences participated by the Project Team and Belarusian specialists</p>	<p>- Project reports provided for in M&E plan. - Agreements. - Final report of the project. - Seminar presentations, agendas and lists of participants.</p>	<p>The state organizations and municipalities are not proactive (low risk).</p>
<p>Activity 3.3.1. Informational seminars and guest seminars (at working places) concerning the experience of the Project in the field of EE investments in executive committees, ministries, departments and municipalities.</p>					
<p>Activity 3.3.2. Carrying out an ongoing information campaign (hand-books, leaflets, brochures, interviews, press-releases, “Energy Marathon” competitions, etc.) about the project activities and best EE investment practices, including dissemination through the NEEP.</p>					
<p>Activity 3.3.3. Preparing and signing agreements of cooperation (MoU) between the Project, Energy Centre, other ESCOs and state organizations and municipalities not involved in the UNDP/GEF project.</p>					
<p>Activity 3.3.4. Organizing annual International Seminar on “Incentives and Best Practice of Investments in Energy Efficiency” under the auspices of the Project and in cooperation with the EE Department, UNDP and UNECE.</p>					
<p>Activity 3.3.5. Through taking part in International conferences, acquiring the best experience and practice of the EU countries in the field of investment in EE, while presenting and discussing experience of the Project and Energy Centre in investment in EE of the state sector of Belarus.</p>					
<p>Output 3.4. The National Energy Efficiency Internet Platform created</p>	<p>An EE portal launched.</p>	<p>No EE Portal.</p>	<p>The NEEP launched and successfully operated.</p>	<p>- Project reports provided for in M&E plan. - NEEP User Manual - Final report of the project.</p>	<p>The organizational arrangement, responsibility distribution, both administrative and operational, with</p>

Intervention logic	Indicator (quantified and time-bound)	Baseline	Target	Sources of verification	Risks and assumptions
Activity 3.4.1. Preparing and approving a ToR for development of the NEEP as a separate Internet portal with a web-oriented set of databases containing reliable, actual and complete information on modern EE equipment, EE methodological approaches, relevant legislation acts and regulations, EE standards, EE project pipeline, EE investors, training aids as well as relevant business models and engineering solutions, interface for networking, contacts, etc.					regard to the NEEP are uncertain until the end of the project (medium risk).
Activity 3.4.2. Preparing and approving a business plan, organizational arrangement and legal provisions for the NEEP.					
Activity 3.4.3. Equipment acquisition and installation.					
Activity 3.4.4. Preparing and approving infological architecture and design of the user interface, and developing its HTML version.					
Activity 3.4.5. Developing NEEP's modules and their HTML versions.					
Activity 3.4.6. Developing and approving a NEEP prototype version.					
Activity 3.4.7. Developing and approving a NEEP B-version and user manual.					
Output 3.5. Effective project management and monitoring ensured					
Activity 3.5.1. Project registration and inception					
Activity 3.5.2. Project monitoring and finalizing					
Activity 3.5.3. Project reporting					
Activity 3.5.4. Project management and project office functioning					
					Prerequisites: Project is registered. Agreement is achieved with the EE Department concerning rent of sufficient area.