Scaling up investment in energy efficiency in buildings through enhanced energy management information system (EMIS) and green social housing

Part I: Project Information

GEF ID
10402

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Scaling up investment in energy efficiency in buildings through enhanced energy management information system (EMIS) and green social housing

Countries
Azerbaijan

Agency(ies)
UNDP

Other Executing Partner(s)
Ministry of Ecology and Natural Resources

Executing Partner Type
Government

GEF Focal Area
Climate Change

Taxonomy

Focal Areas, Climate Change Mitigation, Climate Change, Energy Efficiency, Renewable Energy, Technology Transfer, Financing, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Demonstrate innovative approache, Stakeholders, Communications, Public Campaigns, Awareness Raising, Education, Strategic Communications, Behavior change, Beneficiaries, Civil Society, Non-Governmental Organization, Academia, Community Based Organization, Trade Unions and Workers Unions, Local Communities, Private Sector, Financial intermediaries and market facilitators, Individuals/Entrepreneurs, Large corporations, SMEs, Capital providers, Type of Engagement, Participation, Partnership, Consultation, Information Dissemination, Gender Equality, Gender results areas, Access to benefits and services, Participation and leadership, Capacity Development, Knowledge Generation and Exchange, Gender Mainstreaming, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators, Capacity, Knowledge and Research, Learning, Adaptive management, Indicators to measure change, Targeted Research, Knowledge Generation, Workshop, Training, Knowledge Exchange, South-South, Innovation

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 2

Climate Change Adaptation

Climate Change Adaptation 0

Submission Date

10/19/2021

Expected Implementation Start

1/1/2022

Expected Completion Date

12/31/2026

Duration

60In Months

Agency Fee($)

429,495.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
CCM-1-3	Accelerating energy efficiency adoption	GET	4,521,005.00	33,900,000.00
		Total Project Cost($)	**4,521,005.00**	**33,900,000.00**

B. Project description summary

Project Objective

To promote energy efficiency in buildings, which includes implementing an intelligent Energy Management Information System (EMIS) and greening MIDA Social Housing Programme

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
1. Enabling policy framework for increased energy efficiency in buildings	Technical Assistance	Outcome 1: Required legal and other policy interventions in place for effective implementation of energy efficiency in buildings	Output 1.1.1: New secondary legislation, including technical standards and guidelines, to support the implementation of the Law on the Efficient Use of Energy Resources and the NEEAP developed and adopted. Output 1.1.2: A new Law on Energy Efficiency in Buildings and related secondary legislation drafted and, as applicable, adopted.	GET	200,000.00	350,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
2. Improved monitoring of buildings? energy performance by Energy Management Information Systems (EMIS) established at the municipal GEF TF level and leveraged financing for municipal EE investments	Technical Assistance	Outcome 2.1: Central EMIS Support Unit established and securing funding for its continuing operation after the project, thereby providing a basis for broader sustainable adoption of EMIS	Output 2.1.1: Feasibility study for the introduction of EMIS in Azerbaijan completed Output 2.1.2: Central EMIS Support Unit established with required ICT facilities and staff (including a help desk), and securing funding for its continuing operation also after the project. Output 2.1.3: Completed set-up of EMIS, incl. its installation and translation into Azeri language, required arrangements for data transfer and a database, institutional arrangements and agreements completed for monitoring the energy performance of all public buildings in Baku City with a possibility expand and replicate the set-up also in other municipalities	GET	259,800.00	250,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
2. Improved monitoring of buildings? energy performance by Energy Management Information Systems (EMIS) established at the municipal GEF TF level and leveraged financing for municipal EE investments	Technical Assistance	Outcome 2.2: Enhanced capacities for energy efficiency in buildings and EMIS implementation	Output 2.2.1: Training delivered and skills on EMIS and EE strengthened for at least 400 people of different professional groups Output 2.2.2: Municipal Energy Efficiency Charter signed by at least 30 municipalities, including municipalities Baku rayons Output 2.2.3: EMIS and Energy Efficiency Support Units established in at least 30 municipalities, including municipalities Baku rayons Output 2.2.4: Public buildings of participating municipalities equipped for delivering data to EMIS, including at least 200 buildings with a floor area of at least 1 million m2	GET	640,400.00	240,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
2. Improved monitoring of buildings? energy performance by Energy Management Information Systems (EMIS) established at the municipal GEF TF level and leveraged financing for municipal EE investments	Technical Assistance	Outcome 2.3: Investment mobilized using data from EMIS	Output 2.3.1: Completed energy audits by using agreed methodology (see output 1.1.1) with related recommendations for EE measures for at least 30 public buildings using data from EMIS Output 2.3.2: Finalized technical design of EE retrofit measures to be implemented in at least 30 buildings with a target to reduce their energy consumption and/or related GHG emissions by at least 35%.	GET	299,800.00	670,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
2. Improved monitoring of buildings? energy performance by Energy Management Information Systems (EMIS) established at the municipal GEF TF level and leveraged financing for municipal EE investments	Investment	Outcome 2.3: Investment mobilized using data from EMIS	Output 2.3.3: Energy saving projects implemented with monitored and reported results in at least 30 buildings with the total floor area of at least 60 000 m2 with a target to reduce their energy consumption and/or related GHG emissions by at least 35%.	GET	1,150,000.00	10,420,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
3. New energy efficiency targets, norms and standards embedded into the National Social Housing Strategy	Technical Assistance	Outcome 3.1: Enhanced capacity of professionals engaged in designing and implementing social housing projects on integrated low carbon building design principles and on opportunities to reduce the carbon footprint of social housing, while still maintaining the costs at an acceptable level.	Output 3.1.1: Training delivered and skills strengthened of key professional groups engaged in MIDA construction activities on net-zero or close to net-zero carbon building design and on integrated building design principles in general taking also into account gender related aspects Output 3.1.2: Green housing contests for a net-zero or close to net-zero carbon design of selected MIDA construction site or building(s) by applying integrated building design principles	GET	180,000.00	200,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
3. New energy efficiency targets, norms and standards embedded into the National Social Housing Strategy	Technical Assistance	Outcome 3.2. Demonstration of best practices for energy efficient design and construction of social housing with lessons learnt and related recommendations for further work embedded into National Housing Strategy and/or MIDA Charter, including gender related aspects.	Output 3.2.1: Detailed design of at least two residential buildings and all service buildings of selected MIDA site to test and demonstrate new energy efficiency and renewable energy measures going beyond the standard construction norms in force. Output 3.2.3 A report on the monitored and verified results of the demo projects comparing them to the monitored energy performance of otherwise similar ?standard baseline buildings?, while also including lessons learnt and recommendations for further work, including suggested changes, as applicable, to construction norms and regulations. Output 3.2.4 Review of the MIDA charter and applicable national social housing strategies with related	GET	205,000.00	350,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
3. New energy efficiency targets, norms and standards embedded into the National Social Housing Strategy	Investment	Outcome 3.2. Demonstration of best practices for energy efficient design and construction of social housing with lessons learnt and related recommendations for further work embedded into National Housing Strategy and/or MIDA Charter, including gender related aspects.	Output 3.2.2: Construction of buildings with complementary EE and RE measures completed, including required metering and monitoring equipment to be installed both to the new ?low-carbon? residential and service buildings as well as to otherwise similar buildings constructed on the basis of the standard construction norms in force.	GET	1,000,000.00	19,300,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
4. Knowledge management		Outcome 4.1: Enhanced awareness and knowledge about the project results and lessons learnt with compiled KM materials and recommendations for scaling up	Output 4.1.1: A comprehensive on-line website and regularly updated open data, knowledge management and networking platform set up and functional Output 4.1.2 A professional video documenting project results and presenting project?s pilot net-zero and close to net-zero carbon buildings. Output 4.1.3: Two international public outreach, knowledge management workshops, including a final project workshop presenting the project results, lessons learnt and recommendations for upscaling	GET	222,720.00	260,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
5. Monitoring and evaluation	Technical Assistance	5.1. Monitoring and evaluation	Output 5.1.1 Inception workshop Output 5.1.2 Annual project monitoring reports (SESP, Gender, PIR) Output 5.1.3 Project mid-term evaluation Output 5.1.4: An end of the project ?lessons learnt? report, including monitored results of supported EE investments and recommendations for upscaling Output 5.1.5 Project terminal evaluation	GET	148,000.00	360,000.00
			Sub Total ($)		**4,305,720.00**	**32,400,000.00**

Project Management Cost (PMC)

GET	215,285.00	1,500,000.00
Sub Total($)	**215,285.00**	**1,500,000.00**
Total Project Cost($)	**4,521,005.00**	**33,900,000.00**

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ministry of Ecology and Natural Resources (MENR)	Public Investment	Investment mobilized	680,000.00
Recipient Country Government	Ministry of Ecology and Natural Resources (MENR)	In-kind	Recurrent expenditures	500,000.00
Recipient Country Government	Ministry of Energy (MoE)	Public Investment	Investment mobilized	400,000.00
Recipient Country Government	Ministry of Energy (MoE)	In-kind	Recurrent expenditures	400,000.00
Recipient Country Government	Baku Executive Authority (BEA)	Public Investment	Investment mobilized	10,800,000.00
Recipient Country Government	Baku Executive Authority (BEA)	In-kind	Recurrent expenditures	500,000.00
Recipient Country Government	State Housing Development Agency (MIDA)	Public Investment	Investment mobilized	20,000,000.00
Recipient Country Government	State Housing Development Agency (MIDA)	In-kind	Recurrent expenditures	100,000.00
GEF Agency	UNDP	Grant	Recurrent expenditures	120,000.00
GEF Agency	UNDP	In-kind	Recurrent expenditures	400,000.00
			Total Co-Financing($)	**33,900,000.00**

Describe how any "Investment Mobilized" was identified

Among main sources of the ?Investments Mobilized? are the resources of the MIDA?s Social Housing Programme investing into the construction of new residential and service buildings in the Baku Hovsan area, which with the project support will be encouraged and supported to adopt new low carbon energy efficient design and construction practices. Another main source of ?Investments mobilized? are the resources of the Baku Executive Authority that can be used for the repair and renovation of the existing public buildings. Similar to the planned MIDA investments, these resources will be complemented by the incremental GEF project support (incl. the introduction of EMIS) to have more emphasis on the energy performance of those buildings and how to improve that as a part of the required renovation works. The third main source of ?Investments mobilized? is the Ministry of Ecology and Natural Resources aiming at supporting the renovation of the Hydromet building with complementary low-carbon measures to be supported by the GEF project.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Azerbaijan	Climate Change	CC STAR Allocation	4,521,005	429,495
				Total Grant Resources($)	**4,521,005.00**	**429,495.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **false**

PPG Amount ($)

100,000

PPG Agency Fee ($)

9,500

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Azerbaijan	Climate Change	CC STAR Allocation	100,000	9,500
				Total Project Costs($)	**100,000.00**	**9,500.00**

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	183068	200000	0	0
Expected metric tons of CO?e (indirect)	2814000	1170000	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				
Expected metric tons of CO?e (indirect)				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	183,068	200,000		
Expected metric tons of CO?e (indirect)	2,814,000	1,170,000		
Anticipated start year of accounting		2023		
Duration of accounting		3		

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)	6,012,136	1,890,000,000		

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
Solar Photovoltaic select		0.30		
Solar Thermal select		0.70		

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	1,000,000	5,000		

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Male	1,000,000	5,000		
Total	2000000	10000	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Part II. Project Justification

1a. Project Description

The project design in respect to all points listed above has remained essentially the same as already presented in the PIF. Some reorganisation of the projects outcomes and outputs was done, however, to better integrate, for instance, the training activities with the actual outcome level targets they are contributing to and by separating knowledge management and public outreach in a broader sense from standard project monitoring and evaluation activities. Also, as it concerns the output 1.1.3 of the PIF to establish a new Inter-ministerial Committee on Energy Efficiency, it was concluded during the PPG phase that the already established State Commission on Climate Change and its Working Group on CC Mitigation would be adequate at this stage and likely to serve better the immediate inter-ministerial co-ordination needs of the project than a new Inter-ministerial Committee on Energy Efficiency.

By building on what was presented already in the PIF, an updated description addressing other key issues of the project design is presented below.

Global environmental and/or adaptation problems, root causes and barriers that need to be addressed

By the GHG inventory presented in the Fourth National Communication (FNC) of Azerbaijan, it was estimated that the total amount of Azerbaijan?s GHG emissions in 2016 were about 61.3 million tons of CO_{2eq}, and the net emissions, taking into account the removals about 54.0 million tons of CO_{2eq}. From this, the direct GHG emissions resulting from burning of fossil fuels (primarily natural gas) in residential, public and commercial buildings were estimated at about 8,9 million tons of CO_{2eq}. This is excluding, however, the emissions associated with buildings? electricity consumption and the heat delivered from central heat and cogeneration plants. By adding those, the total greenhouse gas emissions associated with buildings? energy consumption can be estimated at about 17 million tons of CO_{2eq} per year.

The ?In-Depth Review of the Energy Efficiency Policy of the Republic of Azerbaijan?[1][1] completed by the Energy Charter Secretariat in cooperation with the Ministry of Energy of the Republic of Azerbaijan in 2020 concluded that there is still a significant untapped energy saving potential both in the residential and service sector (including public sector) buildings, which could cut the energy consumption and related CO_2 emissions from this sector by 50%. In the Third National Communication of Azerbaijan to the UNFCCC it was estimated that by improved EE legislation intended to improve the thermal characteristics of buildings, the resulting cumulative GHG emissions reduction could reach 70.36 million metric tons of CO_{2eq} by 2050. While there is no official statistics available on the energy performance of buildings in Azerbaijan, this can be estimated on the basis of the available general data for gas, heat and electricity consumption of residential and service sectors. The results published by the mentioned review show (see table 1) that over the past 10 years the average energy consumption of residential buildings has varied between 204 and 276 kWh/m_2/year, but no clear or consistent downward trend can be observed. The main primary energy source for heating and hot water preparation as well as for electricity generation is natural gas.

Table 1 Household building stock in Azerbaijan, 2008?2017 (Source: Energy Charter Secretariat based on the data from State Statistical Committee, 2019)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population, thousand people	8,780	2,039	2,065	2,092	9,235	9,357	9,477	9,593	9,706	9,810
Total area, M m^3	157	160	160	162	164	166	169	171	174	176
Total consumption by households, GWh	43,297	38,051	39,101	39,649	34,679	33,997	37,522	39,969	44,387	39,473
Average energy consumption, kWh/m^2/year	276	238	245	244	211	204	222	233	256	225

As it concerns the public buildings, many of them were built 40 or 50 years ago. Information on their energy consumption and energy savings potential is not readily available, but in most cases their thermal properties are poor and heat generation and delivery systems outdated with only limited possibilities, for instance, for indoor temperature control.

By building on an updated review and analysis conducted during the PPG phase, the main barriers to the improvement of buildings? energy efficiency in Azerbaijan can be summarized as follows:

? There are no mandatory minimum energy performance standards for new buildings or those to be renovated. Although the new Law on Efficient Use of Energy Resources is including some related provisions, they still need to be put into practice by required secondary legislation and their effective enforcement. The Law on Efficient Use of Energy Resources should also be complemented by a new law with a particular focus on building energy efficiency;

? Lack of adequate data on buildings? energy performance. While the new law is including provisions for Energy Performance Certification scheme and compulsory energy audit and designating energy managers for buildings (except residential) with a total construction area of more than 10,000 square meters, these provisions also still need to be put into practice;

? Inadequate enforcement and compliance even with existing building codes;

? Lack of awareness and capacity of municipal authorities, builders, engineers and architects to integrate energy efficiency considerations into their work;

? No financial incentives for building owners and operators to invest in energy efficiency due to different financial and institutional barriers. The energy pricing and tariff setting policies and related social considerations have led to tariffs that are among the lowest in the region[1], while also the financing responsibilities related to energy performance of the buildings are detached and incoherent. For instance, one public entity may be responsible for investments, while another one covers the operational cost. Any costs savings by reduced energy consumption may not benefit the actual user of the building, but just leads to a reduced budget allocation for the next year instead of releasing funds for meeting other pending needs of the building under consideration such as a school, hospital etc.

? Lack of specific financing mechanisms, including incentives for private sector engagement to support building sector energy efficiency improvements; and

? Inadequate co-operation and co-ordination between the key stakeholders responsible for energy, environment and the building sector related activities. While the state policy in the areas of urban planning, architecture design and building requirements in Azerbaijan is implemented by the State Committee for Urban Planning and Architecture (SCUPA), the energy efficiency related activities are assigned to the Ministry of Energy (MoE). The climate change related activities, on the other hand, are assigned to the Ministry of Ecology and Natural Resources (MoENR). Other key stakeholders include those state and municipal authorities, which are responsible for buildings in their particular area such as health care, education, social housing etc.

A problem tree summarizing the main barriers and illustrating the causal chains between the root, underlying and immediate causes is presented in Figure 1 below.

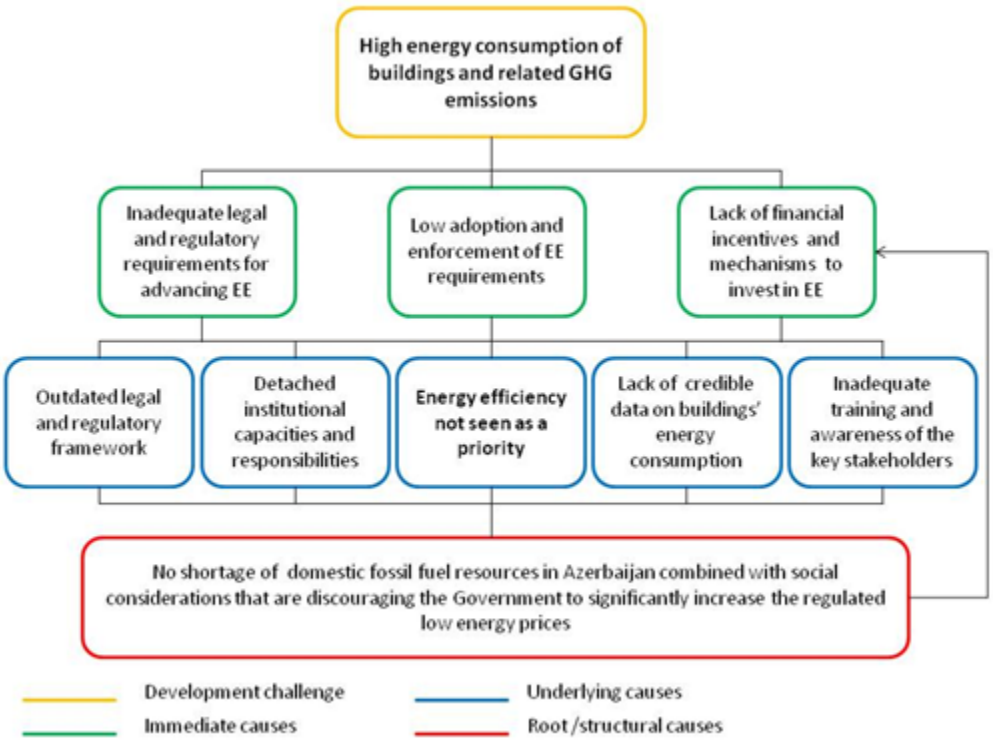

Figure 1 Problem tree

Baseline scenario and associated baseline projects

The baseline scenario is that in the absence of the project, the identified legal and other barriers to improving buildings? energy efficiency remain together with the lack of credible data on buildings energy performance and the lack of local capacity and incentives to effectively integrate energy efficiency considerations into the renovation of the existing buildings and the design and construction of new ones.

The Government of Azerbaijan has ratified the Paris Agreement on Oct 28th, 2016 and by its Nationally Determined Contribution (NDC) has taken a voluntary obligation to reduce its GHG emissions by 35% by 2030. The draft National Energy Efficiency Action Plan for 2021-2025 (NEEAP) was completed in June 2020, but its final approval is still pending. Once approved, it will complement and provide a better basis also for the implementation of the proposed GEF funded project by, among others, the following:

? Development and adoption of a law on energy efficiency in buildings

? Development and adoption of minimum energy performance standards for buildings;

? Development of an energy efficiency monitoring and reporting system and scaling up advance metering such as smart meters of electricity and natural gas consumption;

? Development of guidelines for the accreditation of energy auditors and conducting energy audits;

? Application of ISO 50001 system for Energy Management System Standard and developing guidelines and requirements for energy managers;

? Development of guidelines for distribution of heat and hot water supply costs in those multi-apartment buildings that are served by collective district heating systems with heat and hot water meters installed at the heat exchange point or at the entrance of the building;

? Approving and implementing new tariff methodologies in order to provide incentives for the implementation of energy efficiency measures by energy utilities and industrial consumers;

? Development of guidelines and promoting the use of EE criteria in public procurement procedure; and

? Removing barriers and facilitating energy performance contracting and ESCO market for public buildings and street lighting, including development of a model contract for Energy Performance Contracting and guidelines for providing energy services.

Furthermore, the NEEAP is addressing the institutional development needs by calling for the:

? definition of clear responsibilities, mandate and resources for key authority(-ies) to develop, implement, monitor and evaluate energy efficiency policies;

? establishment of an inter-ministerial coordination and communication mechanism for the development and implementation of energy efficiency policies; and

? establishment of an external advisory council on energy efficiency to provide guidance and technical advice.

Other baseline projects include:

? The EU4Energy Programme, which was supporting the development of the new Law on Efficient Use of Energy Resources and Energy Efficiency and the related first National Energy Efficiency Plan of Azerbaijan. Although the project has already been completed, the results of it serve as a baseline also for the current GEF funded project;

? The Strategic Roadmap for the Development of Affordable Housing in the Republic of Azerbaijan- a vision to respond to housing needs in the country- set up by the Decree of the President of the Republic of Azerbaijan no 858/11 April 2016. The State Housing Construction Agency (MIDA)

was established to implement that vision with further details included into the MIDA?s Charter. As defined by the Charter, MIDA shall ensure the construction of apartment houses in a modern architectural style meeting the environmental and energy-saving requirements, while allowing the citizens to also purchase them at preferential terms. No particular energy efficiency requirements, norms or standards are included into the Charter, however.

? Baku Executive Office refurbishment programme manages public buildings within its territory, including schools and kindergartens with a budget of approximately $14 million per year.

Proposed alternative scenario with a brief description of expected outcomes and components of the project

Given the commitment of the Government of Azerbaijan to reduce its GHG emissions by 35% by 2030, the need to reduce the GHG emissions also from the building sector is obvious. By being able to reduce the domestic energy use with natural gas currently sold at subsidized prices to consumers, Azerbaijan would also gain economic benefits by being able to preserve its natural gas reserves for export at international market prices. Partly this will result from reduced energy consumption, partly from increasing the use of renewable energy sources such as solar energy.

The challenges faced by the efforts to improve building energy efficiency are typically due to multiple interrelated reasons, which is a why a multidimensional response strategy addressing the identified key areas is also required. Advancing an enabling policy and regulatory framework needs to be accompanied by i) required organizational changes, as it may concern the defined roles and responsibilities of different public entities; ii) awareness raising, training and other capacity building of key stakeholders; iii) access to credible data on buildings? energy consumption; iv) eventual changes on the financial management of buildings? energy use (as it concerns, for instance, the division of investment, operation and maintenance costs); and v) concrete pilot and demonstration projects combined with their on-line monitoring in order to test and collect information on the proposed technologies and approaches in practice.

Access to financing should not really be the main problem as long as the economic and financial benefits of energy efficiency improvements can be clearly demonstrated and verified based on credible data, there are trained local professionals to prepare and implement projects based on state of art knowledge and practices, the policy makers recognize and acknowledge the benefits of improved energy efficiency on country?s overall economic and environmental wellbeing and, consequently, advance enabling policies. As such, the Theory of Change also heavily builds on creating an enabling environment for further advancing the energy efficiency agenda in Azerbaijan rather than just financing a few technical demonstration projects.

To address the identified development challenge and the immediate, underlying and root causes and the related causal chains discussed in the previous section, the theory of change (ToC) can be presented by an iterative process including three main elements, as illustrated in figure 2 below.

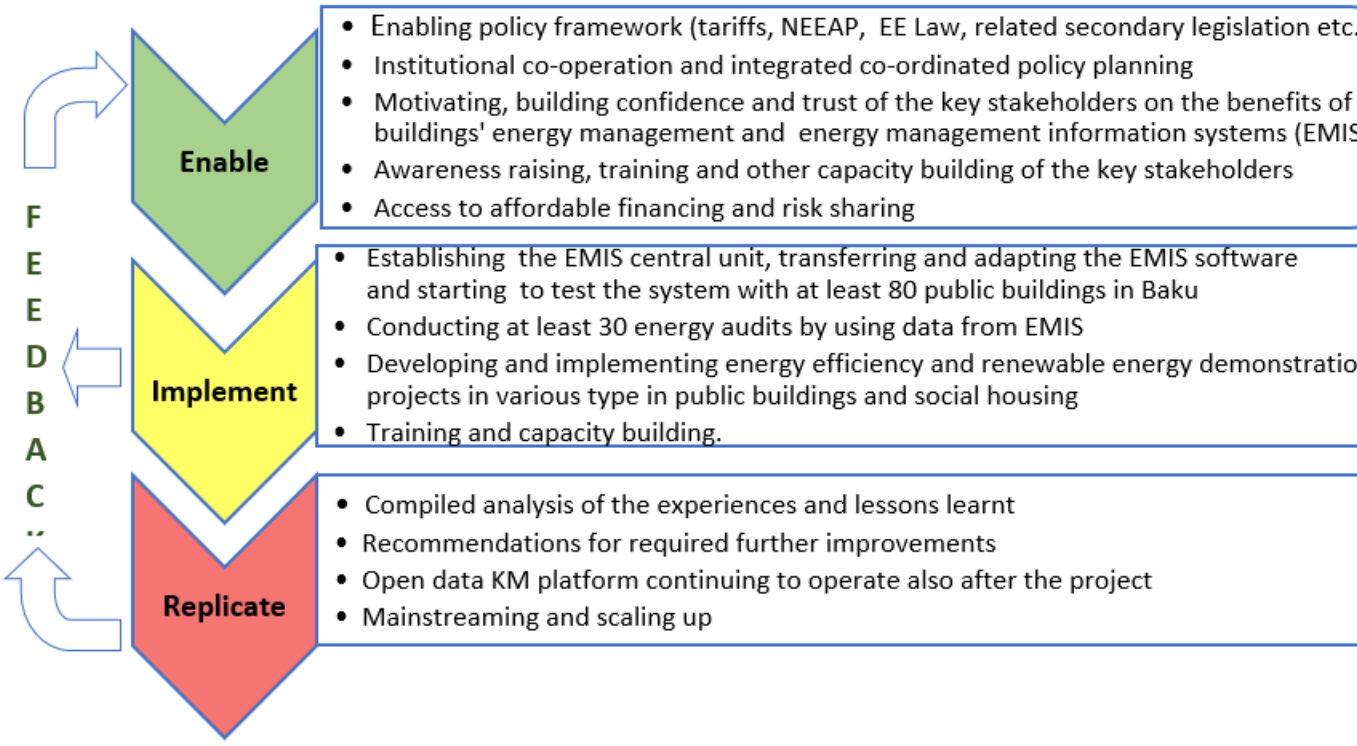

Figure 2: Simplified illustration of the ToC and the areas to be addressed and supported by the project

The causal chains between the identified barriers/underlying problems and the project outputs, outcomes and objective as suggested by the STAP?s primer on the issue of Theory of Change (TOC) is illustrated by figure 3 below.

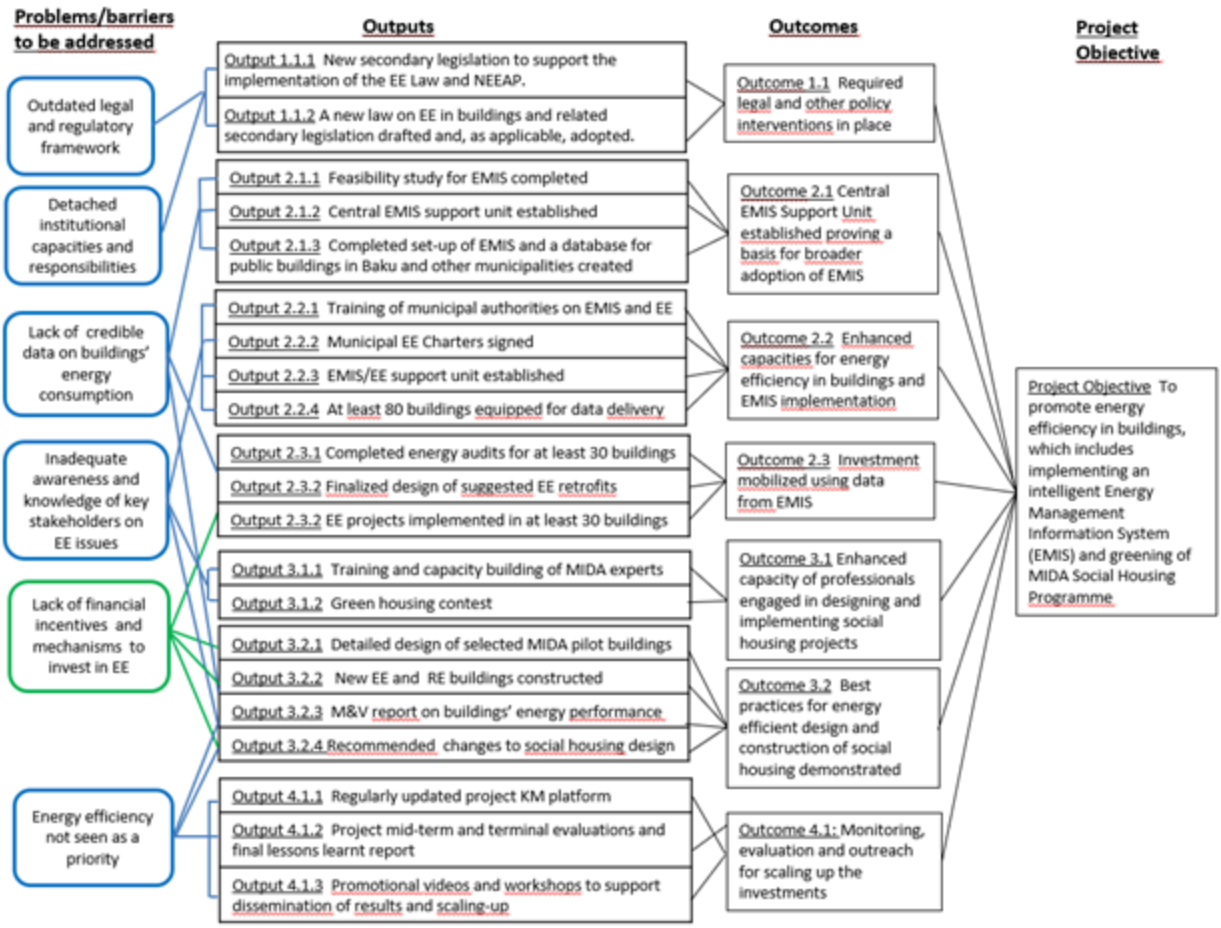

Figure 3: A complementary illustration of the ToC showing the causal chains

By a combination of different measures discussed in further detail in chapter IV ?Results and Partnerships? and chapter V ?Project Results Framework?, the project seeks to contribute to a transformational change towards enhancing energy efficiency and use of renewable energy such as solar energy for meeting buildings? energy needs, while simultaneously reducing buildings? energy costs, improving their thermal comfort and, as applicable, also indoor air quality.

For meeting the project objective, it is essential that there will be clear political will to effectively support further development and implementation of the EMS and Azerbaijan. By rigorous technical and financial due diligence of the proposed investment proposals, the project also seeks to minimize any technical and financial failures.

All the measures supported by the project also need to be socially and environmentally acceptable. This has been addressed by a comprehensive Social and Environmental Screening Process (SESP) and related Environmental Social Management Framework as well as a Gender Analysis and Gender Action Plan presented as Annexes to this document.

Alignment with GEF focal area and/or Impact Program strategies;

The project is contributing to the GEF-7 Focal Area Objective 1: " Promote innovation and technology transfer for sustainable energy breakthroughs?. As outlined by the GEF-7 Replenishment Programming Directions (GEF/R.7/10 April 2, 2018): To take advantage of the GEF?s comparative advantage,

programming under this objective does not prioritize direct support for large-scale deployment and diffusion of mitigation options with GEF financing only. Rather, GEF-7 resources should be utilized to reduce risks and enhance enabling environments, so that the results can facilitate additional investments and further support by other international financing institutions, the public and private sector, and/or domestic sources to replicate and scale up in a timely manner. Having an advanced energy management information system, backed up by a central support unit, to help facilitate larger investment project preparation and later monitoring of their results including energy and cost savings will directly feed into this framework and defined targets.

Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF and co-financing

The incremental cost reasoning for the different project components and the project as a whole is as follows:

Component 1: While the general provisions of the new draft EE Law are aligned with similar legislation, for instance in the EU countries, the required secondary legislation and institutional mechanisms to effectively implement the law are still largely missing. The project is addressing these further incremental development needs by supporting the drafting and adoption of new secondary legislation, including technical standards, guidelines and a methodology for calculating and monitoring buildings? energy performance in accordance with international best practices as well as by supporting the drafting and adoption of a new law on Energy Efficiency in Buildings and related secondary legislation. The Ministry of Energy will contribute to this effort by its own budgetary resources and in-kind contribution estimated at USD 350,000 in total. In developing the energy performance monitoring methodologies and, as applicable, related certification schemes, interfacing with business certification efforts such as LEAD (Green Building Council) as well as UN-Habitat and importantly the GEF Sustainable Cities Impact Program will also be explored.

Component 2 is about improving the energy performance monitoring the buildings in Azerbaijan by introducing an Energy Management Information System (EMIS) similar to those already in use some other UNDP programme countries (such as Croatia, Serbia and Russia) and advancing better integration of incremental energy efficiency considerations and possible introduction of renewable energy sources such as roof-top solar PV and thermal systems in those public buildings that will be subject to different building retrofit measures anyway. Beside direct investment support, the project will also have a strong capacity building element. The baseline and co-financing contributions to component 2 will primarily consist of the budgetary resources and in-kind contributions of the Baku Executive Authority and the Ministry of Ecology and Natural Resources at the estimated amount of USD 11,580,000 in total.

Component 3 is about better integrating energy efficiency and climate change considerations into construction activities of the State Housing Development Agency (MIDA), while still maintaining the construction costs at an acceptable level. The incremental activities to be supported by GEF funding for component 3 include both capacity building and related technical assistance, as well as by sharing the incremental costs of at least two residential buildings and all service buildings in selected new MIDA construction site to test and demonstrate new energy efficiency and renewable energy measures going beyond the standard construction norms in force. The baseline and co-financing contributions to component 3 will primarily consist of the budgetary resources and in-kind contributions of MIDA at the estimated amount of USD 48,730,000 in total.

Component 4 is focusing on incremental knowledge sharing to scale up, replicate and mainstream the project results. The baseline and co-financing contributions to component 4 will consist of small budgetary and in-kind contributions of all key project stakeholders as it concerns the required outreach activities for the project components they are mainly dealing with the estimated amount of USD 260,000 in total.

Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)

The direct global environmental benefits of the project will primarily result from: 1) better monitoring of the energy performance of the public buildings included into EMIS leading to small no- or low-cost

EE improvement expected to result in about 5% energy saving in average and resulting GHG reduction of about 123 230 tons of CO_{2eq} over a 25 year calculation period, 2) more comprehensive EE retrofits of at least 30 public buildings (incl. selected RE investments) resulting in direct GHG reduction impact of about 52 440 tons of CO_{2eq} over a 25 year calculation period and 3) and the low-carbon demonstration buildings of MIDA with estimated direct GHG reduction impact of 26 570 tons of CO_{2eq} over a 25 year calculation period.

As regards the consequential (aka indirect) GHG reduction impact of the project, by contributing to the continuing process of introducing EMIS with an objective to have at least 10,000 buildings with the total floor area of at least 10,000,000 m2 included into EMIS accompanied by their better energy management in general as well as continuing the energy efficiency retrofits of selected public buildings with the annual rate of at least 50,000 m2 per year, the consequential project impact with the causality factor 0.6 has been estimated at about 1 million tons of CO_{2eq}.

Similarly, the construction of social housing by MIDA will continue also after the project and if more energy efficient and other low-carbon construction practices suggested and tested by the project can be incorporated into those new development projects in full, the project consequential impact in that respect will be significant. By assuming that within the next 10 years after the end of the project at least two social housing development projects of the size similar to Hovsan 2 will be completed bv fully incorporating the suggested EE and RE measures into their design, the corresponding consequential GHG emissions reduction impact would be equal to about 0,17 million tons of CO2eq.

As such, the total consequential (aka indirect) GHG reduction impact of the project has been estimated at 1,17 million tons of CO_{2eq}.

A more detailed analysis of the global environmental benefits of the project is presented in Annex Q (Annex 10 of the project document) and has also been uploaded with the submission as a separate document.

Innovation

The proposed project has a strong innovative dimension by the first-time effort in Azerbaijan to introduce an on-line intelligent energy management information system (EMIS) at the municipal level. As regards building energy efficiency in general, the concept of net-zero or close to net-zero carbon buildings has not yet been effectively introduced or tested in Azerbaijan nor is the idea of integrated buildings design, where architects and building engineers responsible for different sub-components of building design can effectively work together from the very beginning to maximize the opportunities for improved the energy efficiency and increased use of renewable energy resources, while still maintaining the construction costs at an acceptable level. Similarly, the project aims at shifting the discussion from initial construction costs to buildings? lifetime cost, as well as the national economic costs of wasted energy in the case of domestically subsidized energy prices. All these aspects still present in Azerbaijan rather new ways of approaching and promoting more efficient use of country?s energy resources rather than just seeing improved energy efficiency as an additional cost burden in the construction sector.

From the technical point of view, the project and its joint activities both with MIDA and the local state and municipal authorities provide an excellent platform for testing and demonstrating new innovative energy efficiency and renewable energy technologies in the selected buildings such as new building automatization for controlling and optimizing building?s indoor temperature, humidity and air quality, net metering in the case of buildings own energy production by solar energy or heat pumps, new technologies for improving heat recovery from buildings waste heat resources such as exhaust ventilation air, new materials and shadowing installations to prevent excess heat accumulation into the buildings during the summer time, thereby reducing the cooling needs etc. All these present still quite new and innovative technologies and approaches in Azerbaijan, thereby preparing ground for their broader acceptance and adoption both by the building owners and suppliers of buildings? energy technologies and services as well as preparing ground for the adoption of new policy requirements, should the testing of new technologies and approaches demonstrate that they can be used to further advance the energy efficiency agenda in Azerbaijan in a technically and economically feasible way. Furthermore, the project provides a platform for developing and advancing new business models such

as using energy supply contracts for managing public buildings? heating, cooling and other energy needs, should this facilitate buildings? energy management and further improvement of their energy performance in a most cost-effective and environmentally friendly way.

Sustainability

For project sustainability it is essential that the key stakeholders are convinced by both the long and shorter term ?win-win-win? opportunities of the suggested measures and activities, including the environmental benefits by reducing energy consumption and related greenhouse gas emissions as well the direct and indirect national economic benefits by directly reducing the public budget spendings on energy used by public buildings, increasing the amount of local energy resources available for export at international market prices, and creating new job and business opportunities in advancing new resource efficient construction activities.

The improvement of the regulatory framework under component 1 will enhance the sustainability of project results by making, for instance, Energy Management mandatory for all significant energy consumers and subsectors targeted by the project, thereby creating also a sustainable demand and new work opportunities for the trained energy managers and energy auditors.

As regards the question on who will pay for the operation and maintenance costs of the buildings that will be selected for project support, it depends on the type of building. For state owned buildings or those owned by the local municipal authorities, it is Government or the local municipal authority, who will continue to pay for the O&M costs of the buildings owned by them. For residential buildings constructed by MIDA, further O&M costs of the buildings are typically paid by the building residents themselves.

As it concerns the sustainability of EMIS and the Central EMIS Support Unit hosted by the Ministry of Energy, this is sought to be ensured by including into the relevant legal and regulatory acts an obligation for mandatory energy management and monitoring of buildings? energy performance for all public, commercial and residential buildings exceeding a certain size. The first steps towards this direction have already been taken by the new Law on Energy Efficiency, but further work in this area is still required and is envisaged to be also supported by the proposed project. Essential for the sustainability of the project results is also the continuing updating and maintenance of the EMIS hard- and software as well as continuation of the EMIS help desk after the project end to support entities and their energy managers submitting data to EMIS with any technical problems they may be facing.

Potential for scaling-up

The total floor area of residential buildings in Azerbaijan is currently about 200 million m2 and the total floor area of public buildings can be estimated at about 30 million m2 i.e. significantly more than the 60,000 m2 targeted by the investment component of this project for EE retrofits. Similarly, the new construction of MIDA for social housing over the next 10 years is expected to reach at least 120 thousand square meters, so the potential for replication and scaling up of the EE and RE measures tested and demonstrated in the pilot buildings to be supported by this project is also significant. The close monitoring and sharing of the results of the investment projects implemented in the frame of the proposed project will build a basis for further replication and scaling up the use of those low-carbon technologies.

As regards EMIS, once the project has successfully demonstrated that energy management information systems and related buildings? improved energy management can lead to energy savings up to 10% or more at minimal cost, it is highly likely that it would look increasingly attractive both to the Government of Azerbaijan and the local municipalities to support the replication and scaling up of EMIS for the entire country. The target of the project is already to introduce EMIS in 30 major cities in Azerbaijan (such as Ganja, Sumgayit, Mingechevir, Sheki, Guba, Ismayilli and Gabala) together with signing a Energy Charter, which will also provide a basis for further replication and scaling up of the project results.

[1] Just recently in 2021, the Government has, however, significantly increased the tariffs by about 2.3-2.4 times thereby making also energy efficiency investments more attractive.

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[1] https://www.energycharter.org/what-we-do/energy-efficiency/energy-efficiency-country-reviews/in-depth-review-of-energy-efficiency-policies-and-programmes/in-depth-review-of-the-energy-efficiency-policy-of-the-republic-of-azerbaijan/

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Please see Annex E.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

n/a

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations

Indigenous Peoples and Local Communities

Private Sector Entities

If none of the above, please explain why: Yes

The Stakeholder Engagement Plan is attached as Annex N (Annex 7 of the project document) and has been uploaded with the submission also as a separate document.

During project implementation, the engagement of key stakeholders will be facilitated by multiple means starting with the project inception workshop. Depending on the situation with the COVID-19 at that time in Azerbaijan, the inception workshop can be organized either as an on-site or an on-line event. An on-line knowledge management (KM) platform will also be established among the first project activities in order to share up to date information of the project as well as to educate key project stakeholders and the general public on the key topics the project is dealing with. The KM platform also includes a forum, in which these topics can be discussed and through which specific questions to the project management or other project participants on those topics can be made. Other means for engaging stakeholders and facilitating public participation will be the workshops and training activities organized during the projects as its final report and terminal evaluation, which will also be published online. In addition, the project will organize an international workshop on EMIS bringing together government and UN offices and other key stakeholders implementing EMIS in other countries.

The project Implementing Partner and the project management assigned by it has the overall responsibility for implementing the Stakeholder Engagement Plan with UNDP providing oversight. The project management may also assign certain tasks for implementing the plan for other parties. The ultimate responsibility for ensuring the implementation of the plan at the adequate level also in this case, however, remains with the project Implementing Partner.

As regards the stakeholders to be engaged and the timing for that, a reference is made to the table included in the stakeholder engagement plan. The project budget includes specific budget lines for engaging local experts, training and public outreach workshops and for establishing and managing project website, which are all part of or contribute to local stakeholder engagement. While the total budget for project?s technical assistance activities excluding project management will be about USD 2,156 million, it is difficult to define what particular share out of this is assigned for stakeholder engagement in particular since it will be a core element of all project?s technical assistance activities in one form or another. In the project?s M&E framework, there are also gender specific indicators measuring, for instance, the number of participants in project?s training activities, recording the visitors at the project website well as indicators for checking and monitoring that project activities contributing in one way or another to stakeholder engagement such as workshops, project monitoring and evaluation reports have been completed on time and published online.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Annex N: Stakeholder Engagement Plan

(Annex 7 of the Project Document)

Public engagement during project development

The key stakeholders listed in table 3 below have been consulted and their comments taken into account in project development. Due to the restrictions caused by the global COVID-19 pandemic, no on-site project preparation workshops could be organized, but the stakeholders could be engaged by using different on-line collaboration platforms and video-conferencing facilities beside a few on-site meetings by adopting the required precautionary measures.

The stakeholders, their relevant interests, and why they are included

The key stakeholders, their envisaged roles and reasons for their inclusion are summarized in table 3 below.

Table 3 Key partnerships of the project

Name of the entity	Envisaged role and potential areas for co-operation during project implementation	Timing of engagement
Central government administration and related organisations and companies		
State Commission on Climate Change	Given its composition and mandate (see table 2 in page 17 for further details), the State Commission on Climate Change and its CC Mitigation Working Group will be logical forum to discuss and advocate for any high level policy issues that the project is seeking to advance.	As needed.
Ministry of Ecology and Natural Resources (MENR)	The project implementing partner, including coordination of the work with other government institutions involved in the project, including the Ministry of Energy, Baku Executive Authority and the State Housing Development Agency of the Government of Azerbaijan (MIDA). Also, the MENR will have a key role in engaging and communicating with other project stakeholders listed below, including non-governmental organizations and the private sector.	From the beginning of the project
Ministry of Energy (MoE)	A key project co-financing and implementation partner for components 1 and 2	From the beginning of the project
State Housing Development Agency of the Government of Azerbaijan (MIDA)	A key project co-financing and implementation partner for component 3	From the beginning of the project
State Committee on Urban Planning and Architecture (SCUPA)	The State Committee on Urban Planning and Architecture (SCUPA) is an executive body responsible for unified government policy and regulation in urban planning, zoning, architecture, and related design, including supervision of the compliance of construction activities with laws and regulations in force. In the NEEAP, the SCUPA has been assigned with a responsibility to work together with the Ministry of Energy, Ministry of Economy and other line ministries on the 1) Development and adoption of primary and additional legislative acts on energy efficiency, including technical regulations and normative documents on standardization; 2) Removal of barriers and facilitation of energy performance contracting and ESCO market for public buildings and street lighting; 3) National renovation programme for private (commercial, office and residential) and public buildings; 4) Energy performance certification of buildings 5) Construction of highly efficient new buildings; and 6) Exchange of information and best practices on energy efficiency measures in public sector. As such, for any activities related to the topics listed above, the project should engage and explore the co-operation opportunities with SCUPA.	From the beginning of the project

Azerbaijan Standardization Institute	Azerbaijan Standardization Institute (AZSTAND) is the national standardization body of Azerbaijan with a responsibility to publish state standards, specifications, field standards, national classifications and standards catalogues. In the NEEAP, AZSTAND has been assigned as a co-operating partner, among others, for activities dealing with energy performance certification of buildings and construction of highly efficient new buildings.	From the beginning of the project
State Agency for Alternative and Renewable Energy Sources (SAARES)	The State Agency for Alternative and Renewable Energy Sources (SAARES) is the central executive body carrying out state policy in the alternative and renewable energy in Azerbaijan. While its activities have been largely focusing on advancing larger scale electricity generation by renewable energy sources in Azerbaijan, it has also been working on the development of proposals for expanding the use of building integrated alternative and renewable energy sources as well as on improving the buildings? energy efficiency in general. As such, SAARES would be a logical project partner to co-operate with any of the topics listed above.	From the beginning of the project
Azerishig OJSC	Azerishig OJSC is responsible for the electricity distribution and supply functions in Azerbaijan except for the Nakhchivan Autonomous Republic. As a main entity responsible for electricity metering and billing, it is an obvious co-operating partner for further exploring ways to transfer building specific electricity consumption and billing data directly to EMIS and for increasing the use of smart meters both for allowing easy automatic data transfer and for facilitating effective load management as well as net metering in the case of building integrated decentralized power production, for instance, by solar energy. Envisaged project partners responsible for issuing technical conditions for design and sharing other metering and billing information	During EMIS development
Azerigaz PU	Until 2009, ?Azerigaz? OJSC was a separate state-owned company, but in 2009 it was reorganized and put under the control of SOCAR. In that process, it was also renamed to Azerigaz Production Unit (PU). Azerigaz PU is currently responsible for the transmission, storage, distribution and supply of natural gas, whereas SOCAR is responsible for natural gas exports. Similar to Azerishig, Azerigaz is an obvious co-operating partner for further exploring ways to automatically transfer building specific natural gas consumption and billing data directly EMIS.	During EMIS development
Azerbaijan Energy Regulatory Agency (AERA)	Azerbaijan Energy Regulatory Agency (AERA) was established in 2017 as a subordinate to the Ministry of Energy to become the responsible authority for the calculation and approval of energy tariffs after these functions of the former Tariff Council will be transferred to it. The draft Law on this matter has been prepared with support of the EBRD and was submitted to the Cabinet of Ministries for inter-ministerial consultations in July 2019, but the final decision on the matter and related transfer of responsibilities to AERA is still pending. Once/if completed, AERA will be a logical project partner for any tariff related issues and has also been mentioned in the NEEAP as the responsible party for developing new tariff methodologies. By the project ?Support to the newly established Azerbaijan Energy Regulatory Agency?, EBRD can continue to provide technical assistance to AERA.	At the point with a need to discuss any tariff related issues.

Local (city) administration and PUCs		
Baku Executive Authority (BEA)	A key project co-financing and implementation partner for component 2	From the beginning of the project
Executive authorities of other cities	Similar to Baku Executive Authority, the role of executive authorities of other cities will be equally critical for adopting EMIS, for establishing local EE centers and for gradually starting to improve the energy efficiency of the public buildings located in other municipalities.	During the EMIS feasibility study and after the initial introduction of EMIS in Baku area
Energy and Construction related NGOs and professional associations		
NGOs active in environment and energy fields, women associations, labor union, builders? association, energy service providers, energy auditors associations, sustainable development related organizations; architects union; academia and relevant media et	The members of building sector related professional associations are sought to be engaged in the awareness raising and training activities organized by the project and after that for advancing the energy efficiency agenda in their respective fields by also taking into account social and gender related aspects. Buildings managed by NGOs providing complementary social support and protection for families, women and children are also be sought to be included among the buildings to be retrofitted with project support, thereby enhancing buildings? thermal comfort, reducing their annual energy costs and by that reducing also the related financial burdens of the NGOs operating in those buildings.	From the beginning of the project
Universities and other scientific, research and educational entities		
Local academic institutions	Envisaged project partners for training and hosting scientific knowledge and expertise for advancing new energy efficient low carbon technical solutions in the construction sector.	From the beginning of the project
International organizations and financing entities		
EU	The EU has been in recent supporting the development of an enabling policy framework for advancing energy efficiency in Azerbaijan, including the drafting of the Law on Efficient Use of Energy Resources and the National Energy Efficiency Action Plan (NEEAP). As such, it will be a logical partner for continuing to explore the co-operation opportunities as it concerns the activities under component 1 in particular.	As applicable.

EBRD	EBRD has been supporting the establishment of Azerbaijan Energy Regulatory Agency, and as such can be considered as a possible implementation partner for any tariff related issues	As applicable.
UNDP	Responsible for the oversight of project implementation and providing also co-financing for the project	From the beginning of the project
Individuals and private sector		
Architects and building engineers	To be engaged as: 1) stakeholders, experts and representatives of their professional field to the working groups or task forces to finalize the required secondary legislation for the implementation of the new Law on Efficient Use of Energy Resources 2) professionals to be trained for EMIS, energy audits, energy management as well as design and monitoring of energy efficiency retrofits 3) contributors and/or contractors for feeding information to and managing EMIS, conducting energy audits and designing energy efficiency retrofits	Across the project duration depending on the schedule of activities and expected type of participation (see Annex 4 ? Multi Year Work Plan)
Appointed and future energy managers		
Energy auditors and those wishing to obtain a license		
IT specialists	Upgrading, inventing and developing new features for EMIS for improving its usability	

The private sector will have a key role in implementing the project ? primarily as a service provider for developing new features and functionalities for EMIS data management as well as for different elements of the actual building renovation, including energy audits, technical and financial feasibility analysis, actual construction work and monitoring of the results of the work done. Besides, the private sector (e.g. private banks) will have a role in providing project financing, managing the credit lines of international multilateral financing institutions and offering new type of financing instruments and modalities such as ESCO financing.

The steps and actions to achieve meaningful consultation and inclusive participation, including information dissemination

During project implementation, the participation will be facilitated by multiple means starting with the project inception workshop. Depending on the situation with the COVID-19 at that time in Azerbaijan, the inception workshop can be organized either as an on-site or on-line event.

An on-line knowledge management platform (basically a website complemented by different social media channels) will be established among the first project activities in order to share up to date information of the project as well as to educate key project stakeholders and the general public on the key topics the project is dealing with, including a forum, in which these topics can be discussed and through which specific questions to the project management or other project participants on those topics can be made.

Other means for engaging stakeholders and facilitating public participation will be the workshops and training activities organized during the projects as its final report and terminal evaluation, which will also be published online.

Roles and responsibilities for implementation of the Plan

The project Implementing Partner and the project management assigned by it has the overall responsibility for implementing the Stakeholder Engagement Plan with UNDP providing oversight. The project management may also assign certain tasks for implementing the plan for other parties, subject to a written agreement. The ultimate responsibility for ensuring the implementation of the plan at the adequate level also in this case, however, remains with the project Implementing Partner.

The timing of the engagement throughout the project cycle

See table 3

The budget for stakeholder engagement throughout the project cycle and, where applicable, for related capacity-building to support this engagement

There is not specific budget titled stakeholder engagement , but there are specific budget lines for engaging local experts, training and public outreach workshops, establishing and managing project website, which all part of or contribute to local stakeholder engagement. While the total budget for project?s technical assistance activities excluding project management will be about USD 2 million, it is difficult to define what particular share out of this is assigned for stakeholder engagement in particular since it will be a core element of all project?s technical assistance activities in one form or another.

Key indicators of stakeholder engagement during project implementation, and steps that will be taken to monitor and report on progress and issues that arise

In the project?s M&E framework, there are gender specific indicators measuring, for instance, the number of participants in project?s training activities, recording the visitors at the project website well as indicators for checking and monitoring that project activities contributing in one way or another to stakeholder engagement such as workshops, project monitoring and evaluation reports have been completed on time and published online.

No Free, Prior and Informed Consent (FPIC) by indigenous people is required for project activities.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain) Yes

Advancing the energy efficiency agenda as influencers and contributors to public outreach, influencing also policy making

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Gender Analysis and Gender Action Plan are attached as Annex O (Annex 8 of the project document) has been uploaded with the submission also as a separate document.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The private sector will be engaged in the implementation of several project outputs ? primarily as a service provider for developing new features and functionalities for EMIS data management as well as for different elements of the actual building renovation, including energy audits, technical and financial feasibility analysis, actual construction work and monitoring of the results of the work done.

Under Component1, the project will work with the Ministry of Energy to introduce financial incentives for energy efficiency investments into policy and regulatory framework, therebv benefitting and creating new opportunities also for the private sector. Under Component 2, the project will support the installation of EMIS and based on EMIS data, open the avenue also for the private sector to come up with suggestions and new technical and other solutions for improving the energy performance of the monitored buildings. Under component 3, the project will work with MIDA to advance the design of new low-carbon energy efficient buildings, thereby building capacity and gaining experience that can be used also by private construction companies, while also providing new job opportunities for other professionals of the construction sector such as architects and building engineers.

The proposed project will build on the private sector experience of the EU Eastern Partnership (EaP) Green Project ?Scaling Up Green Investments and Finance in Azerbaijan? and UNDP NAMA Project and will work with construction companies, private commercial banks and investment funds (with

green energy and climate change portfolios), SMEs (women led SMEs support will be prioritized) and other development partners.

Further details on the private sector engagement *vis a vis* different project outputs is presented in table 1 below.

Table 2 Elaboration of the private sector engagement

Output	**Role of the Private Sector**
Output 1.1.1: New secondary legislation, including technical standards and guidelines, to support the implementation of the Law on the Efficient Use of Energy Resources and the NEEAP developed and adopted, as listed in chapter IV of the project document.	Stakeholders to be consulted Providers of technical and legal expertise with related work opportunities Beneficiaries
Output 1.1.2: A new Law on Energy Efficiency in Buildings and related secondary legislation drafted and, as applicable, adopted	Stakeholders to be consulted Providers of technical and legal expertise with related work opportunities Beneficiaries
Output 2.1.1: Feasibility study for the introduction of EMIS in Azerbaijan completed	Stakeholders to be consulted Providers of technical expertise with related work opportunities
Output 2.1.2: Central EMIS Support Unit established with required ICT facilities and staff, including a help desk	Providers of technical expertise with related work opportunities
Output 2.1.3: Completed set-up of EMIS, incl. its installation and translation into Azeri language, required arrangements for data transfer and a database, institutional arrangements and agreements completed for monitoring the energy performance of all public buildings in Baku City with a possibility expand and replicate the set-up also in other municipalities.	Providers of technical expertise with related work opportunities Users of EMIS data
Output 2.2.1: Training delivered and skills on EMIS and EE strengthened for at least 400 people of different professional groups	Beneficiaries of training
Output 2.2.2: Municipal Energy Efficiency Charter signed by at least 30 municipalities, including municipalities Baku rayons	Providers of technical expertise with related work opportunities
Output 2.2.3: EMIS and Energy Efficiency Support Units established in at least 30 municipalities, including municipalities Baku rayons	Providers of technical expertise with related work opportunities
Output 2.2.4: Public buildings of participating municipalities equipped for delivering data to EMIS, including at least 200 buildings with a floor area of at least 1 million m2.	Users of EMIS data with related work and business opportunities

Output 2.3.1: Completed energy audits by using agreed methodology (see output 1.1.1) with related recommendations for EE measures for at least 30 public buildings using data from EMIS	Providers of technical expertise with related work and business opportunities
Output 2.3.2: Finalized technical design of EE retrofit measures to be implemented in at least 30 buildings with a target to reduce their energy consumption and/or related GHG emissions by at least 35%.	Providers of technical expertise with related work and business opportunities
Output 2.3.3: Energy saving projects implemented with monitored and reported results in at least 30 buildings with the total floor area of at least 60 000 m2 with a target to reduce their energy consumption and/or related GHG emissions by at least 35%	Providers of technical expertise, equipment, materials and construction services with related work and business opportunities
Output 3.1.1: Training delivered and skills strengthened of key professional groups engaged in MIDA construction activities on net-zero or close to net-zero carbon building design and on integrated building design principles in general taking also into account gender related aspects	Beneficiaries of training
Output 3.1.2: Green housing contests for a net-zero or close to net-zero carbon design of selected MIDA construction site or building(s) by applying integrated building design principles	Participants of the contest with related further work opportunities
Output 3.2.1 Detailed design of at least two residential buildings and all service buildings of selected MIDA site to test and demonstrate new energy efficiency and renewable energy measures going beyond the standard construction norms in force.	Providers of technical expertise with related work and business opportunities
Output 3.2.2: Construction of buildings with complementary EE and RE measures completed, including required metering and monitoring equipment to be installed both to the new ?low-carbon? residential and service buildings as well as to otherwise similar buildings constructed on the basis of the standard construction norms in force. Project inception report and workshop.	Providers of technical expertise, equipment, materials and construction services with related work and business opportunities
Output 3.2.3: A report on the monitored and verified results of the demo projects comparing them to the monitored energy performance of otherwise similar ?standard baseline buildings?, while also including lessons learnt and recommendations for further work, including suggested changes, as applicable, to construction norms and regulations.	Providers of technical expertise with related work opportunities Beneficiaries of the knowledge created and shared
Output 3.2.4 Review of the MIDA charter and applicable national social housing strategies with related recommendations for amendments, as needed taking into account both social and environmental aspects and how the joint effort of combatting climate change can or should be taken into account in social housing construction	Stakeholders to be consulted Providers of technical and legal expertise with related work opportunities

Output 4.1.1: A comprehensive on-line website and regularly updated open data, knowledge management and networking platform set up and functional	Providers of technical expertise with related work opportunities Beneficiaries of the knowledge shared
Output 4.1.2: A professional video documenting project results and presenting project?s pilot net-zero and close to net-zero carbon buildings.	Providers of technical expertise with related work opportunities Beneficiaries of the knowledge shared
Output 4.1.3: Two international public outreach, knowledge management workshops, including a final project workshop presenting the project results, lessons learnt and recommendations for upscaling	Beneficiaries of the knowledge shared and the opportunities for networking

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

All risks will be further defined during project implementation according to hazard identification, assessment of vulnerability and exposure, risk classification, and then through the development of risk mitigation plan which includes ranking of risks according to a clearly defined scale, and using the best available data. As per the standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of the risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual PIR.

A summary of the main project risks is provided in Annex L (Annex 5 of the project document).

Annex L: UNDP Risk Register

(Annex 5 of the Project Document)

#	Description	Risk Category	Impact & Probability	Risk Treatment / Management Measures	Risk Owner

1	Lack of political will to support further development of an enabling policy framework to effectively advance energy efficiency in buildings, including their obligatory energy performance monitoring and management, EE retrofits of old buildings and updated EE norms for new buildings, including social buildings constructed by MIDA.	Political	The development and/or adoption of the suggested primary and secondary legislation under component 1 may be significantly delayed or stopped entirely similar to the adoption of EMIS into Government owned B-2 category buildings L = 2 I = 4 Risk level: Moderate	Implementing the project in close consultation with the key stakeholders and beneficiaries, including the members of the State Commission on Climate Change and its Working Group on CC Mitigation, by simultaneously raising their awareness on the importance and also national benefits of advancing the EE agenda in Azerbaijan.	Project implementing partner, Project Board and project management
2	The project co-financing commitments do not materialize.	Financial	There is no adequate financing for the suggested EE retrofits and the planned MIDA pilot and demonstration projects. L = 1 I = 5 Risk level: Moderate	This risk is mitigated by the signed co-financing letters and continued consultations and engagement of project?s key co-financing partners, while also continuing to raise the awareness of their management on the benefits the planned project activities to their organizations. In the case of MIDA, the funding is already approved. Also using the State Commission on Climate Change as a vehicle for advancing the EE agenda in the key project partner organizations including related financial commitments.	Project implementing and co-financing partners, Project Board and project management

3	Due to technical problems with the planned EE retrofit investments and technologies used, the trust of the key stakeholders on the proposed measures is lost.	Other (technology risk)	The confidence of the key project stakeholders and partners on the proposed EE and RE measures is lost resulting in that they will not be replicated or scaled up. L = 2 I = 3 Risk level: Moderate	Adequate due diligence and, when applicable, pre-testing of the proposed EE and RE solutions. The risk that EMIS software gets outdated can be mitigated by constantly updating it.	Project management
4	The proposed measures and retrofit projects may generate waste that is harmful to the environment and human health, if not properly managed and disposed.	Environmental	The implemented measures will result in non-acceptable local environmental problems L = 2 I = 3 Risk level: Moderate	Having as an obligatory component for all proposals an environmental impact assessment addressing also the waste issue.	Project management
5	The changing climate and extreme weather conditions eventually appearing more frequently and more intensively may pose specific risks to those building retrofit measures that are exposed to such weather.	Environmental	The implemented measures will not produce the desire benefits or will result in adverse effects to the lifetime of the building L = 2 I = 3 Risk level: Moderate	Taking the changing climate and the risk for more frequent and intensive extreme weather conditions into account in the calculations, in defining the technical specifications for the equipment and in ensuring their proper installation.	Project management

6	Inadequate local capacity to effectively implement the project	Operational	The targeted project results will not be achieved L = 3 I = 5 Risk level: High	Adequate focus on capacity building, coaching and adaptive management supported by the project?s long term part time resident international advisor spending at least 50% of the days assigned for him/her in Azerbaijan, and who needs to be recruited at the outset of project operations and work in close co-operation with the project management team throughout the project implementation. Monitoring and, as needed, reassessing and adjusting project management arrangements during project implementation. UNDP RTA shall also be engaged as a member of the selection committee for the key project staff and subcontractors and as it concerns, in particular, the selection of the project manager and the part time resident international advisor.	Project Board and UNDP by their oversight functions and responsibilities
7	Continuing COVID-19 pandemic will prevent some project activities from being implemented	Social	The targeted project results will not be achieved and the stakeholders cannot be engaged at the level required. L = 2 I = 4 Risk level: Moderate	Planning and developing alternative ways or introducing required precautionary measures for allowing the implementation of critical project activities despite of COVID-19 restrictions. For instance, all required project meetings, workshops and training events can also be organized online.	Project management

8	Project implementation may not adequately take into account the gender related aspects.		Equal opportunities for women to participate in and benefit from the project is not provided by the project L = 2 I = 4 Risk level: Moderate	This risk will be managed by monitoring the implementation of the gender action plan prepared for and included as an Annex to the project document and also recruiting a gender expert to do that and advance the gender agenda in the project related fields in general.	Project management

COVID-19 related risks and opportunities

While the situation with COVID-19 in Azerbaijan is gradually getting better (Figure 4), the possible impacts continuing COVID-19 or similar pandemic are briefly discussed below.

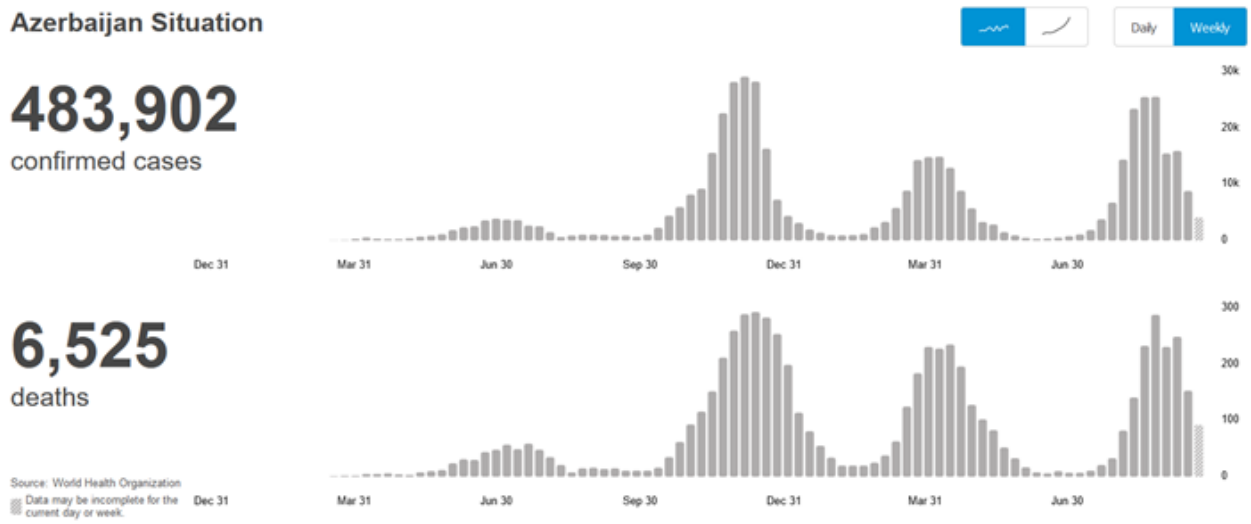

Figure 4 COVID-19 related situation in Azerbaijan (Source: https://covid19.who.int/region/euro/country/az)

The main impact of continuing COVID-19 pandemic on project implementation will be due to eventually continuing or reintroduced social distancing measures and restrictions for public gatherings. In such a case, the planned public outreach events, stakeholder consultation meetings and group training cannot be organized by physical meetings, but they would need to be virtual ones. During the pandemic most people among the stakeholders the project is targeting have already become familiar with different types of virtual meetings and, therefore, continuing such online events in the frame of this project, as needed, is not expected to create major challenges. As needed, the project will also provide specific training for or facilitate otherwise the participation of those stakeholders that may require such support.

Also, as it concerns the project staff, they will be responsible for the type of deskwork that can also be conducted outside the project office, if needed. As such, COVID-19 even if continuing with related

restrictions is not likely to have any major impact on implementing the project in schedule. Similarly, no impact on baseline or stated project targets is foreseen.

The main impact as potential delays due to eventually worsening COVID-19 pandemic could be on the actual renovation and related construction works, should the pandemic require the reintroduction of some social distancing measures at construction sites.

As regards the opportunities, the project will create new work and investment opportunities for energy efficient technologies, thereby contributing to green recovery and resilience by engaging both the public and the private sector for mutually benefitting co-operation producing both global and local environmental benefits, new green business opportunities also for the private sector and ingredients for green economic recovery in general.

Climate Change Risks

Depending on the model used, the analysis prepared for the Fourth National Communication (FNC) of Azerbaijan predicted an average temperature rise from 0,5-2,0 ?C by 2040 and from 1 to 3 ?C during 2041-2070. For precipitation, the models predicted a change between +20% and -20%. Vulnerability assessments were made for the agriculture, water resources, coastal areas and public health.

Although no specific vulnerability assessment has been done yet on the built environment such as buildings *per se*, it is clear that any predicted changes in the temperature, precipitation or both would need to be fully taken into account in the feasibility studies and technical design documents prepared for any building renovations or new buildings with due attention on building? thermal comfort, eventually increasing cooling needs and management of more frequent extreme weather conditions such stormy winds and rainfalls. The models also project a significant increase in the number and duration of extremely hot days and heat waves in the summer months with associated public health risks. As such, the FNC also makes a specific recommendation to take this into account in the design and construction of buildings, including the installation or adequate cooling systems. In MIDA construction activities for new residential buildings, for instance, no cooling systems are currently installed.

All aspects discussed above would also need to be taken fully into account in the training activities organized by project by also considering how the required measures can be implemented, while at the same time trying to minimize the eventually increasing energy consumption and related GHG emissions, for instance, due to the increasing indoor cooling needs.

Social and Environmental Risks

UNDP?s Social and Environmental Standards (SES) underpin UNDP?s commitment to mainstream social and environmental sustainability in its programs and projects to support sustainable development, and are an integral component of UNDP?s quality assurance and risk management approach to programming. Through the SES, UNDP meets the requirements of the GEF?s Environmental and Social Safeguards Policy.

The objectives of the SES are to:

? Strengthen the social and environmental outcomes of Programs and Projects

? Avoid adverse impacts to people and the environment

? Minimize, mitigate, and manage adverse impacts where avoidance is not possible

? Strengthen UNDP and partner capacities for managing social and environmental risks

? Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people

UNDP uses its Social and Environmental Screening Procedure (SESP) to identify potential social and environmental risks and opportunities associated with all proposed projects. Each project is scrutinized as to its type, location, scale, sensitivity and the magnitude of its potential social and environmental impacts. All project components are screened, including planning support, policy advice, and capacity-building, as

well as site-specific, physical interventions. Activities that will be completed under project co-financing are also included in the scope of the assessment.

Potential Social and Environmental Impacts

During project development, the project was reviewed with UNDP?s SESP. The analysis identified a range of potential social and environmental impacts associated with the project activities. The SESP template (Annex 4) details the specific environmental and social risks that apply. The significance of each risk, based on its probability of occurrence and extent of impact, has been estimated as being either low, moderate, substantial or high.

Screening using the SESP identified the following risks rated as ?Moderate?:

Risk 1: Project activities and approaches might not fully incorporate or reflect views of women, and ensure equitable opportunities for their involvement and benefit.

Risk 2: Existing policies and standards for construction and retrofit work do not meet or exceed SES Requirements.

Risk 3: Project activities may involve work within or adjacent to, sites of cultural heritage importance, thereby adversely affecting them.

Risk 4: Project-related grievances and concerns from members of the public or employed workers, may not be addressed in a free, fair and transparent and timely manner.

Risk 5: Construction/retrofit activities may cause temporary or permanent economic or physical displacement.

No risks were identified as either ?Substantial? or ?High?.

Under the SES, the overall risk category of a project is taken from the highest rating allocated to any individual risk. i.e. if a project has one or more ?High? risks, it has a ?High? overall risk categorization.

Based on the significance of these individual risks, the project has been allocated an overall SESP risk categorization rating of ?Moderate**?**. the overall risk category being taken from the highest rating allocated to any individual risk. i.e. if a project has one or more high risks, it has a high overall risk categorization.

Further details on these risks are included in the full SESP, attached as Annex K. (Annex 4 of the project document).

Further details on these risks are included in the full SESP, attached as Annex 4.

The SESP process and findings are based on the broad scope of envisaged project activities, outputs and outcomes currently identified. The management strategies are therefore designed to manage those impacts in their broadest sense, and the allocated significance rating is based on a precautionary approach. The risks identified by the SESP are assessed as being limited in number, well understood and relatively easily mitigated. As such, the risks can largely be addressed through straightforward application of environmental siting, permitting requirements, pollution standards, design criteria, construction standards and good international practice. Significant aspects of these risks are managed through the project's design and through the measures included, which integrate UNDP andGEF standards. For example:

? Under Component 1, a construction and labour standards expert will conduct an analysis to assess national policies and standards for construction and retrofit work to identify any areas where they might not be consistent with SES requirements. Where gaps are found, additional specific requirements as well as the national building codes, whichever is the more stringent will be included in construction/retrofit contracts as required. The analysis will include regulations on Occupational Health and Safety, Community Health and Safety, Labor Standards, Waste Management and Air and Water Pollution and Permitting. An Environmental and Social Impact Assessment (ESIA) will be carried out simultaneously with the mentioned analysis development for all construction and retrofit activities in order to identify and assess the potential social and environmental impacts of each construction and retrofit activities in its area of

influence, evaluates alternatives, and designs appropriate avoidance, mitigation, management, and monitoring measures. An Environmental and Social Impact Assessment (ESIA) will be carried out simultaneously with the feasibility studies development for each station in order to identify and assess the potential social and environmental impacts of each station in its area of influence, evaluates alternatives, and designs appropriate avoidance, mitigation, management, and monitoring measures. If the scoped Environmental and Social Management Plans (ESMPs) would result from the scoped ESIAs of any of the construction and retrofit work, these ESMPS will be developed also in frames of this output as a part of the initial stage.

? Outputs 1.1.1 and 1.1.2: the project will use its influence to promote compliance with the SES in the technical standards and guidelines of new secondary legislation to support implementation of the Law on Efficient Use of Energy Resources

? Training, as well as terminal evaluations under Component 2 will be informed by experiences supporting EMIS in Serbia, Croatia and Russia. The results derived from the scoped ESIAs as well as the analysis will be input for the design of the construction, refurbishment and retrofit work.

? Under Output 2.1.1, the feasibility study for the introduction of EMIS in Azerbaijan will consider and address SES related aspects

? SES related aspects including technical standards and guidelines will be integrated into the training delivered to 400 or more professional groups involved in building design and construction

? Output 2.3.2 and 2.3.3: retrofit measures implemented will comply with SES requirements, duly monitored for compliance

? Outputs 3.1.2 and 3.1.3: reflection of SES criteria will be requirements the green housing contests, with residential buildings required to demonstrate energy efficiency and renewable energy measures going beyond the standard construction norms in force, and taking into account SES requirements on construction, occupational and community health and safety, and other relevant aspects of the SES

? Under Output 3.2.3 and 3.2.4, monitoring of demo projects, lessons learned and recommendations for further work, as well as suggested changes to construction regulations, will include the monitoring of compliance with the SES, any difficulties encountered, and recommendations as to the integration of social and environmental considerations including gender, human rights, accountability and technical standards Component 4 seeks to mainstream SES aspects into strategies for enhancing awareness of the project results and recommendations for upscaling the project's approach.

Further Screening, Assessment and Management

The relevance of risks may vary across sites, and the significance or likelihood of associated risks or impacts is not necessarily uniform across at all locations. Further screening is required to identify their site-specific magnitude and intensity, and to effectively target additional impact assessment or management. To ensure this occurs, the project will conduct targeted assessments and review to determine how potential adverse impacts identified in the screening will be managed on a site-specific basis.

Impact management will adhere to the ?mitigation hierarchy? model, ie. where possible, adverse impacts will be ?designed out? ? i.e. the design of project activities will be amended or adjusted so as to avoid the identified impacts; where this is not possible, measures will be developed, in conjunction with stakeholders, to reduce, minimize, mitigate or manage those impacts.

During the course of the project, activities and exact locations, the details of which are not currently specified, will be proposed and developed under Components 2 and 3. These proposed activities will, as they arise and as sites are identified, require screening, assessment and management using the SESP methodology to ensure that any impacts are identified, their significance is established, and any required impact-specific management actions are developed and applied.

Screening will take place as additional sites and activities are proposed. Site-specific screening will use the SESP template, and rate foreseen impacts as ?High?, ?Moderate? ?Substantial? or ?Low?. At the current stage of project development, no Substantial or High impacts are envisaged. If the SESP, used on a site-specific basis, identifies such impacts, the project will be re-classified accordingly. If screening indicates that a project activity causes, either directly or indirectly, economic or physical displacement, as defined by SES Standard 5, the project will not support that activity. No GEF funds will be used to compensate economic or physical displacement.

An Environmental and Social Management Plan will be prepared before the commencement of the project, and will ensure that impact management and mitigation measures are prepared to ensure that construction activities are conducted in accordance with the SES and national regulations. It will include, but not be limited to the following:

Contractor Selection: UNDP will ensure the use of contractors that are reputable and legitimate enterprises licensed by the relevant government regulatory agencies. The local labour expert will assess the capacities of project partners and third parties to observe and implement decent working conditions aligned with UN standards and national legislation.

Labor Standards: The project will comply with all national labor standards with regards to minimum wages paid for building workers and respecting all national laws related to labor.

Occupational Health and Safety: The ESMP will include an Occupational Health and Safety Plan to ensure that workers are protected during construction. The plan will include conditions under which the use of PPE is mandatory. It will ensure that first aid kits are available on site. For major injuries, emergency, primary and preventative care workers will have access to health facilities. The contractor will be required to provide adequate systems for sanitary conditions such as toilet facilities and waste bins. UNDP will ensure the project complies with all relevant laws on occupational health and safety, and that workers are provided with a safe and healthy work environment, taking into account risks inherent to the sector, and will ensure steps are taken to prevent accidents, injury and disease occurring during the course of work, and will ensure the application of preventative measures consistent with international good practice as reflected in the World Bank ?Environmental Health and Safety Guidelines?, including the provision of PPE at no cost to the worker. Targeted assessments of retrofitting and construction work will be conducted to identify, minimize and manage risks. Health and safety training, including on the proper use and maintenance of PPE, will be provided at no cost to workers. All accidents and incidents will be recorded and notified, and emergency prevention and preparedness and response arrangements will be put in place. Employment injury benefits and/or remedies for adverse impacts such as occupational injuries, disability, ill health or disease and death, will be provided.

Due diligence will be conducted to ascertain that third parties who engage project workers are legitimate and reliable entities and have in place appropriate policies, processes and systems that ensure they will operate in accordance with the requirements. UNDP will ensure that procedures are established for managing and monitoring the performance of such third parties in relation to the minimum requirements, including incorporation of the minimum requirements into contractual agreements, together with noncompliance remedies. Third parties will be required to include equivalent conditions in their contractual agreements with subcontractors.

Community Health and Safety: The project activities will all be carried out in full compliance with all national laws on health and safety as they relate to any community health risks. Site management plans will be developed, in accordance with standard good practice and SES requirements, and commensurate with the magnitude of identified impacts.

Waste: The project will only use building materials that do not impose undue risks and which are in full compliance with national building codes and the SES, including requirements relating to the disposal of waste materials. UNDP will ensure that pollution prevention and control technologies and practices, consistent with international good practice are applied. Where waste generation cannot be avoided, it will be recovered or reused, treated or disposed of in an environmentally-sound manner. Agreements with building contractors will include specific requirements for environmentally-safe waste disposal, aligned with the national legislation.

Management of identified risks will follow the ?mitigation hierarchy? model, described above. Where required, additional stand-alone plans for the activity may be developed, or addendums made to existing stand-alone plans, such as a site-specific addition to the Gender Action Plan, Traffic Management Plan, or site-specific Waste Management Plan.

Project Grievance Mechanism: The project will establish and implement a transparent, fair and free-to-access project-level Grievance Redress Mechanism (GRM), which will be put in place at the start of implementation. The Mechanism will be developed in accordance with the guidance at https://info.undp.org/sites/bpps/SES_Toolkit/SES%20Document%20Library/Uploaded%20October%202016/Stakeholder%20Response%20Mechanism%20-%20Overview%20and%20Guidance%20(Rev%209%20June).pdf

The full details of the GRM will be agreed with stakeholders during project inception.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The Implementing Partner for this project is the Ministry of Ecology and Natural Resouces with a governance structure described in further detail below and illustratred by figures 5 and 6.

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The specific tasks include:

•Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.

•Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.

•Procurement of goods and services, including human resources.

•Financial management, including overseeing financial expenditures against project budgets.

•Approving and signing the multiyear workplan.

•Approving and signing the combined delivery report at the end of the year; and,

•Signing the financial report or the funding authorization and certificate of expenditures.

Project stakeholders and target groups: The required key project partnerships have been described and elaborated in Table 1 of the chapter IV ?Results and Partnerships? in the UNDP project document.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance

function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

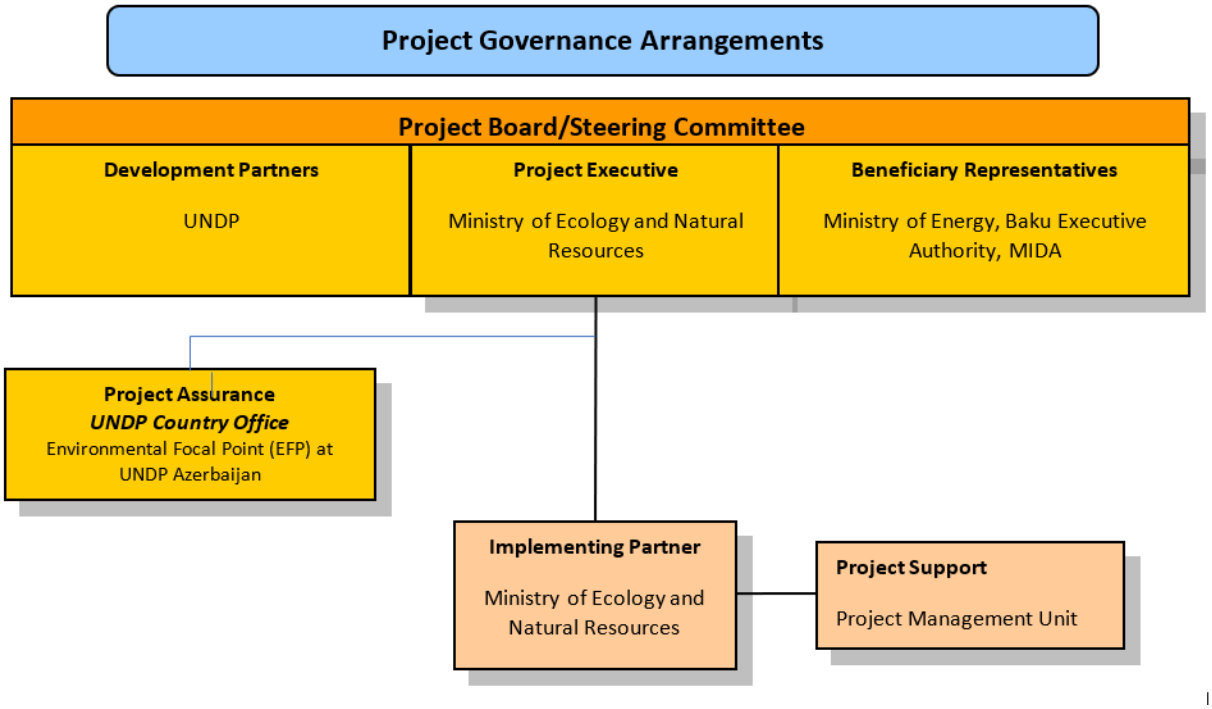

Figure 4 Project Governance Structure of this project

The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP?s Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

Segregation of duties and firewalls vis-?-vis UNDP representation on the project board:

As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

For this project, UNDP is only performing an implementation oversight role in the project vis-?-vis our role in the project board and in the project assurance function and therefore a full separation of project implementation oversight and execution duties has been assured.

Roles and Responsiblities of the Project Organization Structure:

a) Project Board: All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to

ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

The two main (mandatory) roles of the project board are as follows:

1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the ?Provide Oversight? section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.

2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the ?Manage Change? section of the POPP).

Requirements to serve on the Project Board:

? Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
? Meet annually; at least once.
? Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
? Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
? Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

Responsibilities of the Project Board:

? Consensus decision making:
o The project board provides overall overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
o Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
o The project board is responsible for making management decisions by consensus.
o In order to ensure UNDP?s ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
o In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

? Oversee project execution:
o Agree on project manager?s tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager?s tolerances are exceeded.
o Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
o Address any high-level project issues as raised by the project manager and project assurance;
o Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
o Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
o Track and monitor co-financed activities and realisation of co-financing amounts of this project.
o Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.

o Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.

? Risk Management:
o Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
o Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project?s area of influence that have implications for the project.
o Address project-level grievances.

? Coordination:
o Ensure coordination between various donor and government-funded projects and programmes.
o Ensure coordination with various government agencies and their participation in project activities.

Composition of the Project Board: The composition of the Project Board must include individuals assigned to the following three roles:

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative.
2. **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board.

3. Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner(s) is the UNDP Resident Representative in Azerbaijan

b) **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP?s project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties.

Project Management ? Execution of the Project: The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the

mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers.

A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The Government of Azerbaijan has ratified the Paris Agreement on Oct 28th, 2016 and by its Intended Nationally Determined Contribution (INDC) has taken a voluntary obligation to reduce its GHG emissions by 35% by 2030. As project related mitigation measures, the INDC outlines the following:

? Development of legislative acts and regulatory documents on energy, the implementation of awareness activities on energy efficiency, the replacement of existing technologies in electricity and thermal energy production with modern technologies, the reconstruction of the distribution networks and transmission lines, the implementation of isolation works and application of modern lighting systems;

? Massive use of control and measurement devices in electrical, heat energy and natural gas systems, application of energy-efficient bulbs, use of modern energy-saving technologies in heating systems, as well organization of public awareness programs on energy use; and

? Development and application of technical and normative legal documents on the use of alternative and renewable energy sources based on conducted assessment, acceleration of works to supply of renewable energy for the heating system for the population, enhancement of use of innovative technologies, construction of small hydro power plants (HPPs) on small rivers, irrigation canals and water basins, as well as, use of biomass, solar power, electric and heat energy, wind power, heat pumps and geothermal energy in all sectors of economy.

The draft Law of the Republic of Azerbaijan on the Efficient Use of Energy Resources and Energy Efficiency and the related first National Energy Efficiency Action Plan (NEEAP) was developed in 2018-19 with the support of the EU4Energy programme and was submitted to the Administration of the President in May 2019, but its final adoption is still pending. Among others, the Law includes provisions for energy audits, energy management systems and energy manager (chapter 3), organization of energy efficiency services (chapter 4), calculation of energy consumption and informing consumers (chapter 5) and economic and financial mechanisms for the efficient use of energy resources and the promotion of energy efficiency, including incentives and the establishment of an Energy Efficiency Fund (chapter 7).

Although the formal adoption of the draft National Energy Efficiency Action Plan (NEEAP) prepared in 2020 for the years 2021-2025 is also still pending, it outlines several required steps to implement the new EE law and which are aligned with the proposed project support that have been discussed in further detail in Chapter IV (Results and Partnerships) of the UNDP project document under Component 1.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

In Knowledge Management, the project will build on an "Open Knowledge" approach publishing all project related documentation, presentations, training materials and supported new project and business initiatives on the project's KM Platform (basically a website complemented by different social media channels) complemented by workshops and the use of electronic media such as TV and radio, for which regular statements and video coverages of project activities will be provided. Workshops will be organized at least at the beginning and at the end of the project, from which at least one will also be for an international audience. The project budget includes specific allocations for these. As a specific output the project also includes a final project report, including monitored results of the supported EE and RE investment projects, a study of lessons learnt and an analysis and related recommendations for scaling up the project results. The report of the Terminal Evaluation will also be publicly available in English and posted on the UNDP ERC website. The timeline, milestones and key deliverables of the project?s knowledge management approach are further elaborated in table 4 below.

Table 4 Key deliverables of the project?s knowledge management approach (covered also partly by the project M&E budget)

Deliverable	**Envisaged timeframe**	**Budget**
A comprehensive on-line website and regularly updated open data, knowledge management and networking platform set up and functional	Online Q2/2022 + updated throughout project implementation	US$ 40,000
A professional video documenting project results and presenting project?s pilot net-zero and close to net-zero carbon buildings as as well as other related PR materials	Q1-Q4/2025	US $ 41,020
Two international public outreach, knowledge management workshops, including a final project workshop presenting the project results, lessons learnt and recommendations for upscaling	1st workshop Q4/2023 2nd / final workshop Q2/2026	US$ 40,000
Other public outreach and knowledge sharing (social media, articles etc.) by core project staff (PMU), incl. related travel		US$ 101,700

Training and KM workshops under components 1-3	At regular intervals throughout project implementation	US$ 36,300
Total		**US$ 259,020**

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. The Monitoring Plan included in Annex J (In Chapter VI of the project document) details the roles, responsibilities, and frequency of monitoring project results.

While project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements, additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring and Evaluation Policy. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR.

The GEF Core indicators included as Annex F will be used to monitor global environmental benefits and will be updated for reporting to the GEF in prior to the MTR andd TE. The updated monitoring data should be shared with MTR and TE consultants in prior to the required evaluation missions, so that these can be used for subsequent ground truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website.

The independent Mid-term Review (MTR) should be completed no later than 36 months after CEO Endorsement.

The terms of reference, the review process and the final MTR report will follow the standard UNDP templates and UNDP guidance for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC).

An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center.

Both the MTR and the TE shall be ?independent, impartial and rigorous?. The evaluators that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

The total indicative costs of the implementation of project's M&E plan are US$ 148,000 with a break down and timing as follows:

Monitoring and Evaluation Plan and Budget: This M&E plan and budget provides a breakdown of costs for M&E activities to be led by the Project Management Unit during project implementation. These costs are included in the M&E Component of the Results Framework and TBWP. For ease of reporting M&E costs, please include all costs reported in the M&E plan under the one technical component. The oversight and participation of the UNDP Country Office/Regional technical advisors/HQ Units are not included as these are covered by the GEF Fee.		
GEF M&E requirements	**Indicative costs (US$)**	**Time frame**
Inception Workshop	5 000	Within 60 days of CEO endorsement of this project.
Inception Report	None	Within 90 days of CEO endorsement of this project.
M&E of GEF core indicators and project results framework	30 000	Annually and at mid-point and closure.
GEF Project Implementation Report (PIR)	None	Annually typically between June-August (preparation of PIRs included in project management costs)
Monitoring of Gender Action Plan (GAP) and SESP	GAP: 15 000 SESP: 15 000	On-going.
Supervision missions	None	Annually
Independent Mid-term Review (MTR)	41 500	06/2024
Independent Terminal Evaluation (TE)	41 500	09/2026
TOTAL indicative COST	**148 000**	

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The socio-economic benefits of the project include increased employment opportunities for a variety of project related professional fields, direct savings in public spendings by reduced energy bills as well as better thermal comfort for the people working or visiting the buildings that have been retrofitted or built.

The amount of saved energy, primarily natural gas and electricity corresponding with the direct GHG reduction impact of the project was estimated at about 1,3 million m^3 of gas and 8 million kWh of electricity per year, which would translate to cost savings of about USD 350,000 per year or close to USD 9 million over 25 years even without considering any price increases. For this, the current average

domestic gas prices of about 0,007 USD per m^3 for gas and 0,042 USD per kWh for electricity was used. By using the prices of for exported gas, the economic benefits would be even considerable higher.

By adding the value of reduced GHG emissions by taking into account the most recent CO_2 prices of the EU Emission Trading System (ETS) that has recently exceeded 60 Euros (about USD 70) per ton CO_{2eq}, the value of the direct GHG reduction impact of the project could be calculated to be about USD 560,000 per year or USD 14 million over 25 years, although not directly transferrable to Azerbaijan.

By project monitoring activities, the achieved socio-economic benefits will be duly recorded and presented as a part of project?s KM activities, by which the awareness of the key decision makers on the win-win nature of the improved energy efficiency of both public and residential buildings is sought to be triggered.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Social and Environmental Screening Template (2021 SESP Template, Version 1)

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

Project Information

Project Information	
1. Project Title	?Scaling up investment in energy efficiency in buildings through enhanced energy management information system (EMIS) and green social housing?
2. Project Number (i.e. Atlas project ID, PIMS+)	6479
3. Location (Global/Region/Country)	Baku, Azerbaijan
4. Project stage (Design or Implementation)	Design
5. Date	10.06.021

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach

The project will build on UNDP?s approach on mainstreaming human rights through universality and inalienability; indivisibility; inter-dependence and inter-relatedness; equality and non-discrimination; participation and inclusion; accountability and rule of law.

The project will focus on investments in energy management information systems and energy efficiency in buildings for Baku City residents and will support replication of best practices in 30 other cities of Azerbaijan.

The project will also support staffing the public sector in improving the delivery of energy efficiency services to communities (e.g. by awareness-raising events, trainings, seminars and local meetings) that will (i) encourage coordination among stakeholders and promote participatory and inclusive approaches (ii) train energy managers who are both public servants and local authorities with experience in the monitoring and analysis of energy consumption data necessary to catalyze new EE investments in the building sector for improvement of cost-effectiveness and energy delivery services to the public. Under Component 1, the project activities are designed to include gender specific considerations in policy and regulatory amendments. Under Component 2, the introduction of the Energy Management Information System (EMIS) will enable the collection of gender disaggregated data collection and analysis in connection with energy efficiency (and water) consumption in public and municipal buildings for the first time in Azerbaijan. This will provide the necessary data for policy makers with regard to the future energy efficiency investment opportunities for addressing the needs of women and men in relation to energy service and delivery. An effective EMIS is an important tool in catalyzing additional investments in energy efficiency as it can prioritize different investments regarding different energy consumption needs. The project will work with the Baku Executive Authority to prioritize investments in EE refurbishment of public and municipal buildings, primarily based on EMIS data. It will support EE refurbishment and energy audits of buildings, prioritizing public buildings used by vulnerable groups, such as retirement homes for elderly, schools, healthcare centers, social care centers etc. In addition, the project will work with the municipality to strengthen capacities to design attractive bankable projects with short payback periods, prioritizing gender considerations. Under Component 3, the project will work with MIDA on ?greening? MIDA constructed public facilities, including social housing, ensuring that equal opportunities are in place for men and women beneficiaries of green social houses and beneficiaries of social facilities are properly reflected in MIDA Charter. Under Component 4, the project will run training, awareness-raising and knowledge sharing activities and will ensure that equal training opportunities are provided for both men and women, and that women are equally represented and supported to attend training (e.g. the project arranges for provision of professional child care services during training sessions). Awareness raising activities will involve the participation and cooperation of women?s associations and NGOs, to support mainstreaming of gender considerations that reflect different energy consumption patterns and different needs of men and women in energy management initiatives.

In carrying out building improvements, the project will promote workers? rights of fair treatment, non-discrimination and equal opportunity, and will specifically prohibit the use of forced labour or child labour (as defined by the ILO) and require the same of contractors and primary suppliers.

Briefly describe in the space below how the project is likely to improve gender equality and women?s empowerment

The project will apply meaningful participatory processes for engaging women?s voices in policy making at municipal level and will support training, awareness raising and capacity building activities that will promote gender equality in accessing information and training. The project will promote women?s participation by : (i) conducting a gender analysis at the beginning of the project and developing a gender action plan to include specific activities that will empower women?s participation and equal access to opportunities; the gender analysis will seek to understand women?s and men?s different needs and responsibilities and access to resource and decision making; (ii) creating opportunities for improved access of women to information and investments in energy efficiency measures; (iii) training women to take up specific jobs with a focus on clean energy development and energy audits. The project will provide market education and awareness to the public but especially to women concerning the positive effects of retrofitted schools, kindergartens and hospitals on children?s health and safety, as well as the wider environmental social and economic benefits.

Briefly describe in the space below how the project mainstreams sustainability and resilience

The project supports the national priorities identified and addressed by the United Nations-Azerbaijan Partnership Framework (UNAPF) 2016-2020 Strategic Priority Area 3 ?Improving Environmental Management and Resilience to Hazards and Disasters? (Outcome 3.1 ? By 2020 sustainable development policies and legislation are in place, are better implemented and coordinated in compliance with MEA, recognize social and health linkages, and address issues of environment and natural resource management, energy efficiency and renewable energy, climate change and resilience to hazards and disasters). The project?s interventions and investments are aligned with the Government?s national priorities and commitments under the Rio Conventions and UNFCCC. The direct GHG reduction supported by the project will contribute to the achievement of the National Determined Contribution (NDC) GHG reduction targets. Sustainability of these interventions will be secured through a suite of policy and legal work accompanied by capacity building and awareness raising activities on energy efficiency and climate change, facilitating an improved enabling environment supported by legislative amendments that promote energy efficiency in the building sector through metering and sustainable energy consumption, and through direct application of energy efficiency standards in buildings and installation of an intelligent energy management system in public buildings.

Briefly describe in the space below how the project strengthens accountability to stakeholders

In order to ensure that the project targets appropriate beneficiaries, the team has developed a Stakeholder Engagement Plan, fully consistent with the *GEF Guidelines on the Implementation of the Policy on Stakeholder Engagement.*. The project will apply meaningful participatory processes for engaging stakeholders? voices in policy making at municipal level and will support awareness raising and capacity building activities that will promote equal opportunities for men and women to access information and participate in training and identified participatory approaches and specific activities to ensure no one is left behind. The team has further facilitated dialogue with the key stakeholders responsible for energy, environment and the building sector related activities, including municipal authorities and local NGOs, Women?s Associations and representatives of vulnerable groups. Other key stakeholders include those state and municipal authorities, which are responsible for buildings in their particular area such as health care, education, social housing etc.

The project will target low-income households, people with disabilities, women headed households, youth organizations, minorities? representatives, and identified areas where their rights might be threatened, to ensure access to equal opportunities rights, and promote participatory and inclusive approaches. As risk mitigation measures, continuing technical assistance for developing enabling policies as well awareness raising and capacity building of the key stakeholders on technical as well as broader economic benefits of energy saving are incorporated in the project strategy. A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to familiarize key stakeholders with the detailed project strategy

A Stakeholder Engagement Plan has been developed and Annexed to the ProDoc **(Annex 7**), for further ongoing consultation. Appropriate stakeholder engagement will be conducted with all sectors of the community, including local authorities, community representatives, women, and stakeholder engagement will take place on an ongoing basis, throughout the project. The Stakeholder Engagement Plan will assure the identification of all project stakeholders, with particular emphasis on poor, vulnerable and marginalized groups. Project monitoring will ensure that such groups are adequately consulted, are aware of the grievance mechanism, and that their needs are included in the project design.

Local communities will be involved in the evaluation processes and be made aware of the Grievance Procedure, Accountability Mechanism. Awareness raising activities will be held in order to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

The Stakeholder Response Mechanism helps project-affected stakeholders, governments and others partners jointly resolve concerns and disputes. It is available when Implementing Partner and UNDP project-level stakeholder engagement processes have not successfully resolved issues of concern.

UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description ***(broken down by event, cause, impact)***	***Impact and Likelihood (1-5)***	***Significance*** ***(Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***

Risk 1: Project activities and approaches might not fully incorporate or reflect views of women, and ensure equitable opportunities for their involvement and benefit. Principle: Gender Equality and Women?s Empowerment: P10 Principle: Inequality: P 5 Principle Exclusionary of disadvantageous groups: P 13	I = 3 L = 3	**Moderate**	Legislation and policy makers may overlook the gender-mainstreaming, neglect the needs of women and could miss opportunities to amend legislation so as to benefit women and vulnerable groups in particular.	This risk has been assessed during the PPG stage via the gender analysis and is managed through the Gender Action Plan, attached in Annex 8.

Risk 2: Existing policies and standards for construction and retrofit work do not meet or exceed SES Requirements. Principle: Inequality: P 5 Standard 3: 3.1, 3.2 Standard 7: 7.1-.7 Standard 8: 8.2	I = 3 L = 3	**Moderate**	The risk encompasses community and occupational health and safety, waste management, and labour standards.	Under Component 1, an analysis will be undertaken to assess policies and standards for construction and retrofit work to identify any areas where they might not meet SES requirements. Where shortfalls are found, additional requirements will be included in construction/retrofit contracts accordingly. The analysis will include regulations on Occupational Health and Safety, Community Health and Safety, Labor Standards, Waste Management and Air and Water Pollution and Permitting. The analysis will cover national and any relevant local regulations. As precise activities and exact locations are proposed, they will in addition be subject to site- and activity-specific screening with the SESP for additional risks. This will be done before retrofitting or construction work commences. And Environmental and Social Management Plan (ESMP) will be prepared before commencement of the project, and will include mitigation measures to ensure that construction activities are conducted in full compliance with national and local regulations, and the UNDP Social and Environmental Standards. Where these are not consistent, the more stringent standard will apply.

Risk 3: Project activities may involve work within or adjacent to, sites of cultural heritage importance, thereby adversely affecting them. Standard 4: 4.1, 4.3	I=3 L=2	**Moderate**	Sites will be screened for potential cultural heritage impacts as part of the site selection process. All renovation works affecting sites of historical, cultural or architectural value need to be carefully planned in close co-operation with the experts and authorities with a duty to protect these values, while also taking into account the views of different civil society organizations. No renovation works will be allowed to proceed before it can be ensured that the eventual historical, cultural and architectural values of the targeted building have been adequately protected. This is ensured by permitting procedures of national authorities. It is unlikely that there will be any significant cultural heritage impacts.	If any cultural heritage impacts are discovered, the project will work with UNESCO in order to take appropriate action in accordance with the UNESCO World Heritage Convention.
Risk 4: Project-Related Grievances and concerns from stakeholders may not be addressed in a free, fair and transparent and timely manner. Principle: Accountability: P14.	I=3 L=2	**Moderate**		A project-level, free-to-access, fair and transparent Grievance Redress Mechanism will be established at project commencement.

Risk 5: Project activities may cause temporary or permanent economic or physical displacement Standard 5: 5.1, 5.2	I=3 L=2	**Moderate**		The risk is to be established with the site-specific screening using the SESP. Under the ESMP, the project will not fund any activity which causes temporary or permanent economic or physical displacement.

	QUESTION 4: What is the overall project risk categorization?		
	Low Risk	**?**	
	Moderate Risk	☒	The SESP identifies that the impacts and risks an be identified with a reasonable degree of certainty, are few in number, limited in scale, largely reversible and can be readily addressed through application of recognized good international practice, mitigation measures and stakeholder engagement during project implementation.
	Substantial Risk	**?**	
	High Risk	**?**	

-	***QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)***				
	Question only required for Moderate, Substantial and High Risk projects				
	Is assessment required? (check if ?yes?)	☒			***Status? (completed, planned)***

	if yes, indicate overall type and status		☒	Targeted assessment(s)	Completed: stakeholder analysis, gender analysis ESMP is planned
			?	ESIA (Environmental and Social Impact Assessment)	
			?	SESA (Strategic Environmental and Social Assessment)	
	Are management plans required? (check if ?yes)	☒			
	If yes, indicate overall type	☒	☒	Targeted management plans (e.g. Gender Action Plan, Waste Management Plan, others)	Completed: Stakeholder Engagement Plan, Gender Action Plan Planned
			☒	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	Planned
			?	ESMF (Environmental and Social Management Framework)	

	Based on identified risks, which Principles/Project-level Standards triggered?		**Comments (not required)**
	Overarching Principle: Leave No One Behind		
	Human Rights	☒	
	Gender Equality and Women?s Empowerment	☒	
	Accountability	☒	
	1. Biodiversity Conservation and Sustainable Natural Resource Management	**?**	
	2. Climate Change and Disaster Risks	**?**	
	3. Community Health, Safety and Security	☒	
	4. Cultural Heritage	**?**	
	5. Displacement and Resettlement	**?**	
	6. Indigenous Peoples	**?**	
	7. Labour and Working Conditions	☒	
	8. Pollution Prevention and Resource Efficiency	☒	

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	***Date***	***Description***
QA Assessor		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have ?checked? to ensure that the SESP is adequately conducted.

QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have ?cleared? the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.	
Overarching Principle: Leave No One Behind **Human Rights**	**Answer (Yes/No)**
P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	Yes
P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	No
Would the project potentially involve or lead to:	
P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [1]	Yes
P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women?s Empowerment	
P.8 Have women?s groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No

Would the project potentially involve or lead to:	
P.9 adverse impacts on gender equality and/or the situation of women and girls?	No
P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
P.11 limitations on women?s ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12 exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc*.	No
Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below	
Accountability	
Would the project potentially involve or lead to:	
P.13 exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	Yes
P.14 grievances or objections from potentially affected stakeholders?	Yes
P.15 risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
Would the project potentially involve or lead to:	
1.1 adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No

1.2 activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3 changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4 risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5 exacerbation of illegal wildlife trade?	No
1.6 introduction of invasive alien species?	No
1.7 adverse impacts on soils?	No
1.8 harvesting of natural forests, plantation development, or reforestation?	No
1.9 significant agricultural production?	No
1.10 animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11 significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12 handling or utilization of genetically modified organisms/living modified organisms?[2][2]	No
1.13 utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[3][3]	No
1.14 adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks	
Would the project potentially involve or lead to:	
2.1 areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	Yes

2.2 outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	Yes
2.3 increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population?s vulnerability to climate change, specifically flooding*	No
2.4 increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
Standard 3: Community Health, Safety and Security	
Would the project potentially involve or lead to:	
3.1 construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	Yes
3.2 air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	Yes
3.3 harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Yes
3.4 risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	Yes
3.5 transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.6 adverse impacts on ecosystems and ecosystem services relevant to communities? health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7 influx of project workers to project areas?	No
3.8 engagement of security personnel to protect facilities and property or to support project activities?	No
Standard 4: Cultural Heritage	
Would the project potentially involve or lead to:	
4.1 activities adjacent to or within a Cultural Heritage site?	Yes
4.2 significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No

4.3 adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Yes
4.4 alterations to landscapes and natural features with cultural significance?	No
4.5 utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement	
Would the project potentially involve or lead to:	
5.1 temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	Yes
5.2 economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions ? even in the absence of physical relocation)?	Yes
5.3 risk of forced evictions?[4][4]	No
5.4 impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples	
Would the project potentially involve or lead to:	
6.1 areas where indigenous peoples are present (including project area of influence)?	No
6.2 activities located on lands and territories claimed by indigenous peoples?	No
6.3 impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? If the answer to screening question 6.3 is ?yes?, then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk	No
6.4 the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5 the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No

6.6 forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? Consider, and where appropriate ensure, consistency with the answers under Standard 5 above	No
6.7 adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8 risks to the physical and cultural survival of indigenous peoples?	No
6.9 impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.	No
Standard 7: Labour and Working Conditions	
Would the project potentially involve or lead to: (note: applies to project and contractor workers)	
7.1 working conditions that do not meet national labour laws and international commitments?	Yes
7.2 working conditions that may deny freedom of association and collective bargaining?	Yes
7.3 use of child labour?	Yes
7.4 use of forced labour?	Yes
7.5 discriminatory working conditions and/or lack of equal opportunity?	Yes
7.6 occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	Yes
Standard 8: Pollution Prevention and Resource Efficiency	
Would the project potentially involve or lead to:	
8.1 the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
8.2 the generation of waste (both hazardous and non-hazardous)?	Yes
8.3 the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	No

8.4 the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	No
8.5 the application of pesticides that may have a negative effect on the environment or human health?	No
8.6 significant consumption of raw materials, energy, and/or water?	No

[1] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to ?women and men? or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

[2] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.

[3] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

[4] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
6479_EMIS_AZE_Annex 4_K_SESP_5_10_2021_JM_BR_clean	**CEO Endorsement ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Annex A: Project Results Framework

(In Chapter V of the Project Document)

This project will contribute to the following Sustainable Development Goal (s)*: #5* Gender equality, #7 Affordable and clean energy, #11 Sustainable cities and communities, #13 Climate Action				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Outcome 3.1: By 2020, sustainable development policies and legislation are in place, are better implemented and coordinated in compliance with multilateral environmental agreements, recognize social and health linkages, and address issues of environment and natural resource management, energy efficiency and renewable energy, climate change, and resilience to hazards and disasters.				
	Objective and Outcome Indicators **(no more than a total of 20 indicators)**	**Baseline**	**Mid-term Target**	**End of Project Target**
Project Objective: To promote energy efficiency in buildings, which includes implementing an intelligent Energy Management Information System (EMIS) and greening MIDA Social Housing Programme	**Mandatory** Indicator 1: # direct project beneficiaries disaggregated by gender (individual people)	Males: 0 Females: 0	Males: 700 Females: 700	Males: 5 000 Females: 5 000
	Mandatory GEF Core Indicators:			
	Indicator 2: Direct and indirect lifetime GHG emissions avoided (metric tons of CO2e)	Direct: 0 Indirect: 0	Direct: 0 Indirect: 0	Direct: 200 000 tons of CO_{2eq} Indirect: 1 170 000 tons of CO_{2eq}
	Indicator 3: Energy saved (TJ)	0	0 TJ	1 800 TJ
	Indicator 4: Increase in installed renewable energy capacity (MW)	0	0	1 MW
Project component 1	Enabling policy framework for increased energy efficiency in buildings			

Outcome 1.1: Required legal and other policy interventions in place for effective implementation of energy efficiency in buildings	*Indicator 5: Status of the legal and regulatory documents listed in chapter IV of the project document (under Outputs 1.1.1 ? 1.1.2)*	None	Drafts of required primary and secondary legislation (or their amendments) completed for items listed in chapter IV of the project document (Outputs 1.1.1 ? 1.1.2)	Required primary and secondary legislation (or their amendments) adopted for items listed in chapter IV of the project document (Outputs 1.1.1 ? 1.1.2)
Outputs to achieve Outcome 1	Output 1.1.1: New secondary legislation, including technical standards and guidelines, to support the implementation of the Law on the Efficient Use of Energy Resources and the NEEAP developed and adopted, as listed in chapter IV of the project document. Output 1.1.2: A new Law on Energy Efficiency in Buildings and related secondary legislation drafted and, as applicable, adopted			
Project component 2	Improved monitoring of buildings? energy performance by Energy Management Information Systems (EMIS) established at the municipal level and leveraged financing for municipal EE investments			
Outcome 2.1: Central EMIS Support Unit established and securing funding for its continuing operation after the project, thereby providing a basis for broader sustainable adoption of EMIS.	*Indicator 6: Status of the Central EMIS Support Unit*	NA	Central EMIS Support Unit established with trained staff	Central EMIS Support Unit in operation with secured funding to sustain its operation also after the project
Outputs to achieve Outcome 2.1	Output 2.1.1: Feasibility study for the introduction of EMIS in Azerbaijan completed Output 2.1.2: Central EMIS Support Unit established with required ICT facilities and staff (including a help desk), and securing funding for its continuing operation also after the project. Output 2.1.3: Completed set-up of EMIS, incl. its installation and translation into Azeri language, required arrangements for data transfer and a database, institutional arrangements and agreements completed for monitoring the energy performance of all public buildings in Baku City with a possibility expand and replicate the set-up also in other municipalities.			
Outcome 2.2: Enhanced capacities for energy efficiency in buildings and EMIS	*Indicator 7: Number of municipalities and buildings using and regularly delivering data to EMIS*	Municipalities: 0 Buildings: 0	Municipalities: 5 Buildings: 100	Municipalities: 30 Buildings: 300

implementation	*Indicator 8: Number of trained professionals on using EMIS (disaggregated by gender)*	Males: 0 Females: 0	Males: 100 Females: 100	Males: 200 Females: 200
Outputs to achieve Outcome 2.2	Output 2.2.1: Training delivered and skills on EMIS and EE strengthened for at least 400 people of different professional groups Output 2.2.2: Municipal Energy Efficiency Charter signed by at least 30 municipalities, including municipalities Baku rayons Output 2.2.3: EMIS and Energy Efficiency Support Units established in at least 30 municipalities, including municipalities Baku rayons Output 2.2.4: Public buildings of participating municipalities equipped for delivering data to EMIS, including at least 200 buildings with a floor area of at least 1 million m2.			
Outcome 2.3: Investment mobilized using data from EMIS	*Indicator 9: Number of buildings and the amount of investments used for implementing energy saving measures by using data from and monitored by EMIS*	Number of buildings: 0 Amount of investments: 0	Number of buildings: 3 Amount of investments: US$ 1,000,000	Number of buildings: 30 Amount of investments: US$ 10,000,000
Outputs to achieve Outcome 2.3	Output 2.3.1: Completed energy audits by using agreed methodology (see output 1.1.1) with related recommendations for EE measures for at least 30 public buildings using data from EMIS Output 2.3.2: Finalized technical design of EE retrofit measures to be implemented in at least 30 buildings with a target to reduce their energy consumption and/or related GHG emissions by at least 35%. Output 2.3.3: Energy saving projects implemented with monitored and reported results in at least 30 buildings with the total floor area of at least 60 000 m2 with a target to reduce their energy consumption and/or related GHG emissions by at least 35%.			
Project component 3	New energy efficiency targets, norms and standards embedded into the National Social Housing Strategy			

Outcome 3.1: Enhanced capacity of professionals engaged in designing and implementing social housing projects on integrated low carbon building design principles and on opportunities to reduce the carbon footprint of social housing, while still maintaining the costs at an acceptable level	*Indicator 10: Number of trained professionals working on the design, implementation or financing of social housing projects (disaggregated by gender)*	Males: 0 Females: 0	Males: 100 Females: 100	Males: 200 Females: 200
Outputs to achieve Outcome 3.1	Output 3.1.1: Training delivered and skills strengthened of key professional groups engaged in MIDA construction activities on net-zero or close to net-zero carbon building design and on integrated building design principles in general taking also into account gender related aspects Output 3.1.2: Green housing contests for a net-zero or close to net-zero carbon design of selected MIDA construction site or building(s) by applying integrated building design principles			
Outcome 3.2. Demonstration of best practices for energy efficient design and construction of social housing with lessons learnt and related recommendations for further work embedded into National Housing Strategy and/or MIDA Charter, including gender related aspects.	*Indicator 11: The amount of saved energy and CO_2 emissions reduced from the implemented demonstration projects compared to the baseline*	*0 tons of CO2e* *0 TJ*	*0 tons of CO2e* *0 TJ*	*26 500 tons of CO2e* *290 TJ*
	Indicator 12: Status of the MIDA Charter and/or National Social Housing Strategy to include new EE targets or norms	Current	Draft amended MIDA Charter and/or National Social Housing Strategy finalized with new EE targets or norms.	Draft amended MIDA Charter and/or National Social Housing Strategy finalized with new EE targets or norms.

Outputs to achieve Outcome 3.2	Output 3.2.1: Detailed design of at least two residential buildings and all service buildings of selected MIDA site to test and demonstrate new energy efficiency and renewable energy measures going beyond the standard construction norms in force. Output 3.2.2: Construction of buildings with complementary EE and RE measures completed, including required metering and monitoring equipment to be installed both to the new ?low-carbon? residential and service buildings as well as to otherwise similar buildings constructed on the basis of the standard construction norms in force. Output 3.2.3 A report on the monitored and verified results of the demo projects comparing them to the monitored energy performance of otherwise similar ?standard baseline buildings?, while also including lessons learnt and recommendations for further work, including suggested changes, as applicable, to construction norms and regulations. Output 3.2.4 Review of the MIDA charter and applicable national social housing strategies with related recommendations for amendments, as needed taking into account both social and environmental aspects and how the joint effort of combatting climate change can or should be taken into account in social housing construction			
Project component 4	**Knowledge management**			
Outcome 4.1: Enhanced awareness and knowledge about the project results and lessons learnt with compiled KM materials and recommendations for scaling up	*Indicator 13:* Number of people disaggregated by gender reached by project?s knowledge management and information dissemination activities	Males: 0 Females: 0	Males: 500 Females: 500	Males: 1000 Females: 1000
Outputs to achieve Outcome 4.1	Output 4.1.1: A comprehensive on-line website and regularly updated open data, knowledge management and networking platform set up and functional Output 4.1.2 A professional video documenting project results and presenting project?s pilot net-zero and close to net-zero carbon buildings. Output 4.1.3: Two international public outreach, knowledge management workshops, including a final project workshop presenting the project results, lessons learnt and recommendations for upscaling			
Project component 5	**Monitoring and evaluation**			
	Output 5.1.1 Inception workshop Output 5.1.2 Annual project monitoring reports (SESP, Gender, PIR) Output 5.1.3 Project mid-term evaluation Output 5.1.4: An end of the project ?lessons learnt? report, including monitored results of supported EE investments and recommendations for upscaling Output 5.1.5 Project terminal evaluation			

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Annex B: Response to Project Reviews (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion, and responses to comments from the Convention Secretariat and STAP at PIF).

The GEF Secretariat comments at the PIF/Work Program Inclusion to be considered at the time of the CEO endorsement/approval

There were no comments by the GEF Secretariat at the PIF/work program Inclusion to be considered at the time of the CEO endorsement/approval

The GEF Council comments at the at the work program inclusion

Germany Comments

Germany welcomes the project proposal with the objective of achieving energy savings and GHG emissions reductions through increased energy efficiency in buildings. The proposal builds on proven successes of UNDP in Serbia and Croatia and is welcome given the high energy intensity of Azerbaijan.

Suggestions for improvements to be made during the drafting of the final project proposal:

1. Germany would recommend reviewing the section on stakeholder engagement to promote the marketing of ?cost savings?. The proposal notes a strong need to change behaviours and raise awareness about the link between energy use and reducing GHGs to incentivize desired changes. The quantification of economic benefits could be beneficial in this context.

2. Germany recommends reviewing the section on co-financing, specifically the nature of the USD 50 million from the Social Housing Authority MIDA. It would be helpful to understand whether it is additional funding specifically for work on EE, or whether it is part of the Authority?s annual budget for building and refurbishing public housing

3. Germany kindly asks to review whether the unit of GHG emissions in paragraph 4 is correct. The TNC reports the figure 51,851 Gg CO2eq, which would be 51.8 million MtCO2e/year. The year that this data was taken is also missing.

4. Lastly, Germany kindly asks to consider reformulating the sentence in paragraph 5, which states that ?better buildings insulation in 20% of urban residential buildings by 2050 will halve heat losses.? This formulation seems to suggest that Azerbaijan need only to refurbish 20% of its residential buildings to reduce building emissions by 50%. Upon review of the TNC, it appears that Azerbaijan is

proposing a target measure to upgrade 20% of residential buildings by 2050, citing that renovated buildings use half as much energy.

UNDP Response

1. We agree on this recommendation and it has been taken into account and reflected in the stakeholder engagement plan.

2. It has been clarified that the USD 50 million from the Social Housing Authority MIDA is not additional funding specifically for work on Energy Efficiency, but it is a public investment by MIDA for the construction of new social housing and related service buildings, which would happen even without the project, but which the project aims at complementing by both the GEF supported technical assistance and an incremental investment component to reduce the carbon footprint of those buildings by more energy efficient design and related EE and RE equipment.

3. The unit in the PIF, to which the comment is referring to was indeed a mistake. During preparation of the final proposal, the Fourth National Communication (FNC) of Azerbaijan was published estimating that in 2016, the amount of GHG emissions in the Republic of Azerbaijan was 61.257 Mt of CO_{2eq}, and the net emissions, taking into account the removals at 54.033 Mt of CO_{2eq}. These figures have also been presented in CEO Endorsement Request instead of the figures presented in PIF.

4. The sentence the fourth comment is referring to has been reformulated as suggested and included as such into the CEO Endorsement Request.

Canada Comments

It would be helpful if the proposal could provide greater clarity on the role of the State Oil Fund of Azerbaijan as a stakeholder of this project. Ref: ?Stakeholders expected to participate in the project, and benefit from the capacity building and awareness raising events are: The State Oil Fund of Azerbaijan [...]

UNDP Response:

The State Oil Fund of Azerbaijan is not envisaged to have any particular role in the project at this point, but will be further explored during project implementation

The STAP comments at the at the work program inclusion

STAP Overall Assessment

STAP welcomes this project, which aims to promote energy efficiency in buildings through enhanced energy management information systems (EMIS) and green social housing in Azerbaijan. The project focuses, to a considerable extent, on the roll-out of an EMIS in Azerbaijan?s rural areas for the first time. This is noted as innovative and is particularly important in an oil-rich country where fuels have historically been subsidized.

1. There is a fairly detailed inventory of barriers to the implementation of energy efficiency provided in the table on page 26-28. However, the barriers to scaling up in all three forms (scale-up, scale-out and scale deep) are not presented per se. The proposal sees scaling up as a critical goal (given the title) and so further attention should also be paid to the other two dimensions of scaling.

2. Blockchain technology has been used to improve energy efficiency and energy management systems, and this could be explored for this project. Relevant literature on this topic includes STAP?s paper on harnessing blockchain technology for the delivery of global environmental benefits (http://stapgef.org/harnessingblockchain-technology-delivery-global-environmental-benefits); Blockchain in Energy Efficiency: Potential Applications and Benefits (https://www.mdpi.com/1996-1073/12/17/3317/pdf); IFC Using Blockchain to Enable Cleaner, Modern Energy Systems in Emerging Markets (https://www.ifc.org/wps/wcm/connect/46ad7055-a5b5-4db0-af78-92fc67a61566/EMCompass-Note-61-Blockchain.pdf?MOD=AJPERES&CVID=mthzuiy).

3. There is currently no theory of change provided in the PIF. A detailed theory of change analysis (narrative and/or diagram) should be developed for the project. Please see STAP's recent paper on the Theory of Change for further guidance. Please see STAP paper on theory of change for further guidance on developing theory of change: http://stapgef.org/theory-change-primer

4. Domestic stakeholders are noted and identified though it is worth noting that civil society engagement in Azerbaijan has been questioned since the country withdrew from the Extractive Industries Transparency Initiative (EITI) due to multilateral insistence on broader stakeholder engagement. For this project, STAP believes there is a significant benefit to be gained from interfacing with business certification efforts such as LEAD (Green Building Council) as well as UN-Habitat and importantly the GEF Sustainable Cities Impact Program. Also, the academic and research community should be included in the stakeholders of this project.

5. Climate risk assessment for the project should be more rigorous than currently presented. It should answer the following questions: how will the project?s objectives or outputs be affected by climate risks over the period 2020 to 2050 and have the impact of these risks been addressed adequately; has the sensitivity to climate change, and its impacts, been assessed; have resilience practices and measures to address projected climate risks and impacts been considered and how will these be dealt with; what technical and institutional capacity and information will be needed to address climate risks and resilience enhancement measures?

UNDP Response:

1. Despite the title of the project, the three elements of scaling are deeply rooted in the project strategy. The terms *scale-up, scale-out and scale deep* are commonly discussed in the context of social innovations, where *scale-up* refers to impacting laws and policies, *scale-out* refers to replication and dissemination to increase the number of people or communities impacted and *scale deep* to have an impact on cultural values and beliefs, hearts and minds[1]. By keeping these definitions in mind, component 1 of the project can be categorized as a *scale-up* component, while component 2 and the output 2.2.3 in particular with an aim to spread EMIS and Energy Management to at least 30 new municipalities is greatly contributing to ?*scaling-out*? and all components together with an emphasis on capacity building, knowledge management and awareness raising are seeking to change the traditional attitude to energy in Azerbaijan as an unlimited relatively cheap resource to something worth saving both for the sake of the environment and its economic value thereby contributing to *scaling deep*.

2. By building on the assessment done during PPG phase of the project, it was concluded that for starting to effectively apply and explore blockchain technology in the context of this project, it still too early. The concept of EMIS and energy management in general has to be first introduced and better rooted into the current building management practices at a simpler level and format allowing the key local stakeholders to recognize its benefits, after which it can be gradually developed into more sophisticated and developed forms.

3. The Theory of Change aligned with the STAP guidance was developed during the PPG and is presented in the documents submitted for final CEO Endorsement.

4. A reference to the mentioned business certification efforts has been added into the project design and possible synergies and co-operation opportunities with them will be further explored with during project implementation *vis a vis* the different project outputs and targets. The academic and research community has been included among the project stakeholders.

5. A more rigorous climate risk assessment has been prepared for the project answering the questions posed by the STAP review to the extent possible

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[1] Moore, Michele-Lee & Riddell, Darcy & Vocisano, Dana. (2015). Scaling Out, Scaling Up, Scaling Deep Strategies of Non-profits in Advancing Systemic Social Innovation *. Journal of Corporate Citizenship. 2015. 67-84.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

Annex C: Status of Utilization of Project Preparation Grant (PPG)

(Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	***GEF Amount ($)***		
	Budgeted Amount	***Amount Spent to date***	***Amount Committed***
Component A: Preparatory Technical Studies & Reviews	60,000	58,000	0,00

Component B: Formulation of the BPPS NCE Project Document, CEO Endorsement Request, and Mandatory and Project Specific Annexes	30,000	28,200	2,500
Component C: Validation Workshop and Report	10,000	4,100	7,200
Total	**100,000**	**90,300**	**9,700**

If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake exclusively preparation activities up to one year of CEO Endorsement/approval date. No later than one year from CEO endorsement/approval date. Agencies should report closing of PPG to Trustee in its Quarterly Report.

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (USDeq.)	Total (USDeq.)	Responsible Entity

			Component 2			Component 3							
		Component 1	Sub-component 2.1	Sub-component 2.2	Sub-component 2.3	Sub-component 3.1	Sub-component 3.2	Component 4	Sub-Total	M&E	PMC		Executing Entity receiving funds from the GEF Agency [1]

Furniture/ Equipment	ICT an other technical equipment for the establishment of up to 30 local EE Support Units in selected municipalities with a budget allocation of up to $5,000 each and 300 units of smart meters of about $500 each for monitoring and feeding to EMIS information about the energy performance of the buildings owned by the municipalities (Outputs 2.2.3 and 2.2,4)			300,000					**300,000**			**300,000**	MoENR

Furniture/ Equipment	Based on the measures suggested by energy audits, supporting building EE retrofits of at least 30 buildings with the total floor area 60,000 m2 with the average cost-sharing contribution of USD 18,5per m2, including selected renewable energy investments such as roof-top PV systems with approximate costs of USD 1,150 per kWp for 35 kWp in total (Output 2.3.3)				1,150,000				**1,150,000**			**1,150,000**	MoENR

Furniture/ Equipment	By building on the measures and pilot project ideas generated by the green housing contests for a net-zero or close to net-zero carbon building design, cost-sharing the investments of the first pilot buildings with up to USD 15 per ton of CO2eq of the estimated GHG reduction of the suggested measures compared to similar baseline construction (Output 3.2.2)						1,000,000		**1,000,000**			**1,000,000**	MoENR

Furniture/ Equipment	ICT equipment and furniture for the PMU staff and office, as needed								**0**		5,585	**5,585**	MoENR
Contractual Services ? Individual	Technical task manager of component 2 with the estimated average costs of $460 per week for 250 weeks in total		36,800	41,400	36,800				**115,000**			**115,000**	MoENR
Contractual Services ? Individual	Technical task manager of component 3 with the estimated average costs of $460 per week for 250 weeks in total					46,000	69,000		**115,000**			**115,000**	MoENR

Contractual Services ? Individual	Task manager for component 4 acting also as the project public outreach and communication officer with the estimated average costs of $460 per week for 145 weeks in total							66,700	**66,700**			**66,700**	MoENR
Contractual Services ? Individual	GEF cost sharing of the salary costs of project manager and project assistant for 208 weeks out of 260 weeks with the estimated gross rate of $600 for project manager and $300 for project assistant.								**0**		187,200	**187,200**	MoENR

Contractual Services ? Company	Local or international company contract (s) for completing draft regulations and laws for Outputs 1.1.1-1.1.4	80,000							**80,000**			**80,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for completing the feasibility study and adapting the EMIS software (incl. the database) for the use in Azerbaijan, incl. Its required annual upgrades and maintenance with estimated initial cost of $40,000 for the first year and $15,000 per year for four years after that (Outputs 2.1.1, 2.1.3 and 2.1.4)		100,000						**100,000**			**100,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for completing energy audits and related recommendations for EE retrofits of at least 30 buildings (Output 2.3.1). Estimated average costs $4,000 per building.				120,000				**120,000**			**120,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for the final technical design of the proposed EE retrofits in at least 30 buildings and supervision of their implementation with average cost-sharing by the project at the amount of about $3,000-$3,500 per building (Output 2.3.2)				100,000				**100,000**			**100,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for supporting the final design of MIDA demo buildings by building on the results of the green building design contest (Output 3.2.1)						50,000		**50,000**			**50,000**	MoENR
Contractual Services ? Company	Local or international company contract (s) for monitoring and verifying the energy and other performance of the demo buildings constructed (Output 3.2.3)						15,000		**15,000**			**15,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for initial development and annual upgrading and maintenance of the project online KM platform with estimated initial cost of $20,000 for the first year and $5,000 per year for four years after that (Outputs 4.1.1)							40,000	**40,000**			**40,000**	MoENR

Contractual Services ? Company	Local or international company contract (s) for monitoring and verifying the projects results vis a vis the GEF core and other indicators and targets in the project results framework with related recommendations for improvements								**0**	30,000		**30,000**	MoENR

International Consultants	Part-time resident international project advisor(s) for components 1-4 with the costs allocated for different components and subcomponents with the estimated average costs of $3,000 per week for 115 weeks in total	75,000	40,000	62,500	40,000	32,500	65,000	30,000	**345,000**			**345,000**	MoENR
International Consultants	International trainers for output 3.1.1 with the estimated average costs of $3,750 per week for 8 weeks					30,000			**30,000**			**30,000**	MoENR

International Consultants	Project mid-term and final eveluators with the average costs of $3,750 per week for 16 weeks in total								**0**	60,000		**60,000**	MoENR
Local Consultants	Legal and other local expert support for Outputs 1.1.1 - 1.1.4 with the estimated average costs of $750 per week for 40 weeks in total	30,000							**30,000**			**30,000**	MoENR

Local Consultants	Project cost-sharing for staffing of the EMIS help-desk (incl. student trainees) with the estimated average costs of $150 per week for 500 weeks in total (Output 2.1.2)		75,000						**75,000**			**75,000**	MoENR
Local Consultants	Local training experts with the estimated average costs of $750 per week for 20 weeks in total (Output 2.2.1)			15,000					**15,000**			**15,000**	MoENR

Local Consultants	Initial cost-sharing for hiring EMs for up to 30 municipalities (one EM possibly covering several smaller municipalities) with the estimated average costs of $200 per week for 1,000 weeks in total (Output 2.2.3)			200,000					**200,000**			**200,000**	MoENR
Local Consultants	Initial data compilation for at least 100 buildings with the estimated average local consultancy costs of $200 per week for 50 weeks in total (Output 2.2.4)			10,000					**10,000**			**10,000**	MoENR

Local Consultants	Local training experts with the estimated average costs of $750 per week for 20 weeks (Output 3.1.1)					15,000			**15,000**			**15,000**	MoE NR
Local Consultants	Green architectural design contest development with the estimated average costs of $750 per week for 10 weeks (Output 3.1.2)					7,500			**7,500**			**7,500**	MoE NR
Local Consultants	Annual GAP and SESP monitoring with the estimated average costs of $750 per week for 40 weeks								**0**	30,000		**30,000**	MoE NR

Local Consultants	Local experts for mid-term and final evaluation with the estimated costs of $750 per week for 10 weeks each or 20 weeks in total								**0**	15,000		**15,000**	MoENR
Innovation Awards	Innovation awards for the contests of the green net-zero or close to net-zero carbon social housing design (Output 3.1.2)					35,000			**35,000**			**35,000**	MoENR

Audio visual and printing production	Production of outreach material for disseminating the project results, including a a professional video documenting project results and presenting project?s pilot net-zero and close to net-zero carbon buildings as well as other related PR materials							41,020	**41,020**			**41,020**	MoENR
Trainings, Workshops, Meetings	Organisational costs for co-ordination, KM and training workshops contributing to different outputs of components 1, 2 and 3	11,300	5,000	7,500		9,000	3,500		**36,300**			**36,300**	MoENR

Trainings, Workshops, Meetings	Two international KM and public outeach workshops, incl. the final project workshop, with the estimated organisational costs of USD 20,000 each							40,000	**40,000**			**40,000**	MoE NR
Trainings, Workshops, Meetings	Inception workshop								**0**	5,000		**5,000**	MoE NR
Travel	International and local expert travel	3,700	3,000	4,000	3,000	5,000	2,500	5,000	**26,200**	8,000		**34,200**	MoE NR
Travel	Project management related travel								**0**		3,500	**3,500**	MoE NR
Office Supplies	Office supplies estimated $800 per year								**0**		4,000	**4,000**	MoE NR
Other Operating Costs	Annual financial audits estimated at $3000 per year								**0**		15,000	**15,000**	MoE NR
Grand Total		200,000	259,800	640,400	1,449,800	180,000	1,205,000	222,720	**4,157,720**	148,000	215,285	**4,521,005**	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on

Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

n/a

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

n/a

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).

n/a