



GEF

REQUEST FOR PROJECT PREPARATION GRANT (PPG)
PROJECT TYPE: Full-sized Project
THE GEF TRUST FUND

Submission date: January 2008
Re-submission date: October 2008

GEF PROJECT ID¹: CC 3595
GEF AGENCY PROJECT ID: GF/INS/09/XXX
COUNTRY(IES): Indonesia
PROJECT TITLE: Promoting Energy Efficiency in the Industries through System Optimization and Energy Management Standards
GEF AGENCY(IES): UNIDO, (select), (select)
OTHER EXECUTING PARTNER(S): MINISTRY OF ENERGY AND MINERAL RESOURCES
GEF FOCAL AREA(S): Climate Change, (select), (select)
GEF-4 STRATEGIC PROGRAM(S): CC-SP2 Industrial EE
NAME OF PARENT/PROGRAM/UMBRELLA PROJECT (if applicable):

REDUCING INDUSTRY’S CARBON FOOTPRINT IN SOUTH EAST ASIA THROUGH COMPLIANCE WITH A MANAGEMENT SYSTEM FOR ENERGY (ISO 50,001).

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	December 2008
Completion date of PPG	April 2010
CEO Endorsement/Approval of project	June 2010

B. PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

This GEF/UNIDO Indonesia project falling under the umbrella of UNIDO's industrial energy efficiency program for South East Asia will be developed jointly as appropriate in order to cost optimize use of the PPG funding available from both GEF and UNIDO.

An industrial survey (questionnaire) will be undertaken in Indonesia to compile data and information needed for the development and formulation of the full scale GEF project document. The Survey will focus on: current energy management practices; energy consumption patterns; critical barriers for improved energy efficiency; cost effective energy efficiency measures and technological interventions; and adoption of energy management standards.

Data and information collected through the industrial survey will be used by a team of international and local experts working together under UNIDO’s guidance in close consultation with the Government of Indonesia to develop more robust energy efficiency baseline for the GEF/UNIDO project as well as for realistic estimation of GHG emissions reductions attributable to the proposed GEF intervention. Survey’s findings will also assist to identify industrial sectors and key barriers to energy efficiency to primarily address during the project interventions. Local experts will support the execution of the survey to ensure adequate response from Indonesian industries.

¹ Project ID number will be assigned initially by GEFSEC. If PIF has been submitted earlier, use the same ID number as PIF.

Two missions to Indonesia will be required to complete the PPG activities. The missions will provide for the requisite “recorded process of transparent dialogue between key stakeholder groups”. Prior to these missions, there will be a regional workshop in Singapore where representatives from Standards Authority and Energy Ministry and other stakeholders will be invited to assess impact and possible harmonisation of Energy Management Standards and discuss system optimization in industry.

There will be an inception workshop in Jakarta on presentation/introduction of energy systems optimization and energy management standards to senior managers from national industry, financing institutions, ESCOs, energy consulting firms and industry associations to solicit strong interest and secure commitments for implementation of EE projects within scope of project. A second workshop will be conducted at the end of the PPG to develop the project log framework and meet with national officials and experts to agree final project plan and design.

List project preparation activities	Output of the PPG activities	Project Preparation (a)			Co-financing (b)	Total C = a + b
		PDF-A	PDF-B/C	PPG		
1. Acquisition of industry relevant background information and survey of Indonesian industry; Awareness raising in-country technical inception workshop; Discussions with project counterparts and other stakeholders on technical design parameters; and Regional workshop on energy management standards and system optimization (with other countries in the UNIDO/GEF SE Asia regional program).	Government and Industry participants familiar with technical aspects of project. Business as usual scenario and impacts of current national energy policies/programs over 10 yrs w/o GEF intervention estimated. Energy and GHG savings attributable to project calculated. Selection of sectors and identification of enterprises. Agreement on industrial co financing for EE projects. Finalization of regional activities on energy management standards.			50,000	75,000	125,000
2. Project preparation in cooperation with national energy efficiency and standards authorities; Circulation of draft document to stakeholders; In-	Project document, (strategy, indicators, measurement, assumptions, risks, monitoring & evaluation plan). Incremental cost matrix			30,000	75,000	105,000

country second workshop to finalize GEF project document.	for GEF budget (log framework, baseline, GEF alternative, incremental cost of adopting energy management standards and system optimization, national and global benefits). Development of private sector investment plan and formulation of appropriate policies and financial incentives. Confirmed government project co financing.						
Total project preparation financing					80,000	150,000	230,000

C. PPG REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)

GEF Agency	Focal Area	Country Name/ Global	(in \$)		
			PPG (a)	Agency Fee (b)	Total c = a + b
UNIDO	Climate Change	Indonesia	80,000	8,000	88,000
(select)	(select)				
Total PPG Requested			80,000	8,000	88,000

D. PPG BUDGET REQUEST

Cost Items	Total Estimated Person Weeks for GEF Grant (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	22	22,000	39,000	61,000
International consultants*	8.5	34,000	52,000	86,000
Travel		24,000	39,000	63,000
Project Management			20,000	20,000
Total PPG Budget		80,000	150,000	230,000

* A separate Annex A for Consultant cost details should be included in this PPG Request.

E. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 Dmitri Piskounov Managing Director	Sanjaya Shrestha Project Contact Person
Date: (Month, Day, Year) Oct 23, 2008	Tel. and Email: 43 1 260263730 S.Shrestha@unido.org
Name & Signature GEF Agency Coordinator	Project Contact Person
Date: (Month, Day, Year)	Tel. and Email:
Name & Signature GEF Agency Coordinator	Project Contact Person
Date: (Month, Day, Year)	Tel. and Email:

Annex A**Consultants Financed by the Project Preparation Grant (PPG)**

Position Titles	\$/ Person Week*	Estimated PWs**	Tasks to be performed
Local			
Project Coordinator	1000	29	1. Coordinate national team responsible for PPG phase including execution of the UNIDO survey in industry on the use and management of industrial energy. 2. Liaise with UNIDO Headquarters and Indonesia Country Office on all matters concerning implementation of the PPG. 3. Liaise with the Indonesian project counterparts and other stakeholders. 4. Responsible for preparatory work prior for the two international missions, technical inception workshop and project design seminar.
Standards Expert	1000	9	Assist international energy management expert with development of program to introduce ISO 50,001 into Indonesia.
Energy Efficiency Expert	1000	17	Support work of international team with baseline data collection; preliminary identification of industrial partners for the project and liaise with government EE authorities.
Financial Expert	1000	6	Assist international expert with development of private sector investment plan for systems optimization EE projects and liaise with national financing institutions.
International			
Industrial Energy Efficiency Expert	4000	8.5	1. Review and analysis of regulatory and policy environment in Indonesia with potential to impact industrial energy efficiency investments. Evaluate potential for incentives using penalties/rewards. 2. Review capacity of national project counterparts (standards bodies, energy efficiency authorities, private sector entities). 3. Using results of the UNIDO survey and other available database/information, facilitate identification of suitable industry sub-sectors on which the UNIDO/GEF project should focus using industry profiles (market size, energy

			consumption, technologies used, capacity to finance EE projects). 4. Development of a policy framework for implementation of the UNIDO/GEF project to facilitate introduction of a national management system for energy, negotiated agreements between industry and government, recognition programs, monitoring and verification.
Management System Standards Expert	4000	4	Using results of the UNIDO survey and other available database/information, elaborate capacity building program suitable for national standards authorities, consultancies, ESCO's industries on national implementation of energy management standards
Financial Expert	4000	4	Review investment and lending practices in Indonesia applicable to energy efficiency investments in industry; Review existing facilities such as grants, loans, and financial schemes to industry for energy efficiency investments and prepare new financial schemes; Development of private sector investment plan for industrial energy efficiency projects based on discussions during inception workshop
Project Evaluation Expert	4000	1	Development of baseline data on current energy efficiency and energy intensity in industry. Development of indicators.
System Optimization Experts	4000	4	Outline of a technical training curriculum for steam, compressed air and motor systems optimization, technical inputs to inception workshop

* Or person month, if applicable. Please indicate clearly.

** Provide weeks or months as appropriate that corresponds to the rate provided in the previous column.