



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

Submission date: 15 June 2009

Resubmission date: 29 October 2009

GEF PROJECT ID¹:

GEF AGENCY PROJECT ID: 4289

COUNTRY(IES): Romania

PROJECT TITLE: Improving Energy Efficiency in Low-Income Households and Regions of Romania

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S):

GEF FOCAL AREA(s): Climate Change

GEF-4 STRATEGIC PROGRAM(s): CC-SP1

NAME OF PARENT/PROGRAM/UMBRELLA PROJECT (if applicable): FRAMEWORK FOR PROMOTING LOW GREENHOUSE GAS EMISSION BUILDINGS (GLOBAL)

A. PROJECT PREPARATION TIMEFRAME

| | |
|------------------------|-----------------|
| Start date of PPG | 1 December 2009 |
| Completion date of PPG | 31 October 2010 |

B. PAST PROJECT PREPARATION ACTIVITIES (\$)

C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

The PPG will cover the following preparatory activities:

1. Baseline data collection and information gap analysis

The assessment will be made through desk reviews of existing reports and studies and through interviews with stakeholders. No new field research will be financed through the PPG. Data and information gaps will be identified that will have to be addressed in the course of the full project. In particular, the following information will be collected:

- 1.1. Overview of the building stock in Romania and analysis of current trends in construction and capital reconstruction.
- 1.2. Existing energy consumption and energy usage behaviors in low-income households and regions of Romania.
- 1.3. Geographic mapping of the energy performance of residential and municipal buildings in Romania.
- 1.4. Existing institutional, legal and policy framework for energy efficiency in construction and reconstruction, including estimates of current enforcement of building codes and any procurement or tendering regulations that may affect the energy efficiency of buildings.
- 1.5. Barriers to improved energy efficiency for low-income households and regions.
- 1.6. Baseline activities in Romania, including current social measures to assist with energy payments; and planned funding in the energy, regional development, and social sectors, including both

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

publicly- and privately-financed initiatives in energy efficiency.

1.7. CO₂ emissions from the buildings sector in Romania and in the pilot regions and corresponding emission reduction potential.

2. Stakeholder analysis, institutional capacity assessment, capacity building and stakeholder involvement plan

2.1. Existing institutional framework, cooperation and partnership arrangements in the fields of energy provision, energy efficiency, regional development, and social assistance will be assessed. Institutional barriers and capacity gaps will be defined.

2.2. A baseline for policy and legal obligations will be defined reflecting current and anticipated country commitments. The baseline will be used to establish clear boundaries for the project's area of intervention and to measure the progress in strengthening system level policy, including institutional capacities and emphasizing coordination issues.

2.3. An institutional capacity scorecard will be used to establish a measurable indicator framework. Institutional arrangements for effective full project management and for successful replication strategy will be proposed.

2.4. Capacity building needs for improved energy efficiency in low-income households and regions of Romania will be defined, and the corresponding recommendations for the full project developed.

2.5. The existing system of professional education and training in the area of building design and engineering in Romania will be analysed, including continuing education and professional accreditation. Current trends in educational system and knowledge barriers that hamper wide penetration of efficient materials, design, and maintenance will be identified.

2.6. The PPG will finance stakeholder analysis. A series of stakeholder consultations will be arranged. Stakeholders' views, current and potential roles in improved energy efficiency in construction and building maintenance. Based on this, stakeholder involvement strategy and plan will be developed. Stakeholder capacities for effective involvement in the GEF project implementation will be assessed, and appropriate measures for capacity building and awareness raising will be proposed. Opportunities for public-private partnerships will be assessed.

3. Design of demonstration projects

3.1. Scoping of demonstration projects (the project will support pilot buildings in the household and municipal buildings sub-sectors and a volunteer initiative for municipal buildings): consultations on the type, scope, location, co-financing and implementation arrangements will be conducted. Selection criteria for demonstration sites will be established. Indicative construction costs will be estimated, including the calculation of cost curves for efficient design measures and technologies.

3.2. Baseline information on potential demonstration sites will be collected to establish a measurable monitoring and evaluation framework for the project. This will include information on financing arrangements, energy consumption, socio-economic characteristics of building users, project design and construction costs, and staffing and scheduling estimates.

3.3. Best practices at the international level, with an emphasis on the European region, will be analyzed to inform the development of the community-based volunteer initiative.

3.4. Lessons learning and replication strategy: The full project replication strategy and a will be developed, including activities to identify and share lessons and knowledge products.

3.5. Stock-taking of existing energy efficiency networks and partnerships will be conducted and a communication plan for project results (sub-nationally, nationally, and regionally) will be developed for the FSP.

4. Project scoping and project strategy

Based on the above baseline analysis, the full project scope and strategy will be defined. Cost effectiveness analysis of the proposed project strategy will be conducted. The following specific outputs are sought:

- 4.1. a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified threats and barriers;
- 4.2. cost-effectiveness analysis to identify the most effective project alternative;
- 4.3. local, national and global environmental benefits sought, including estimation of GHG emission reductions (direct and indirect) during the project and subsequent to the conclusion of the project;
- 4.4. social, economic and financial sustainability of proposed project activities;
- 4.5. costing of expected project outcomes and outputs, co-financing sources and co-financing commitments in compliance with the GEF incrementality principle;
- 4.6. proposed institutional arrangements that will allow the project to work effectively in its multi-disciplinary field;
- 4.7. a set of CC indicators (CO₂eq avoided, kW/h or TOE of energy saved) to track the project's progress and effectiveness, baseline and target values on indicators;
- 4.8. project M&E plan with baseline, including a strategy to address issues related to data availability and quality;
- 4.9. capacity building, education and training strategy for the project as a whole; and
- 4.10. demonstration and replication strategy for the project as a whole.

| List of Proposed Project Preparation Activities | Output of the PPG Activities | Project Preparation Amount (a) | Co-financing (b) | Total c = a + b |
|---|---|---------------------------------------|-------------------------|----------------------------|
| Baseline data collection and information gap analysis | *Data and analysis in the areas of housing, public buildings, social assistance, regional development to support the situational analysis and project approach for the FSP *Energy and climate-related data to support the development of the project baseline and estimates of project-related energy and GHG savings | 5,000 | 9,800 | 14,800 |
| Stakeholder analysis, institutional capacity assessment, capacity building and stakeholder involvement plan | *Institutional assessment *Institutional scorecard *Stakeholder matrix *Stakeholder involvement plan *Stakeholder capacity building plan | 10,000 | 19,000 | 29,000 |

| | | | | |
|---|---|---------------|----------------|----------------|
| Demonstration projects and replication strategy | *Selection criteria for demonstration projects *Baseline data for proposed sites *Scoping for demonstration projects, including budgeting, staffing, and time frames *Replication strategy *Communication strategy | 34,200 | 42,500 | 76,700 |
| Project scoping and project strategy | *Situational analysis and assessment of barriers *Estimate of project benefits and cost-effectiveness *Project strategy and activities, including staffing, budgeting, time-frame, and implementation arrangements *Indicators for project performance and measurement of economic, social, energy, and climate benefits, M&E plan | 48,800 | 45,645 | 94,445 |
| Total Project Preparation Financing | | 98,000 | 116,945 | 214,945 |

D. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

| | Project Preparation | Agency Fee |
|---------------------------|----------------------------|-------------------|
| GEF financing | 98,000 | 9,800 |
| Co-financing (in-kind) | 96,945 | |
| Agency Co-financing(cash) | 20,000 | |
| Total | 214,945 | 9,800 |

E. PPG REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹

F. PPG BUDGET REQUEST

| Cost Items | Total Estimated Person Weeks for GEF Grant (PW) | GEF (\$) | Co-financing (\$) | Agency co-financing (\$) | Total (\$) |
|----------------------------|---|---------------|-------------------|--------------------------|----------------|
| Local consultants * | 40 (GEF) | 12,000 | 30,425 | | 42,425 |
| International consultants* | 22 (GEF) | 71,500 | 41,220 | | 112,720 |
| Travel | | 5,000 | 5,300 | 20,000 | 30,300 |
| Other** | | 9,500 | 20,000 | | 29,500 |
| | | | | | |
| Total PPG Budget | | 98,000 | 96,945 | 20,000 | 214,945 |

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

** Includes costs of inception workshop and project summary workshop, on-site costs of regional stakeholder consultations, telecommunications, and sundries.

G. 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.

| Agency Coordinator, Agency name | Signature | Date (Month, day, year) | Project Contact Person | Telephone | Email Address |
|--|--------------------|-------------------------|------------------------|------------------|--|
| Yannick Glemarec, UNDP/GEF Executive Coordinator | <i>Y. Glemarec</i> | 10/29/2009 | Daniela Stoycheva | +421-259 337-257 | daniela.stoycheva@undp.org |

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

| Position / Titles | \$/ Person Week ¹ | Estimated PWs ² | Tasks to be performed |
|--------------------|------------------------------|----------------------------|--|
| <i>Local</i> | | | |
| Architect/Engineer | 300 | 10 | Work with IC Architect/Designer to identify potential demonstration partners and regions. Provide information on construction costs and current design practice in construction and capital reconstruction projects in residential buildings and municipal buildings. Provide information in support for the development of a project baseline |

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|---------------------------------|-----|---|---|
| | | | regarding the performance of current buildings and buildings in selected communities and regions. |
| Energy Efficiency Specialist | 300 | 7 | Conduct and oversee data collection and analysis in the residential buildings and construction sector. Make an inventory of all relevant existing information sources in the sector, and collect and analyze any available data on energy consumption in residential buildings and municipal buildings in Romania. Provide an overview of fuel mix and energy tariffs and expenditures for households and municipal buildings. Provide an overview of all relevant institutions, policies, and programs affecting energy performance in buildings. Provide data and analysis in support of the IC EE Buildings Specialist and the IC Fuel Poverty Specialist. Provide data and analysis in support of the development of the project baseline and description of project incrementality. Work with the IC EE Buildings Specialist to develop an outreach and replication strategy. Assess and provide recommendations on the project scope and activities for the FSP. Develop logical framework and impact indicators for FSP. |
| Poverty Specialist | 300 | 3 | Identify and describe current energy usage in low-income households and regions in Romania. Detail income differences in housing construction, energy use, and payment for energy. Analyze the impact that reduced energy consumption would have on low-income households. Discuss and assess social assistance programs for low-income households as they affect energy use and payment for energy. Identify potential access barriers that low-income households and regions may face in participating in energy efficiency initiatives or in obtaining financing for investments in energy efficiency. Provide data and analysis in support of the work of the IC Fuel Poverty Specialist. Identify and assess stakeholders, particularly energy end-users, in support of the work of the LC Institutional Assessment and Stakeholder Involvement Specialist. Provide comments on the proposed replication and communication activities in the FSP. |
| Regional Development Specialist | 300 | 3 | Provide an overview of low-income regions in Romania and of the programs that are current in place to promote regional development. Describe all |

| | | | |
|---|-----|---|--|
| | | | <p>financial mechanisms that can be used to fund improvements in energy efficiency as a component of regional development. Identify stakeholders in the regional development sector who would be target groups for information and awareness activities related to energy efficiency. Provide information on stakeholders in support of the work of the LC Institutional Assessment and Stakeholder Involvement Specialist. Work with the LC Architect/Engineer and the IC Architect/Designer to identify suitable partners for the demonstration components of the proposed FSP. Provide comments on the proposed replication and communication activities in the FSP.</p> |
| Energy Efficiency Training and Education Consultant | 300 | 3 | <p>Describe the current system for training architects, energy managers, and the educational profile of building managers. Provide an overview of specific educational institutions, numbers of faculty and students, and specific types of curriculum and materials. Make recommendations for education and training in support of energy efficiency in buildings, including recommendations on the specific activities, target groups, scope, and budget. Provide input and recommendations on expanding training for energy auditors and estimates for potential jobs that could be created by the project in the field of energy management.</p> |
| Institutional Assessment and Stakeholder Involvement Consultant | 300 | 3 | <p>Assess the existing institutional framework on energy efficiency in the residential buildings sector, including a detailed analysis of principal-agent relationships. Identify institutional capacity gaps at all levels (national, regional, and local). Compile an institutional scorecard with indicators. Identify all relevant stakeholders and analyze their relationships to the project and their interactions. Convene stakeholder consultations, including consultations in target regions. Draft a stakeholder matrix and stakeholder involvement plan. Provide recommendations and feedback regarding the institutional arrangements in the proposed FSP.</p> |
| Construction Materials Specialist | 300 | 2 | <p>Analyze construction materials used in building construction sector, collect information on local producers of construction materials. Propose locally available energy efficient materials that can be used for building construction in the</p> |

| | | | |
|--|-------|---|--|
| | | | demonstration components of the project. Provide information on the cost of materials that are commonly used in construction, capital reconstruction, and weatherization projects. |
| Energy and GHG Monitoring Specialist | 300 | 4 | Describe the collection, assessment, and use of data on EE in buildings at all levels by different stakeholders. Identify potential barriers in the processes of data collection, aggregation, analysis, and dissemination for the residential buildings sector. Make recommendations for addressing these barriers that specify key stakeholders and measures. Collect available data on energy consumption in the residential sector and on associated GHG emissions. Outline any issues, such as suppressed demand, that may influence the performance of the proposed FSP in achieving energy savings. Provide support and information to the IC Energy and GHG Monitoring Specialist in the development of the indicators for energy and GHG emissions in the project framework and in the development of a baseline and project scenario (including estimates of direct and indirect emissions reductions resulting from the project). |
| Other short-term consultancies as needed for data collection and analysis should the need arise during project preparation | 300 | 5 | |
| <i>International</i> | | | |
| Architect/Designer | 3,250 | 5 | Consult with local architects and engineers on low-cost, energy-efficient housing and municipal buildings, estimate the improvements that could be achieved in the low-income households through weatherization and through improved design, materials, and technologies for newly constructed or reconstructed buildings. Provide an analysis of the cost-effectiveness of design, materials, and technologies considered under the demonstration components of the project. Provide data to the IC Energy and GHG Monitoring Specialist to support the development of the project baseline and for the estimates of the impact of the FSP. Work with LCs to identify appropriate demonstration projects and partners. Work with project stakeholders to develop selection criteria for the demonstrations. |

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|-------------------------|-------|---|--|
| | | | Identify the scope of work and recommended activities for the FSP related to Component 2 and Component 3. Provide support and review of training proposals and the information dissemination strategy for the FSP. |
| Fuel Poverty Specialist | 3,250 | 7 | Provide an overview of international best practice, with an emphasis on the European region, regarding 1) national programs to alleviate fuel poverty; 2) community-based fuel-poverty alleviation programs; 3) weatherization projects in low-income housing; 4) energy efficiency projects with a strong jobs creation element; and 5) community-based weatherization initiatives that are volunteer driven. Provide strategy and approach for Component 1 of the proposed FSP and comments and analysis in support of the strategy and approach for Component 2 of the proposed FSP. Provide detailed descriptions for activities related to fuel poverty alleviation in the proposed FSP, including staffing profiles, budgets, and time lines for activities. Provide support to the IC Architect/Designer and the LCs in developing selection criteria for the demonstration projects and in the development of effective project replication and communication strategies. |
| EE Buildings Specialist | 3,250 | 7 | Review baseline information delivered by the local experts. Review and analyze the description of barriers to the effective promotion of EE in low-income households and regions. Suggest applicable best practices in the buildings sector for affordable weatherization, construction, and capital reconstruction. Outline the project scope and provide recommendations on the suggested project strategy. Carry out a cost effectiveness analysis of the project strategy. Assess sustainability of suggested project outcomes and outputs. Review and finalize the GHG emissions reductions estimated for the project, including assumptions. Propose a project monitoring and evaluation framework with a set of measurable impact and progress indicators. Calculate costs of expected project outcomes and outputs, co-financing sources and co-financing commitments. Provide feedback and guidance on the project replication strategy and the project communication strategies. |

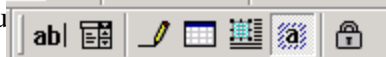
| | | | |
|--------------------------------------|-------|---|--|
| Energy and GHG Monitoring Specialist | 3,250 | 3 | Estimate the local, national and global environmental benefits generated by the proposed FSP, including GHG emission reductions (direct and indirect) during the project and subsequent to the conclusion of the project. Propose a set of CC indicators (CO ₂ e avoided, kW/h or TOE of energy saved) to track the project's progress and effectiveness. Recommend baseline and target values on indicators, develop and document assumptions for baseline and target scenarios. Review LC analysis of issues regarding data collection, aggregation, analysis, and quality control related to end-use energy consumption statistics and associated CO ₂ emissions in the residential sector. Document assumptions for scenarios and treatment of issues such as suppressed demand. Make recommendations optimize the quality of M&E activities regarding energy consumption and related GHG emissions. |
|--------------------------------------|-------|---|--|

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task and corresponds to the dollar amount per person week in the previous column.

GEF Trust Fund PPG Preparation Guidelines

Unlock instruction: The template, by default, is locked to allow the pull-down menu to function. However, in order to access the various documents through the hyperlink, the template has to be in an unlocked form. To unlock the template follow this path: Go to **View > Toolbars > Forms**. You will then see a pop up menu



Click on the right-most icon (a lock) to unlock.

When inputting information in the fields in the template, please use the “locked” mode.

Submission date: self-explanatory

PART I: PROGRAM INFORMATION

The first part is the project core information and standard selections are provided to the extent possible for ease of preparation. The Strategic Programs for each focal area have to be filled in manually, due to limitations by Microsoft Word which prevented the provision of the full range selections for all focal areas. For convenience, the strategic programs (SP) in each focal area are listed below:

| Biodiversity | Climate Change | International Waters | Land Degradation | POPs* | ODS* | SFM* |
|---|---------------------------------|---|---------------------------|-----------------------------------|---------------------------|-------------------------------|
| BD-SP1-PA Financing | CC-SP1- Building EE | IW-SP1-Coastal Marine Fisheries | LD-SP1-Agriculture | POPs-SP1- CapacityB | ODS- SP1 | SFM-SP1- Financing |
| BD-SP2-Marine PA | CC-SP2- Industrial EE | IW-SP2-Nutrient Reduction | LD-SP2- Forest | POPs-SP2- Investment | | SFM-SP2-PA Networks |
| BD-SP3-PA Networks | CC-SP3-RE | IW-SP3- Freshwater Basins | LD-SP3-Innovation | POPs-SP3- Demonstration | | SFM-SP3- LULUCF |
| BD-SP4-Policy | CC-SP4- Biomass | IW-SP4- Toxics/Ice | | | | SFM-SP4- Policy |
| BD-SP5-Markets | CC-SP5- Transport | | | | | SFM-SP5- Markets |
| BD-SP6-Biosafety | CC-SP6- LULUCF | | | | | SFM-SP6- Biomass |
| BD-SP7-Invasive Alien Species (IAS) | | | | | | SFM-SP7- Forest |
| BD-SP8-ABS- Capacity Building | | | | | | |

* POPs = Persistent Organic Pollutants; ODS = Ozone Depleting Substance; SFM = Sustainable Forest Management

- A. **Project Preparation Timeframe:** Provide the estimated start date and completion date of the PPG.
- B. **Past Project Preparation Activities:** Provide the past project preparation activities using PDF-A, -B or -C and corresponding amounts in GEF financing and co-financing.
- C. **Proposed Project Preparation Activities and justifications:** Describe the activities of the PPG, i.e. the activities that will be financed by GEF grant and co-financing for the preparation of the project, and provide justification as needed.
- D. **Financing Plan Summary:** Provide the financing of PPG from GEF sources and co-financing sources and corresponding Agency fee for the GEF financing source.
- E. **PPG requested by Agency (ies), focal area(s) and country (ies):** This table provides the share of the PPG amount by focal area, Agency and country. For single country, single focal area and single Agency implemented projects, this table could be skipped. In providing Agency fee amount, the rule is that total amount should not exceed 10% following the Fee Policy provisions. If for whatever reason the amount is less than 10%, please provide explanation since we will follow whatever amount

Agency requested as long as it is within the 10% limit. The explanation should be included in the cover letter that accompanies the submission of PPG request to GEFSEC.

- F. PPG Budget Request: GEF PPG finances mainly consultant services for the preparation of the project, including their travel. A separate Annex A is included with this PPG request providing details of the consultant person weeks needed for each position /title, the unit cost per person week and tasks to be performed by the consultants. Annex A should be prepared first before completing this section.
- G. GEF Agency(ies) Certification: To be signed off by the Agency's designated authority.

Annex A: Detailed breakdown of consultants by position / title, unit cost for the consultants, and person weeks intended for the tasks to be performed, as indicated in the last column.