

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility



STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: 26th January 2010

Screener: Lev Neretin

Panel member validation by: N.H. Ravindranath

I. PIF Information

GEF PROJECT ID: 4115

COUNTRY(IES): **ROMANIA**

PROJECT TITLE: **IMPROVING ENERGY EFFICIENCY IN LOW-INCOME HOUSEHOLDS AND COMMUNITIES IN 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 EMISSIONS IN BUILDINGS (GLOBAL UMBRELLA PROGRAM)**

II. STAP Advisory Response (*see table below for explanation*)

1. Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies):
Consent

III. Further guidance from STAP

1. STAP expresses its consent to this project aimed at addressing the issue of fuel poverty in low-income communities in Romania. This is an innovative project and there is a clear focus on the target groups, namely; low income households. Low income households are likely to face significant barriers to shift to energy efficient systems. The project proposes an integrated framework addressing technical, regulatory, legal and financial barriers and put right emphasis on EE and energy conservation improvements in existing buildings as the main target to eradicate fuel poverty. In addition to the proposed measures, STAP also recommends considering support for demand-side management such as smart-metering.
2. STAP suggests exploring the following issues at the project preparation phase:
 - *Incentives for shifting to EE systems:* What is the incentive for EE auditors, architects, and building managers to shift to EE systems? How will the incremental costs of auditors, architects etc will be met?
 - *Cost reduction of EE systems:* Analysis of incremental costs of shifting to EE systems is necessary. If the incremental costs are higher, what are the options for reducing the cost for EE systems for low income communities?
 - *Funding for EE systems and financial benefits from energy conservation:* What will be the source of funding to meet the incremental costs of EE systems of low income communities? How will the households repay the costs of EE systems? There is a need to prove the financial benefits of investing in EE systems, through energy and cost savings for the household. Will the savings be attractive enough for the low income households to invest in EE systems?
 - *Plan for large scale shift to EE systems:* What activities or mechanisms will be evolved to promote large scale or national level shift to EE systems, based on information generated and the lessons from the demonstration in 40 social buildings? How will the cost of large scale retrofitting be met? Mere information on energy savings to the policy makers at local and regional level, alone will not be sufficient. A clear plan for financing large scale shift would be necessary.
3. In addition to project interventions aiming at the improved energy efficiency, STAP recommends exploring a complementary issue of the access to affordable energy sources/reliance on local sources in remote poor areas of Romania. Without considering two issues in a complementary manner (energy access and use), long-term sustainability of this project is compromised. Mainstreaming energy access issues into development plans at the national, regional and municipal levels through some initial capacity building and regulatory support could be started by this project. Particularly promising technologies that can be promoted are micro-generation and community-scale heating.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
2. Minor revision required.	<p>STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include:</p> <ul style="list-style-type: none"> (i) Opening a dialogue between STAP and the proponent to clarify issues (ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review <p>The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>
3. Major revision required	<p>STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement.</p> <p>The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.</p>