



REQUEST FOR CEO ENDORSEMENT/APPROVAL
PROJECT TYPE: FULL-SIZED PROJECT
THE GEF TRUST FUND

Submission Date: 6 May 2009
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Second resubmission date: 18 February 2010

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 3216

GEF AGENCY PROJECT ID: 3550

COUNTRY(IES): Russia

PROJECT TITLE: Standards and Labels for Promoting Energy Efficiency in Russia

GEF AGENCY(IES): UNDP

OTHER EXECUTING PARTNER(S): Federal Agency for Science and Innovation, Moscow City Government, Federal Agency for Technical Regulations

GEF FOCAL AREA(S): Climate Change

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

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: Energy Efficiency in the Russian Federation

Expected Calendar	
Milestones	Dates
Work Program (for FSPs only)	Sept. 2008
Agency Approval date	Mar. 2010
Implementation Start	May. 2010
Mid-term Evaluation (if planned)	Dec 2012
Project Closing Date	May 2015

A. PROJECT FRAMEWORK

Project Objective: Reduction of GHG emissions by facilitating the market transformation towards more energy efficient building equipment and appliances through introduction of energy efficiency standards and labeling								
Project Components	Indicate whether Inv.,TA or STA ²	Expected Outcomes	Expected Outputs	GEF Financing ¹		Co-Financing ¹		Total (\$) c=a+ b
				(\$ a)	%	(\$ b)	%	
1. National legal and regulatory environment and institutional capacities are built to facilitate introduction and wide-spread application of energy efficiency S&L schemes	TA	An institutional, legal and regulatory basis established and the capacity of the national authorities built to facilitate introduction and wide-spread application of energy efficiency S&L schemes; and their testing at least in one pilot region.	Output 1.1: National Inter-Agency Coordination Body Output 1.2: Proposals for the amendments in federal legislation to facilitate mandatory EE S&L Output 1.3: Adoption of all the required legal and regulatory changes by the Moscow city government to facilitate the implementation of a full scale S&L pilot program in the Moscow region and replication to at least one additional region (Nizhny Novgorod).	779,000	13.5	5,000,000	86.5	5,779,000
2. Energy efficiency standards and labeling schemes for selected energy-consuming products	TA	National S&L schemes for selected power-consuming products designed and proposed and the required verification and enforcement capacity for their implementation in place based on international best	Output 2.1: New and/or updated energy efficiency testing and labeling standards developed. Output 2.2: Evaluation and improvement of the existing compliance checking, enforcement and certification system and facilities Output 2.3: Energy efficiency procurement models developed and piloted in Moscow city.	2,225,000	14.7	12,890,500	85.3	15,115,500

		practices.						
3. Engagement and capacity building of local manufacturers	TA/Inv	Enhanced interest and strengthened capacity of local manufacturers and, as applicable, other supply chain stakeholders to comply with the new EE standards and to bring energy efficient models into the market at competitive and for the majority of the population affordable prices	Output 3.1: Awareness raising and training of local manufacturers to improve the energy efficiency of their products in a competitive way and to effectively use that in their marketing strategy, including EE labels. Output 3.2: A working group of private sector stakeholders, members of the Inter-agency Coordination Body and other interested parties to elaborate the possible public-private partnerships Output 3.3: Voluntary agreements with the interested manufacturers and other supply chain stakeholders on product labeling and incorporation of EE aspects into their marketing strategy. Output 3.4: Elaborated joint strategies and mechanisms to make energy efficient products more competitive and affordable to the majority of the local population and established public-private partnerships to implement these strategies	2,345,000	7.3	29,792,000	92.7	32,137,000
4. Awareness raising and marketing campaigns targeting consumers and key market agents	TA	Enhanced awareness and improved access to non-partial information of residential and commercial clients concerning energy efficiency and other relevant characteristics of the targeted appliances and equipment from the life-cycle costs and environmental perspective.	Output 4.1: An established market monitoring mechanisms to produce updated information on the sales of the targeted appliances by energy classes. Output 4.2: Internet-based information clearinghouse Output 4.3: Regional awareness campaign for household consumers Output 4.4: Information campaign for large commercial buyers. Output 4.5: Trained sales personnel of the household appliances and technical building equipment.	1,928,000	25.2	5,735,500	74.8	7,663,500
5. Project management				533,000	11.9	3,953,000	88.1	4,486,000
Total Project Costs				A 7,810,000	12	B 57,371,000	88	65,181,000

¹ List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

² Inv. = Investments, TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Federal Agency for Science and innovations of the RF	Federal Government	Grant	7,140,000	13.4
		In-kind	537,000	
		Total	7,677,000	
Moscow City Gov't	Local Gov't	Grant	19,012,000	37.0
		In-kind	2,200,000	
		Total	21,212,000	
OJSC Mosenergosbyt	Private Sector	Grant	556,000	1.1
		In-kind	50,000	
		Total	606,000	
AVOK**	Private Sector	Grant	26,170,000	47.5
		In-kind	1,100,000	
		Total	27,270,000	
RATEK**	Private Sector	Grant	540,000	1.1
		In-kind	66,000	
		Total	606,000	
Total Co-financing			B57,371,000	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

**AVOK and RATEK associations represent Russian private sector – manufacturers of the building engineering equipment and appliances. AVOK association unites over 250 Russian producers who has been consulted through the Association. While it was not feasible obtaining letters from all of these 250 companies individually, the Association reconfirmed that its members are committed to contribute to the project under Component 3 (work with supply chain stakeholders). This would include voluntary labeling, introduction of more energy efficient technologies and product lines, etc., the activities which the companies would not pursue without the GEF support.

C. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<i>Project Preparation a</i>	<i>Project b</i>	<i>Total c = a + b</i>	<i>Agency Fee</i>	<i>For comparison: GEF and Co-financing at PIF</i>
GEF financing	150,000*	A 7,810,000	7,960,000	796,000	8,756,000
Co-financing	285,000	B 57,371,000	57,656,000		32,250,000
Total	435,000	65,181,000	65,616,000	796,000	41,006,000

* The funds for project preparation included GEF-3 PDF (A) funds of US\$25,000 and GEF-4 PPG funds of \$125,000.

D. GEF RESOURCES REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹ N/A

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF amount(\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	1976 (GEF)	988,000	2,300,000	3,288,000
<i>International consultants*</i>	187	560,000		560,000
Total	2,163	1,548,000	2,300,000	3,848,000

* Details to be provided in Annex C.

F. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Estimated person weeks/months</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	765 (GEF)	382,500	2,300,000	2,682,500
<i>International consultants*</i>				
<i>Office facilities, equipment, vehicles and communications*</i>		122,500	1,500,000	1,622,500
<i>Travel*</i>		28,000	153,000	181,000
Total	765	533,000	3,953,000	4,486,000

* Details to be provided in Annex C.

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? yes no

H. DESCRIBE THE BUDGETED M & E PLAN: Project monitoring and evaluation will be conducted in accordance with the established standard UNDP and GEF procedures. For further details, please see section I, part IV of the UNDP project document

PART II: PROJECT JUSTIFICATION:

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED: Since early 2000 Russia’s economy has been experiencing strong economic growth accompanied by rising income levels and living standards of the population, which has also led to rapid and substantial growth in the demand for new household appliances. Similarly, the building market in Russia has been developing at a high pace. In 2007, the investment in technical building systems amounted to more than US\$ 6 billion. Newly constructed buildings typically incorporate higher comfort levels, which has shown up, in particular, as higher demand for water pumps, industrial air conditioners, fans and refrigeration units for central air conditioning systems. These trends in a longer term are expected to continue. In the absence of effective minimum energy efficiency standards and labeling schemes, the average energy consumption of these appliances in Russia would also continue to exceed the energy consumption of similar appliances in other countries, where effective energy efficiency policies and implementation mechanisms are in place. The project aims at closing this "efficiency gap" by facilitating a wide-scale market transformation towards greater energy efficiency of building appliances and engineering equipment. In the scale of the Russian Federation this highly ambitious objective will be achieved by:

(1) improving the national legal and regulatory environment and institutional capacities to facilitate the introduction and wide-spread application of a comprehensive energy efficiency standards and labeling programme in Russia by starting it with the implementation of a full-fledged pilot programme in the Moscow region;

(2) developing energy efficiency S&L schemes and public procurement models, building the local verification and enforcement capacity and supporting the establishment of state-of-the-art compliance checking and certification systems and infrastructure in accordance with international best practices;

(3) supporting manufacturers and other supply-chain stakeholders and establishing public-private partnerships, voluntary agreements and joint strategies to make energy efficient products more competitive and affordable to the population; and

(4) raising awareness of and providing acces to information to targeted end users and buyers of equipment, including both household consumers and commercial buyers.

Reaching the stated targets of the project is expected to contribute to the reduction of CO2 emissions by 29.9 Mtons until 2020 and by 123.6 Mtons until 2030. For further details about the barriers to be addressed and the project strategy in doing so, please see section I of the UNDP project document.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL AND/OR REGIONAL PRIORITIES/PLANS: Energy efficiency has been named by the President and the Government as one of the eight priorities for the future development in Russia and is also included as one of the main strategic objectives of Russia’s Energy Strategy until

2020 - EE standards and labelling being among the stipulated instruments to achieve this goal. As the Law on Energy Saving of 1997 no longer meets present day requirements, a new “Law on Energy Conservation and Energy Efficiency Improvement” has recently been adopted by the State Duma and the signed by the President. The new law will be reviewed and revised, as appropriate, every five years. Among other stipulations, the law foresees the definition and mandatory identification of energy efficiency classes of household appliances, applicable to both locally produced and imported equipment. The new law applies to buildings, structures, technological process, as well as legal entities and individual entrepreneurs. One important new provision of the law is that it calls for certain mandatory energy audits, the findings of which will be recorded in energy-passports which will be sent to State Authorities. The new law also foresees state support for projects using energy efficient devices and assistance to special population groups to purchase high efficiency devices. Following the adoption of the law, a lot of supplementary regulatory work and by-laws, as well as enforcement mechanisms and capacities still need be developed before it will fully come into force – this work will be supported by this GEF project. Most importantly, however, is that the Law provides for a number of important elements that demonstrate political will and strong commitment of the Russian government to achieve market transformation in the field of energy efficiency. The project will also build on the on-going federal programmes such as “Research and development in the priority directions of science and technology in Russia for 2007-2012” (Federal Agency for Science and Innovation), “Promotion of energy efficiency in the Russian Federation for 2008-2010 and for prospect to 2015” (Federal Ministry of Energy) and the National standardisation concept and the national standards development programme (Federal Agency for Technical Regulation and Metrology). As it concerns the planned pilot programme, both the City Government of Moscow as OJSC Mosenergosbyt (local power distribution company) are committed to the programme and have confirmed their commitment to co-finance the project as a part of the City of Moscow Energy saving programme for 2009-2013.

- C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:** The project is consistent with of the objectives and guidance of the GEF’s operational program # 5: "Removal of Barriers to Energy Efficiency and Energy Conservation" and the climate change strategic program # 1 “Promoting Energy-Efficient Buildings and Appliances”
- D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES.** The requested GEF financing will be primarily used for technical assistance to share the costs of the planned capacity building and public awareness raising activities and for ensuring that the compliance checking of the products with adopted regulations will be done in accordance with the international best practices. These have been identified as critical cornerstones for effective market transformation also in other countries. For further details about the project’s financing plan, see section III of the UNDP project document.
- E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:** The project seeks to strengthen the ongoing national efforts (as described under section B) in the development and implementation of the building appliance energy efficiency standards and labeling. The project is also a part of the GEF funded energy efficiency umbrella project in Russia, where UNIDO and EBRD are involved as other GEF implementing agencies. As the agreed co-ordinating agency, UNDP will be in charge of arranging communication and taking the lead in ensuring adequate co-rodination between the different sub-projects of this umbrella project as well as with other internationally financed energy efficiency initiatives in Russia, such as the GEF projects led by the World Bank (IFC) and UNEP (regional initiative in financing), NEFCO, EU TACIS and bilateral donors such as USAID. For further details about the envisaged co-ordination arrangements with other related iniatitives, see section I, Part III of the UNDP project document. No other ongoing of planned internationally financed projects focusing, in particular, on appliance EE standards and labels that would overlap with the planned activities with the proposed UNDP/GEF project is known to the authors of this project.
- F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :** In the absence of the project, the adoption and implementation of effective minimum energy performance standards and labelling schemes by building on international lessons learnt and best practices will be further delayed in Russia with the related negative impact on the energy efficiency of new household and technical building appliances in sale and purchased by the consumers. For further discussion on the

estimated baseline, alternative and incremental scenarios, please see section IV, Annex V of the UNDP project document.

G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES: To be successful, the project requires continuing commitment and full engagement of the key public and private sector stakeholders to work collaboratively towards the stated project targets. The failure of obtaining this support from any of these stakeholders is consequently considered as a main project risk. The summary of these and other identified risks and the ways to address them are discussed in further detail in section II, chapter "Project Indicators, Risks and Assumptions" of the UNDP project document.

H. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN: The proposed measures to facilitate the adoption and effective implementation of minimum energy performance standards and energy performance labels are building on the international experiences and lessons learnt about the most cost-effective measures to improve the energy efficiency of the different energy consuming appliances purchased by the consumers, thereby having a potential to substantially reduce the electricity consumption of the residential, commercial and public sectors. The GEF funded activities will primarily consist of technical assistance with the total costs of USD 8,756,000 to the GEF. With the estimated cumulative GHG emission reduction of 124 Mtons of CO₂ accumulated during the project and a fifteen year impact period afterwards, to which the project is indirectly contributing (with a causality factor of 4), the cost effectiveness can be estimated at around USD 0.07/tCO₂e.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. INSTITUTIONAL ARRANGEMENTS: NA (no other GEF agencies involved in project implementation).

B. PROJECT IMPLEMENTATION ARRANGEMENTS: The project will be executed by the Federal Agency for Science and Innovation of the Russian Federation following UNDP guidelines for nationally executed projects. A Project Steering Committee will be established under the project. After 12 months the Project Steering Committee will consider changing the Executing Agency for the project from the Federal Agency for Science and Innovation to the of the Federal Agency for Technical Regulations if this Agency is given a clear mandate to be the overall responsible agency for issues related to Standards and Labelling in the Russian Federation. A majority vote of the members of the Project Steering Committee will be required to change the Executing Agency arrangements. In the event of a tied vote, UNDP will take the decision as to whether the Executing Agency should change. For other details of the project implementation arrangements, please see section I, Part III of the UNDP project document "Project Management and Implementation Arrangements"

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

In comparison with original PIF the following modifications were made in project design:

- 1) Integration of Component 5 (EE S&L Demonstration) under Components 1-4

The description of the demo component in the PIF included following activities: i) outreach to and partnership building with motivated companies to demonstrate benefits from energy efficient procurement schemes; ii) different tools will be designed and tested like cooperative procurement, adoption of procurement standards by large commercial buyers; iii) targeted outreach activities for final consumers will be planned and implemented in selected regions with active participation of manufacturers, retailers and NGOs; iv) A comprehensive monitoring and evaluation programme will be implemented to track the progress and provide the feedback for the improvement/adjustment of the S&L instruments; and v) direct and indirect global environmental benefits (reduction of CO₂ emissions) will be assessed and reported.

During further project development, it became apparent that addressing the "outreach to and partnership building with motivated companies to demonstrate benefits from energy efficient procurement schemes" separately under outcomes 3 and 5; development and adoption of the suggested new administrative orders dealing with new labelling and/or

procurement standards separately under components 1, 2 and 5; the required public outreach and private sector engagement into these activities separately under components 3, 4 and 5 and the required market monitoring separately under components 4 and 5 etc. does not really make sense, but will rather distract the consistency, clarity and logic of the overall project presentation. Furthermore so, as the overall project strategy is primarily based on the approach that any immediate policy changes, new public procurement standards and nationwide outreach programs can be difficult to implement at the federal level at this stage, but should be started with the regional level activities. Thus, many of the activities of the former outcomes 1-4 would also first focus on the proposed demo region, in which case the value added of the creation of a still separate regional demo component becomes somewhat questionable. All activities of the former outcome 5 could be easily and more logically integrated under the former outcomes 1-4.

Taking into account the above, the demonstration component 5 has been integrated under current outcomes 1-4, as follows:

Component 1: Legal and regulatory environment and institutional capacities are built to facilitate introduction and wide-spread application of energy efficiency S&L scheme	Output 1.3: Adoption of all the required legal and regulatory changes by the Moscow city government to facilitate the implementation of a full scale S&L pilot program in the Moscow region.
Component 2: Labeling systems for selected energy-consuming products	Output 2.3: Energy efficiency procurement models developed and piloted in Moscow region.
Component 3: Engagement and capacity building of local manufacturers	Output 3.3: Voluntary agreements with the interested manufacturers and other supply chain stakeholders on product labeling and incorporation of EE aspects into their marketing strategy elaborated, signed and implemented.
Component 4: Awareness campaign targeting consumers and market agents	Output 4.3: Regional awareness campaign for household consumers Output 4.4: Information campaign for large commercial buyers in Moscow region.

The budget has been adjusted accordingly: the funding of the former demo component 5 has been re-allocated primarily into current components 2, 3 and 4.

2) Changing and broadening the geographic scope of project activities

At PIF stage, the project envisaged implementation of two region-based demonstration programmes in Moscow and Nizhny Novgorod to pilot implementation of EE S&L programme, with a particular focus on energy efficient lighting in Nizhny Novgorod. At the later stage, EE lighting evolved into a separate GEF project proposal with pilot regions in the Nizhny Novgorod region and the Moscow city government. With this change, the Moscow city has remained as the main pilot region for the present S&L project. Experience and best practices from Moscow will then be replicated in other regions and will incentivize other Russian regions to join the programme. It will also catalyse potential wide spread implementation of S&L throughout Russia.

In addition to Moscow, the project will outreach to the other regions of Russia through the following components:

- Capacity building and incentives for local manufacturers and suppliers – most of manufacturers of building equipment and appliances are based outside Moscow;
- Work with large commercial buyers – will not be limited to Moscow-based companies and will extend to the large Russian corporate buyers throughout Russia.

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

Agency	Date	Project	

Coordinator, Agency name	Signature	(Month, day, year)	Contact Person	Telephone	Email Address
John Hough UNDP/ GEF Officer-in- Charge		02/18/2010	John O' Brien, UNDP-GEF Regional Technical Advisor - Climate Change Mitigation, Europe and CIS	+421 2 59 337 413	John.obrien@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
OBJECTIVE Reduction of GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances.	The amount of GHG emissions reduced compared to the expected baseline development	No incremental CO ₂ reduction compared to the projected baseline (see prodoc section IV, part V).	Cumulative, incremental CO ₂ emission reduction (with a causality factor 4) of 7.8 Mt of CO _{2eq} by 2015 and 29.9 Mt by 2020.	The GHG emission reduction and market monitoring reports prepared under the M&E component of the project.	Continuing interest of key stakeholders to co-operate and contribute to reaching the set targets. The price of EE appliances vs. electricity costs justify their purchase
OUTCOME 1 An institutional, legal and regulatory basis established and the capacity of the national authorities built to facilitate introduction and wide-spread application of energy efficiency S&L schemes and their testing at least in one pilot region during the implementation of the project.	Availability of specific organisational arrangements to promote the introduction of the S&L schemes Status of the proposed legal and regulatory amendments and voluntary agreements at the federal and city government (regional) level.	At the Federal Government level no responsibilities are defined or organisational structures established for the development of EE S&L schemes. Inadequate legal and regulatory framework to effectively promote S&L schemes and lack of awareness of key policy makers (together with other institutional barriers) to adopt the required amendments at the Federal level.	A National Inter-Agency Coordination Body (NICB) has been established The required legal and regulatory amendments have been adopted at the regional (city government) level for the implementation of a full scale (voluntary) S&L program in line of what can be later expanded to a mandatory scheme at the Federal level. Proposals for the required amendments in federal laws to facilitate introduction of mandatory S&L at the national level have been submitted for the Government consideration Implementation of EE S&L implemented in an additional city beyond the Moscow region, namely Nizhny Novgorod.	Certificate of constitution of the NICB. Administrative orders of the Moscow City Government Voluntary agreements between the Moscow City Government and stakeholders Project progress reports	The members of NICB will allocate sufficient human and financial resources to effectively work on the proposed S&L schemes Continuing commitment of the Moscow city government to support the implementation of a full scale S&L program in Moscow.
Output 1.1 National Inter-Agency Coordination Body	Status of the National Inter-Agency Coordination Body	At the level of the Federal Government, no co-ordination body and promoter of the appliance S&L policies currently exist.	A National Inter-Agency Coordination Body (NICB) has been established and is acting as a manager and promoter of EE S&L under the leadership of the Federal Agency of Science and Innovation	Certificate of constitution of the NICB. Records of proceedings of regular meetings of the NICB	The Federal Gov't will assign a responsible agency for the EE S&L programme and for creating NICB.
Output 1.2 A proposal for the suggested	Status of the proposal(s) for the amendment of	The Federal Law on Technical Regulation of 2002	Proposals for the amendment of the Federal Law on Technical Regulation to	Official communication to the authorities in	Due to complex institutional procedures to

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
amendments in federal legislation to facilitate mandatory EE S&L submitted to federal authorities	the Federal Law on Technical Regulation and of secondary legislation to implement the new Law on Energy Conservation and Energy Efficiency Improvement	<p>does not allow mandatory EE S&L. The new Law on Energy Conservation and Energy Efficiency Improvement (replacing the Law on Energy Saving of 1996) is presently under consideration of the State Duma.</p> <p>Institutional barriers of amending federal legislation.</p>	<p>allow mandatory EE S&L, including MEPS, are prepared and submitted to the authorities.</p> <p>Adequate secondary legislation to effectively implement mandatory EE S&L and MEPS in accordance with the new Law on Energy Conservation and Energy Efficiency Improvement has been drafted and submitted to the authorities.</p>	charge (Minpromtorg, State Duma, Expert Committee for Technical Regulation of the Federal Government)	amend any federal law, the actual adoption of the suggested legal amendments at the federal level may not take effect during the implementation of the project.
<p>Output 1.3 Adoption of all the required legal and regulatory changes by the Moscow city government to facilitate the implementation of a full scale S&L pilot program in the Moscow region</p>	<p>Status of the suggested legal and regulatory amendments and administrative orders.</p> <p>Status of implementation of the voluntary EE S&L programme in Moscow.</p>	A fully supportive legal and regulatory framework to facilitate the implementation of a full scale S&L program in Moscow region not established yet.	<p>All the required regulatory changes adopted and administrative orders issued to support the implementation of a voluntary EE S&L program (in line with what can be later expanded to a mandatory federal EE S&L scheme). This will include, but is not necessary limited to:</p> <ul style="list-style-type: none"> ▪ Administrative orders of the Moscow City Government defining the voluntary EE S&L programme, its scope and criteria. ▪ Voluntary agreements to implement the program signed by the Moscow City Gov't and the key supply side stakeholders. ▪ Administrative orders for minimum energy performance standards of building equipment for public procurement. 	Administrative orders issued Progress reports on the implementation of the voluntary EE S&L programme.	<p>Continuing commitment of the Moscow City Government to support the implementation of a full scale S&L program in Moscow.</p> <p>The initial analysis conducted during the project preparatory phase concluded that the suggested measures should not be in conflict with any federal laws, so this remains as an assumption.</p>
<p>OUTCOME 2 National S&L schemes for selected power-consuming products designed and proposed and the required verification and enforcement</p>	<p>Content of official GOST-standards for EE testing and labeling of targeted appliances and equipment</p> <p>Availability of a</p>	See outputs 2.1 – 2.3	Updated EE testing and labelling standards following international best practices and most recent technology development for selected priority appliances and technical building equipment published as official GOST-standards.	<p>Published GOST-standards</p> <p>Independent international expert evaluation of the established compliance checking system and facilities.</p>	The review of existing and elaboration of new EE testing and labeling standards and the adaptation of the existing testing system and facilities,

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
capacity for their implementation in place based on international best practices.	fully operational system of compliance testing, including test procedures and accredited test laboratories for full product and regional coverage. Availability of technical EE guidelines for public procurement		A fully elaborated, capacitated and transparent compliance checking and enforcement system in place meaning that the required EE testing and labeling standards are available as official GOST-standards and the certification system and facilities (test laboratories and certification bodies) have been evaluated to meet the international standards. Finalized guidelines and suggested criteria for promoting energy efficient building equipment in public procurement.	Project progress reports	including ROSTEST test laboratories, for the specific requirements of compliance checking of the selected appliances and equipment is expected to proceed smoothly without facing significant administrative or other similar barriers.
Output 2.1 New and/or updated energy efficiency testing and labeling standards developed.	Status and content of the GOST-standards for targeted appliances	Various GOST-standards for energy consuming appliances and equipment were elaborated between 1995 - 2001, but cannot be implemented as mandatory because of the restrictions due to the Federal Law on Technical Regulation. There is also a need for reviewing and updating of existing and development of new standards by taking into account the international best practices and recent developments in this field.	New and updated GOST-standards for energy efficiency test procedures and for EE labeling of selected appliances and equipment (incl. household refrigerators and freezers, household washing machines, water pumps, industrial air conditioners and fans and chillers for central air-conditioning) published, taking into account the most recent international developments and recognized international best practices in this field. Additional appliances and equipment subject to EE S&L identified.	Published GOST-standards	Efficient management of the process by the national standardization institute avoiding undue delays and productive consultations with stakeholders to reach consensus.
Output 2.2 Evaluation and improvement of the existing compliance checking, enforcement and certification system and facilities	The status of the compliance testing and certification system in place	A system of compliance testing and certification of test results by accredited organisations is in place, but requires an evaluation and possible upgrading.	Certification schemes for energy efficiency compliance testing, compatible with the federal system of compliance certification have been implemented. The existing compliance testing, certification and enforcement system has been evaluated by independent	Project progress reports	Taking into consideration the high level of expertise available in the Russian organisations for standardisation, certification and accreditation, and the existing

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
			international expert(s) and the recommendations implemented. A fully capacitated laboratory for testing of household appliances has been established by OJSC Mosenergosbyt.		network of test laboratories (ROSTEST), it is assumed that this system can easily be adapted to the requirements of EE testing
Output 2.3 Energy efficiency procurement models	Status of the technical guidelines concerning the minimum energy efficiency standards for public procurement	Although allowed by the Federal Law on Placing Orders for the Supply of Goods, Performance of Works and Provision of Services for Public and Municipal Needs, no guidelines and criteria are available to promote the purchase of energy efficient equipment and appliances in public procurement.	Energy efficiency guidelines, including minimum energy performance standards, for the procurement of technical building equipment and systems (HVAC, industrial air conditioners and fans, pumps) and, as applicable, for other appliances have been developed and published.	Project progress reports	Continuing commitment of the Moscow city government to support this subcomponent
OUTCOME 3 Enhanced interest and strengthened capacity of the local manufacturers and, as applicable, other supply chain stakeholders to comply with the new EE standards and to bring energy efficient models into the market at competitive and for the majority of the population affordable prices.	The price – energy efficiency – quality relation of the products available in the Russian market	The market of many household appliances and building equipment is characterized by relatively high shares of more efficient and higher priced imported products, but it still lacks efficient appliances that would be affordable to low and medium income consumers. Lack of experience of Russian companies with EE S&L schemes.	The retail prices of the products in high energy efficient classes in Russian market are comparable to or lower than in selected reference countries By voluntary agreements, the local manufacturers are incorporating EE labels into their marketing strategy and comply with the standards issued.	Regular market monitoring and evaluation reports	Continuing interest of the local manufacturers and other parts of the supply chain to compete with the energy efficiency of their products and to consider it as an elementary part of their marketing and product development strategy
Output 3.1 Awareness raising and training of local manufacturers to improve the energy efficiency of their products in a	The number and market share of local manufacturers that have benefitted from technical support provided by the	While foreign companies (incl. those with production facilities in Russia) supplying appliances and technical building equipment to the	Following the identification of their specific needs, local manufacturers of household appliances and technical building equipment have been trained and received technical assistance in energy efficient product design,	Project progress reports Survey of training and technical assistance needs of local	See above

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
competitive way and to effectively use that in their marketing strategy, including EE labels.	project.	Russian market are familiar with the EE S&L schemes of their countries of origin and world-wide, Russian manufacturers still lack this experience.	needs for adoption of production facilities to more efficient products, and experiences with EE S&L of foreign and multi-national appliance and equipment manufacturers.	manufacturers. Agendas and reports of training courses realized. Terms of reference and reports of technical assistance provided.	
Output 3.2 A working group of private sector stakeholders, members of the Inter-agency Coordination Body and other interested parties to elaborate the possible public-private partnerships	Status of working group operation	No established forums between (local) authorities and private sector stakeholders (such as manufacturers, retailers, private sector buyers, corporate energy consumers, energy distribution and service companies) to discuss and elaborate possible public-private partnerships in promoting the adoption of the EE S&L schemes and the sale of EE appliances	A working group of private sector stakeholders, members of the Inter-agency Coordination Body and other interested parties established to elaborate the possible public-private partnerships in promoting the adoption of the EE S&L schemes and the sale of EE appliances.	Project progress reports Minutes of the working group	The feasibility and foreseen mutual benefits and interest of the targeted stakeholders to consider public-private partnerships as the preferred <i>modus operandi</i> to influence the market (risk medium)
Output 3.3 Voluntary agreements with the interested manufacturers and other supply chain stakeholders on product labeling and incorporation of EE aspects into their marketing strategy	Number and market share of the manufacturers that have signed a voluntary agreement.	No product labeling in the Russian market (except some labels of the countries of origin of few imported appliances). Energy efficiency S&L are not part of local manufacturers' marketing strategies.	Voluntary agreements concerning product labeling at sales points and inclusion of EE information in product documentation have been negotiated and concluded with manufacturers and distributors of household appliances and technical building equipment	Project progress reports	Foreseen mutual benefits and interest of supply chain stakeholders to co-operate on the suggested voluntary EE labeling scheme
Output 3.4 Elaborated joint strategies and mechanisms to make energy efficient products more competitive and affordable to the majority of the local population	Status of implementation of the elaborated strategies and mechanisms	No specific market enhancement mechanisms implemented and supported as public-private partnership.	Agreed joint marketing strategies with the local manufacturers and other supply chain stakeholders. Attractive pricing policies, and preferential consumer credits and/or incentives for energy efficient appliances available, connected to the	Project progress reports	Interest of the local financing institutions, public authorities, manufacturers and other supply chain stakeholders to co-operate in the elaboration and financing of the

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
and established public-private partnerships to implement these strategies			marketing strategy of the local supply chain and used by the consumers. As applicable, development and implementation of corporate procurement programmes - using certified and labeled technical building equipment.		agreed market enhancement mechanisms as a public-private partnership.
OUTCOME 4 Enhanced awareness and improved access to non-partial information of residential and commercial clients concerning energy efficiency and other relevant characteristics of the targeted appliances and equipment from the life-cycle costs and environmental perspective. Market monitoring mechanism.	Level of awareness of residential and commercial customers on the purpose of the suggested EE S&L schemes and access to non-partial information on the economic and environmental benefits of energy efficient equipment, when comparing the different products in the market. The share of customers who have considered energy efficiency aspects in their last purchasing decision.	Lack of visible and non-partial information on energy performance of different products and relatively low attention on energy efficiency aspects by household consumers and commercial buyers.	In the selected target region over 80 % of the interviewed group of customers that are currently considering or have purchased one or more of the appliances / equipment targeted by the project during its implementation have been exposed to one or more of the awareness raising activities of the project and for more than 50% this has influenced their purchasing decision.	Consumer surveys and interviews at the sales points. Project reports.	The electricity costs or environmental considerations are at the high enough level to awake and sustain the interest of the targeted customers to obtain information on energy efficiency performance of products considered for purchase.
Output 4.1 An established market monitoring mechanisms to produce updated information on the sales of the targeted appliances by energy classes.	Status of the market monitoring reports	Inadequate or outdated market information.	Annual (or bi-annual) market monitoring reports published with updated information on the sale of the targeted appliances by energy classes.	Project progress reports	Access to reliable information from the market
Output 4.2 Internet-based information clearinghouse	Status and usefulness of the web-site	Information on energy efficiency and related performance characteristics of household appliances and	An internet-based energy efficiency information clearinghouse on energy consuming products established and updated regularly with EE information and its impact on	User statistics and feedback. Number of websites linked to information clearinghouse	Assignment of adequate resources for active collection, processing and updating of the information.

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
		<p>technical building equipment is not readily available.</p> <p>It is therefore difficult for consumers (both private households and commercial buyers) to make purchase decisions with due regard on the energy efficiency of products.</p>	<p>the operating costs of the selected appliances, non-partial product information, certified test results, available financing support schemes (as applicable) and other relevant information to help consumer choices between the different appliances available in the Russian market and judge the importance of energy efficiency considerations in general.</p>	<p>Regular review of the information placed on the website</p>	<p>Availability of the certified testing information.</p> <p>Sustainability of the website after the end of the project</p>
<p>Output 4.3 Regional awareness campaign for household consumers</p>	<p>Status of the planned activities</p>	<p>Household consumers lack reliable information on energy efficiency characteristics and options of household appliances</p>	<p>A regional awareness campaign has been developed and implemented in the Moscow region, in cooperation with the Moscow City Government and OJSC Mosenergosbyt, including:</p> <ul style="list-style-type: none"> - The establishment of a customers information centre at OJSC Mosenergosbyt - Didactic material on appliance energy efficiency and energy efficient practices elaborated and available - Information, training events and EE competitions realised - Consumer information units/desks established at Mosenergosbyt district offices and at sales outlets. 	<p>Project progress reports</p>	<p>Continuing interest of the Moscow City Government, OJSC Mosenergosbyt and other key stakeholders to co-operate in the realisation of the campaign (low risk).</p>
<p>Output 4.4 Information campaign for large commercial buyers</p>	<p>Status of the planned activities</p>	<p>Large commercial buyers like project developers, investors, general contractors of construction projects, owners and operators of commercial buildings, public building operators and housing associations - lack reliable information on energy efficiency characteristics and options of technical building equipment</p>	<p>A regional information campaign on energy efficiency building equipment implemented, focusing primarily - but not exclusively - on the region of Moscow, including:</p> <ul style="list-style-type: none"> - Confirmation of information needs by market research among large commercial buyers of technical building equipment - Technical documentation regarding energy efficiency characteristics and options of products - Information and training 	<p>Project progress reports</p>	<p>The electricity costs are high enough to awake and sustain the interest of large commercial buyers in obtaining information on energy efficiency performance and options for technical building equipment.</p>

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
			events for large commercial buyers and their purchasing officers		
Output 4.5 Trained sales personnel of the household appliances and technical building equipment.	Share of the trained sales personnel in the selected pilot region	Lack of information among the sales personnel to adequately inform the targeted customers on the energy performance of the different products and how it should be taken into account in the purchasing decision.	Over 50 % of all the sales personnel trained in the selected pilot region	Project progress reports	Foreseen mutual benefits by the sales personnel of getting trained.

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)

RESPONSE TO THE COUNCIL MEMBER COMMENTS

COMMENTS FROM GERMANY

Germany agrees to the project proposal in general. Changes outlined below should be made during further planning steps and during project implementation:

i) Please involve additional expertise as energy efficiency is not at the core of UNDP business:

UNDP Response: Among the GEF implementing agencies, UNDP has been the leading agency in developing and supporting the implementation of appliance standards and labelling projects in a number of countries, so we do not really agree on this statement. Obviously, this does not remove the need to engage recognized international experts in the field of appliance energy efficiency standards and labels to support and work together with the local expert teams during the project implementation and which has also taken place during the project development. Financial allocations for this has been included both into the actual project and the PPG budget.

ii) Part II states that consumers tend to buy inefficient appliances because of a lack of adequate information delivered to them. Is there not also a price differential between efficient and inefficient appliances that will need to be addressed in the awareness-raising campaign? E.g., incentive to pay more for an efficient appliance would be savings in energy costs in the long run;

UNDP Response: A valid question, which has been addressed in the project design. For further details, see the response to a similar STAP comment.

iii) Agree with the suggestions by the STAP, and further on suggestion i) selection criteria: include information of import share and market development as criteria for selection and targeting interventions (e.g., a focus rather on consumer information or capacity building for manufacturers depending on import share);

UNDP Response: While sharing many similarities, project's market intervention strategy will be fine-tuned at the outset of project operations to match the specific characteristic of each targeted appliance, taking also into account the share of import for each appliance group. In this context, however, it is also to be taken into account that a considerable share of appliances available in the market may not be classified as imported equipment, but are still produced in factories owned by international companies. This applies, for instance, for the refrigerators. .

iv) As planning step, please consider incentives that could be used for market transformation and include market information in the selection criteria for targeted appliances.

UNDP Response: Addressed in the responses to the previous comments

RESPONSE TO THE COMMENTS BY THE STAP SCIENTIFIC AND TECHNICAL SCREENING OF THE PROJECT IDENTIFICATION FORM (PIF):

STAP COMMENTS:

STAP welcomes this proposal on "Standards and Labels for Promoting Energy Efficiency in Russia". The proposal identifies clearly the activities and outcomes intended to address each barrier through interventions at the market, policy, and institutional level. STAP suggests, however, that the proponent considers capacity building, instead of "raise awareness", for policy decision makers on standards and labelling for energy efficiency standards. Building capacity at the policy decision level, may strengthen the investments made to build capacity at the institutional level.

UNDP Response: Comments taken into account and addressed in the activities for Outcome 1 (“An institutional, legal and regulatory basis established and the capacity of the national authorities built to facilitate introduction and widespread application of energy efficiency S&L schemes and their testing at least in one pilot region”).

*i) **Technical Interventions:** There will be hundreds of types of equipment and appliances used in the building or residential sector, but only 5 systems are mentioned in the PIF. There is need for scientific criteria for selecting the equipment and appliances for market transformation, which provides maximum global environmental benefits and which are also cost-effective. A multi – indicators based criteria should be applied for prioritizing and ranking of equipments and appliances for GEF project intervention. Is the focus more on large commercial consumers? If so what is the potential for energy conservation compared to household appliances.*

UNDP Response: As a matter of fact, a lion's share of electricity consumption in residential, commercial and public buildings is attributable to a limited number of appliances, equipment and systems. The local team has carried out an analysis of the contribution of different appliances and equipment to the electricity consumption of the residential, commercial and public sectors and identified the following shares:

Household appliances:

- Refrigerators and freezers: 32.8%
- Lighting: 26.9%
- Household washing machines: 7.0%
- TV sets: 6.0%
- Electric ovens and stoves: 6.0%
- Room air conditioners: 0.7%
- Others: 20.0%

As such, the first household appliances selected for the inclusion into the project (refrigerators, freezers and washing machines together with lamps that are subject of a complementary project) are already responsible for two thirds of the residential electricity consumption. Technical options to improve the energy efficiency of these appliances are cost-effective. While other household appliances should successively be included into the program (by taking into account, among others, the energy saving potentials estimated for the ongoing work in developing the implementing measures for the EU Ecodesign Directive), it is considered as rational to start with those appliances that have been priorities also in other countries with effective EE S&L programs already in force, including the EU and the US.

For (non-movable) technical building equipment, the share of various systems in building energy consumption has been estimated by the local team as follows (shares depending on type of building):

- Refrigeration units and air conditioners: 20.4 - 26.7%;
- Pumps: 14.9 - 21.2%;
- Fans and air curtains: 15.3 - 17.6%;
- Lighting: 11.5 - 25.1%

HVAC and pumping systems offer high energy saving potentials, typically 30 - 50%, which is why they have been selected also into the proposed UNDP/GEF project. Another criteria that was considered in selecting these equipment was that they are industrially manufactured and standardized and, as such, more suitable for a EE S&L program.

The estimated energy saving and GHG reduction potential of the selected appliances and their relation to each other is presented in Section IV, Part V of the UNDP project document.

*ii) **Baseline and Control Groups:** The baseline situation and projection trends, in the absence of GEF project, could be included. Control Groups could be considered for monitoring the impacts of project interventions, at least for the large commercial establishments.*

UNDP Response: The baseline energy consumption and CO₂-emission projections are presented in Section IV, Part V of the UNDP project document.

iii) Barrier: Many of the key barriers and mitigation measures are included. However, the high first or investment cost barrier and innovative approaches to address the barrier could also be considered

UNDP Response: A specific output has been included under Outcome 3, namely Output 3.4: Public-private partnerships and joint strategies to make energy efficient products more competitive and affordable to the majority of the population. Various promotional measures will be further explored and consulted with the key stakeholders to help the consumers to overcome higher prices of energy efficient appliances. This will include negotiations with manufacturers and distributors of household appliances encouraging supporting product pricing strategies, preferential consumer credits for energy efficient appliances, incentive systems for large commercial buyers, etc.

RESPONSE TO THE GEF SECRETARIAT COMMENTS

**No particular comments by the GEF Secretariat in the Project Review Sheet for the CEO Endorsement Stage .
The response to GEF Sec comments is attached as a separate file.**

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES

<i>Position Titles</i>	<i>\$/ person week*</i>	<i>Estimated person weeks**</i>	<i>Tasks to be performed</i>
For Project Management			
Local			
Project manager	750	255	<ul style="list-style-type: none"> • Assume operational management of the project according to the project document and policies and procedures for nationally executed projects; • Prepare ToR for all project personnel and consultants to be recruited to assist in the implementation of the project; • Prepare and update project work plans, and submit these for clearance to the National Executing Agency and UNDP CO; • Assume direct responsibility for managing the project budget, ensuring that: <ul style="list-style-type: none"> ➢ Project funds are made available when needed and disbursed properly; ➢ Accounting records and supporting documents are kept; ➢ Required financial reports are prepared; ➢ Financial operations of the project are transparent and stand up to audit at any time; • Ensuring that financial procedures and regulations for NEX projects are applied; • International and National consultants are hired and are delivering their outputs on schedule; • Supervise the project staff and local or international experts/consultants working for the project; • Coordinate project implementation with projects and activities carried out by project partners and stakeholders, build partnerships and leverage resources, and • Report to the NEX Agency and UNDP Country Office on a regular basis
Project assistant	375	255	<ul style="list-style-type: none"> • Provide necessary assistance in the operational management of the project according to the project document and the NEX procedures; • Draft correspondence on administrative and program matters pertaining to the Project Office responsibilities; • Undertake all preparation work for procurement of office equipment, stationeries and support facilities as required; • Undertake preparation for project events, including workshops, meetings (monthly, quarterly and annual), study tours, trainings, etc. This also includes preparation of background materials for use in discussions and briefing sessions on project matter; • Logistical arrangements. This includes visa, transportation, hotel bookings for project staff, consultants and invited guests coming for project activities; • Assist in preparation of project work plan and reports; • Prepare regular list of events for sharing of information within project staff and outside; • Assist with project communication activities, including publications; • Assist with preparation of TORs and contracts for consultants/experts for project activities; • Calculate and prepare staff time records
Accountant	375	255	Planning

			<ul style="list-style-type: none"> • Prepare quarterly advance requests to get advance funds from UNDP in the format applicable; • Assist the PM and NPD in project budget monitoring and project budget revision. <p>Accounting/ Reporting</p> <ul style="list-style-type: none"> • Set up an accounting system, including reporting forms and filing system for the project, in accordance with the project document and the NEX procedures; • Prepare project financial reports and submit to PM and NPD for clearance and furnish to UNDP as required. • Reconcile all balance sheet accounts and keep a file of all completed reconciliation. <p>Control</p> <ul style="list-style-type: none"> • Check and ensure that all expenditures of the project are in accordance with NEX procedures. This includes ensuring that receipts are obtained for all payments; • Check budget lines to ensure that all transactions are correctly booked to the correct budget lines; • Ensure documentation relating to payments are duly approved by the NPD; • To continuously improve system & procedures to enhance internal controls are satisfy audit requirements. <p>Inventory Register</p> <ul style="list-style-type: none"> • Maintain a proper inventory of project assets register, including numbering, recording, and reporting; • Maintain the inventory file to support purchases of all equipment/assets.
International			
Justification for Travel, if any: Local travel of the members of the project management team in Russia			
For Technical Assistance			
Local			
EE S&L legal, institutional and policy consultant	500	240	<ul style="list-style-type: none"> • Perform analyses of the current federal legislation and identify laws/regulations that need to be amended in order to allow energy efficiency S&L programme implementation and federal level • Coordinate the development of the necessary proposals for amendments in the current legislation • Initiate and coordinate the inter-ministerial and public consultations of the amendments • Together with pilot project coordinator, support the adoption of the proposals to Moscow region regulatory framework – including development of all legal and administrative rules for the pilot energy efficiency S&L programme implementation • Together with pilot project coordinator, develop a regional institutional structure that will coordinate and monitor the overall implementation of the S&L programme, including necessary administrative staff, structure of the organization, necessary resources, etc.
GHG analysis expert	500	120	<ul style="list-style-type: none"> • Collect and analyze information, characterizing current state and forecasted market development for home appliances and building equipment, including type, categories and market share of key products, producers, consumers, distribution networks, energy consumption characteristics and total BAU energy consumption.

			<ul style="list-style-type: none"> • Develop a structured monitoring and evaluation system to assess saving in energy consumption, carbon emissions and household, regional and national energy cost as a result of appliance and equipment energy efficiency programs • Provide regular monitoring reports to National Inter Agency Coordination Body and PM • Develop mid-term and final monitoring reports including calculated direct and indirect energy savings and CO2 emission reductions, as well as forecast for future reductions after project completion.
Pilot project coordinator	500	140	<ul style="list-style-type: none"> • Overall coordination of activities under Output 1.3 – Moscow pilot region • Together with EE S&L Law and Policy consultant, develop all legal and administrative rules for the pilot energy efficiency S&L programme implementation • Together with EE S&L Law and Policy consultant, propose an institutional structure that will coordinate and monitor the overall implementation of the pilot S&L programme, including necessary administrative staff, structure of the organization, necessary resources, etc. • Coordinate the development of the Moscow region S&L programme based on S&L schemes (MEPs, labels, procurement model) proposed within the project
EE Standards and certification consultants	500	312	<ul style="list-style-type: none"> • Analyze existing certification and compliance checking system in Russia, identify gaps and propose improvements in terms of appliance and equipment energy efficiency • Collect and analyze information concerning existing certification laboratories, their capacity to perform certification according to the S&L standards, develop recommendations for improvement • Develop technical and economical analyses for the establishment of household appliance test laboratory • Develop appliance and equipment certification procedure, based on energy efficiency S&L schemes, to be applied on voluntary basis by the pilot region and various associations.
Appliance consultant	500	120	<ul style="list-style-type: none"> • During project inception phase, continue market assessments done during the PPG phase to finalize list of products to be included in the development of S&L standards, prepare inception report with all necessary market and sales data, energy and emission saving potential included. • Collect information on internationally adopted S&L policy for the appliances selected, identify on-going international collaboration activities • Analyze pros and cons of the adoption of already developed S&L policy instruments in another country/region against the development of national S&L schemes for selected products, develop report to National Inter Agency Coordination Body and PM with conclusions and options for future work. • Initiate consultations with various stakeholders on the type of S&L schemes to be developed for different product groups • Lead the development of proposals for GOST testing standards, minimum energy performance standards and labeling regulations for selected products, submit the proposals to relevant Technical Committees for discussion • Support the development and implementation of stakeholder involvement plan and marketing strategy and the consumer awareness activities
HVAC equipment consultant	500	264	<ul style="list-style-type: none"> • During project inception phase continue market assessments done during PPG phase to finalize list of building equipment to be included in the development of S&L standards, prepare inception report with all necessary market and sales data, energy and emission saving potential included. • Collect information on internationally adopted S&L policy for the equipment selected, identify on-going international collaboration activities • Analyze pros and cons of the adoption of already developed S&L policy

			<p>instruments in another country/region against the development of national S&L schemes for selected equipment, develop report to National Inter Agency Coordination Body and PM with conclusions and options for future work.</p> <ul style="list-style-type: none"> • Initiate consultations with various stakeholder on the type of S&L schemes to be developed for different equipment groups • Lead the development of proposals for GOST testing standards, minimum energy performance standard and labeling regulations for selected building equipment, submit the proposals to relevant Technical Committees for discussion • Develop models for public procurement of building equipment complying with the S&L standards developed • Support the development and implementation of stakeholder involvement plan and marketing strategy and the consumer awareness activities
Stakeholder involvement expert	500	240	<ul style="list-style-type: none"> • Identify and assess key stakeholder groups for successful project implementation (government bodies, private parties – manufacturers, retailers, distributors, NGOs, scientific institutes, universities, test labs, regional authorities, large buyers, final consumers), assess their current and potential role in the project, identify training needs, develop stakeholder involvement strategy • Coordinate the implementation of the stakeholder involvement strategy within the project • Detailed assessment of household and equipment manufacturers training and technical assistant needs to improve efficiency of their products – design, production lines, etc. • Develop strategy for manufacturers support including various training activities and exchange of information and expertise with foreign equipment producers and coordinate training and technical assistance activities • Provide support to negotiations with manufacturers and retailers for the adoption of voluntary agreements for equipment energy efficient labeling • Identify retailers and salesperson training needs, develop and implement respective training programs • Provide support to the implementation of the pilot S&L programme in terms of involvement and establishment of cooperation with various stakeholders. • Ensure private stakeholders cooperation within the communication and awareness rising strategy implementation.
Consultant on preferential consumer credits for EE appliances	500	240	<ul style="list-style-type: none"> • Overall coordination of all activities for elaboration and implementation of public private partnerships and joint strategies (Outputs 3.2, 3.3., and 3.4) • Responsible for the establishment and the coordination of activities of the Working group on public private partnership, develop communication strategy • Initiate and perform negotiations with manufacturers and retailers for the adoption of voluntary agreements for equipment energy efficiency labeling • Responsible for the development of a system of building energy efficient indicators • Collect information and analyze various financial and other marketing strategies schemes implemented in various countries to transform the market towards energy efficient appliances and equipment • Develop financial and economical analyses for the implementation of at least three different financial incentive schemes for different consumer types at national/regional level (e.g. consumer credits, sales discounts, large buyers pricing incentives) and present them for approval • Coordinate the negotiation with different stakeholders on selected incentive scheme implementation
Marketing and promotion PR	500	300	<ul style="list-style-type: none"> • Develop and coordinate the implementation of the project communication and awareness raising strategy, identify key partners for the implementation of

and awareness consultants			<p>the strategy including government, private and NGO organizations, media. (Outcome 4)</p> <ul style="list-style-type: none"> • Coordinate the development and regular update of the Internet based information clearinghouse for energy efficient appliances and equipment • Develop and coordinate the implementation of the Moscow pilot region awareness raising campaign for the different consumers groups • Coordinate consumer surveys activities
International			
EE policy and institutional consultant	3000	23.3	<ul style="list-style-type: none"> • Assess existing appliance policy and identify gaps and barriers, Propose changes in existing policy and legislation at federal and regional level. • Review and comment the recommendations of the local expert team for required legal and regulatory amendments both at the federal and regional/city level • Analyze existing institutional capacity to design and implement EE appliance program, design training modules to meet existing needs for capacity building.
S&L consultant/s	3000	53.3	<ul style="list-style-type: none"> • Analyze the adopted or suggested new S&L policies and schemes for the selected equipment in other countries, identify on-going international collaboration activities and propose S&L policy development plan for the selected appliances and equipment • Make recommendations for consultations with various stakeholders on the type of S&L schemes to be developed for different equipment groups • Support the consultations for the development of testing standards, minimum energy performance standards and labeling regulations for selected appliances. • Assist in the development of models for public procurement of building equipment complying with the S&L standards developed • Develop a proposal for a certification and compliance checking system in Russia, based on identified gaps and international best practices and lessons learnt • Assess existing certification laboratories, their capacity to perform certification according to the S&L standards and develop recommendations for improvement • Develop appliance and equipment certification procedure, based on energy efficiency S&L schemes, to be applied on voluntary basis by the Pilot region and various associations. • Monitor, review, make recommendations and support otherwise the work of the local expert team throughout the project implementation
Consultant on outreach to manufacturers and supply chain	3000	43.3	<ul style="list-style-type: none"> • Design stakeholder involvement plan focused on manufacturers and supply chain stakeholders based on analysis provided by national consultants, including stakeholder participation in outreach activities, • Analyze stakeholder's capacity building needs and propose training modules and technical assistance plan, • Provide information on international lessons learnt and best practices in creating public private partnership and an provide an overview of possible financial support schemes and other marketing strategies • Analyze and assess possibilities of introduction of such schemes in Russia.
Awareness and communication consultant	3000	33.3	<ul style="list-style-type: none"> • Support the designing of the project communication and awareness raising strategy including the engagement of the key government, private sector, NGO, media partners; • Provide international best practice examples to support the development of an Internet based information clearinghouse for energy efficient appliances and

			<p>equipment</p> <ul style="list-style-type: none"> • Support the designing of the Moscow pilot region awareness raising campaign for the different consumers groups
Project evaluator – Mid term	3000	16.7	<ul style="list-style-type: none"> • Determine progress being made towards the achievement of outcomes and identify course correction if needed, focusing on the effectiveness, efficiency and timeliness of project implementation • Identify main issues requiring decisions and actions; • Present initial lessons learned about project design, implementation and management. • Develop recommendations for enhanced implementation during the final half of the project’s term. • Develop draft evaluation report, discuss it with the project team, government and UNDP, and as necessary participate in discussions to extract lessons for UNDP and GEF.
Project evaluator – Final	3000	16.7	<ul style="list-style-type: none"> • Determine progress being made towards the achievement of outcomes and identify course correction if needed, focusing on the effectiveness, efficiency and timeliness of project implementation • Present lessons learned about project design, implementation and management. • Assess project impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. • Provide recommendations for follow-up activities. • Develop draft evaluation report, discuss it with the project team, government and UNDP, and as necessary participate in discussions to extract lessons for UNDP and GEF..
<p>Justification for Travel, if any: The required travel includes the cost of international expert travel to Russia and the required local travel by both the international and local consultants in Russia</p>			

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

The objective of the PPG to develop a full-fledged project document for the project has been achieved. The following outputs were delivered according to the PPG implementation plan:

1. Market study: A detailed assessment has been made on the current policy and legal issues and barriers for energy efficiency standards and labels implementation. A detailed survey was also performed for the current appliance market in Russia, including data on local manufacturers (type and categories of appliances manufactured, key producers and their capacity, market share, technical capacity to improve efficiency, etc.), imported products and distribution networks (type, categories and efficiency characteristic of products, share of import, existing distribution network and chains), major consumer groups. Various data was collected on equipment energy consumption and ownership trends to allow calculation of the saving potential of various appliances.

2. Stakeholder consultation: Stakeholder analysis has been completed for the various groups of stakeholders (national and regional government institutions, industrial and private sector, civil society, academic and scientific institutions). The assessment of stakeholder's interests, existing capacities and potential roles in project activities led to the development of the stakeholder involvement strategy and plan. Various consultations took place to discuss project design and planned activities.

3. Institutional capacity assessment: The analysis was performed on the existing policy, legal, institutional and regulatory framework controlling the production, import and sales of appliances. Main institutional gaps were identified and consultations with the main stakeholders on the required institutional framework for successful development and implementation of EE S&L schemes were initiated

4. Demonstration projects and replication strategy: Scope of the demonstration projects was defined, number of consultations were held on type, location and implementation arrangements of the pilot actions. Co-financing agreements were concluded.

5. Detailing project implementation arrangements, an implementation plan and M&E Plan: Full project scope and strategy has been defined; a set of outcomes, outputs and activities to overcome identified barriers designed, expected direct and indirect GHG emissions reduction estimated, costs of planned activities estimated, co-financing sources identified and agreements signed, a set of indicators defined to track project progress (SRF matrix), a monitoring and evaluation plan and a detailed budget finalized.

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

Findings during the PPG stage have been incorporated into the design of the project, including suggested mitigation measures for the identified project risks. Otherwise, no major concerns for project implementation identified.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLES BELOW:

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>GEF Amount (\$)</i>				<i>Co-financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Collecting data about the market structure, production, imports, distribution, sales and demand for individual group of appliances	Completed	30,000	42,563			80,000
Stakeholder consultations	Completed	20,000	18,613			30,000
Institutional capacity assessment	Completed	10,000	7,062			20,000
Demonstration programme design	Completed	30,000	7,448			90,000
Detailing project implementation arrangements, an implementation plan and an M&E plan	Completed	35,000	40,124	9,190		30,000
Total		125,000	115,810	9,190	0	250,000

* Any uncommitted amounts should be returned to the GEF Trust Fund. This is not a physical transfer of money, but achieved through reporting and netting out from disbursement request to Trustee. Please indicate expected date of refund transaction to Trustee.

<i>Project Preparation Activities Approved (GEF III-PDF A)</i>	<i>Implementation Status</i>	<i>GEF Amount (\$)</i>				<i>Co-financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Situation analysis	Completed	4,000	4,000	0	0	6,000
Stakeholder consultations	Completed	16,500	16,500	0	0	11,500
Scoping and detailing PDF-B proposal (PPG)	Completed	4,500	4,500	0	0	17,500
Total		25,000	25,000	0	0	35,000

ANNEX E: CALENDAR OF EXPECTED REFLOWS

Provide a calendar of expected reflows to the GEF Trust Fund or to your Agency (and/or revolving fund that will be set up)

ANNEX F: TOTAL PROJECT WORKPLAN AND BUDGET IN ATLAS

Award ID:		00057337										
Project ID:		00070781										
Award Title:		PIMS 3550 CC FP: Standards and labels to promote energy efficiency in Russia										
Business Unit:		Russian Federation (RUS10)										
Project Title:		PIMS 3550 CC FP: Standards and labels to promote energy efficiency in Russia										
Implementing Partner (Executing Agency)		Federal Agency for Science and Innovation of the RF (Rosnauka)-NEX Execution										
GEF Outcome/ Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Budget note
OUTCOME 1: Institutional, legal and regulatory system, institutional capacity for introduction and application of EE S&L and their testing at least in one pilot region	Rosnauka	62000	GEF	71200	Intl. Consultants	10 000	30 000	30 000			70 000	EE policy and institutional consultant
				71300	Local Consultants	24 000	24 000	24 000	24 000	24 000	120 000	EE S&L Law and policy consultant (1.2,1.3)
				71600	Travel	18 000	10 000	10 000	10 000	10 000	58 000	SC meetings and other travel (incl 1.1.3)
				71300	Local Consultants	20 000		20 000		20 000	60 000	GHG analysis expert
				71300	Local Consultants	20 000	30 000	20 000			70 000	Adaptation of S&L legislation in Moscow (1.3.1,1.3.4)
				72100	Contractual services	30 000	30 000	20 000			80 000	Provisions for EE S&L under national law (1.2)
				72100	Contractual services		45 000	35 000			80 000	Training for pilot implementation of S&L in Moscow (1.3.2-1.3.3)
				72100	Contractual services	30 000		20 000			50 000	Seminars, conferences
				74100	Reporting & Lessons learned	9 000		55 000	5 000	59 000	128 000	Inception and terminal reports, reporting against logframe indicators
				74200	Publications		10 000	10 000	10 000	10 000	40 000	Publications
				74500	Miscellan. expenses	5 000	4 000	5 000	4 000	5 000	23 000	
Total Outcome						166 000	183 000	249 000	53 000	128 000	779 000	

OUTCOME 2: National S&L schemes for selected power- consuming products designed, required verification and enforcement capacity set up	Rosnauka	62000	GEF	71200	Intl. Consultants	30 000	40 000	40 000	30 000	20 000	160 000	S&L consultant/s	
				71300	Local Consultants	36 000	36 000	36 000	36 000	12 000	156 000	EE Standards and certification consultants	
				71300	Local Consultants	12 000	12 000	12 000	12 000	12 000	60 000	Consultant on appliances	
				71300	Local Consultants	12 000	30 000	30 000	30 000	30 000	132 000	Consultant on HVAC equipment	
				71600	Travel	8 000	8 000	8 000	8 000	8 000	40 000	Visiting manufacturers and testing labs	
				72100	Contractual services	110 000	130 000	100 000			340 000	Design of standards for testing and EE labeling for selected types of equipment (2.1)	
				72100	Contractual services	20 000	40 000				60 000	Capacity assessment of testing facilities (2.2.2)	
				72200	Equipment		500 000	440 000			940 000	Technical assistance/equipment for selected test laboratories (2.2.3)	
				72100	Contractual services		40 000	50 000	35 000		125 000	Guidelines for municipal buyers on EE public procurement (HVAC) (2.3.1)	
				72100	Contractual services		40 000	50 000	45 000		135 000	Design of guidelines for energy efficiency indicators of new buildings' equipment (2.4)	
				74200	Printing and publications	10 000	10 000	10 000	10 000	10 000	50 000		
				74500	Miscellan. expenses	5 000	5 000	5 000	5 000	5 000	25 000		
				Total Outcome			243 000	891 000	781 000	211 000	99 000	2 225 000	

OUTCOME 3: Enhanced interest and strengthened capacity of the local manufacturers and the supply chain stakeholders	Rosnauka	62000	GEF	71200	Intl. Consultants	20 000	60 000	30 000	20 000		130 000	Consultant on outreach to manufacturers and supply chain
				71300	Local Consultants	24 000	24 000	24 000	24 000	24 000	120 000	Marketing and promotion consultant
				71300	Local Consultants			60 000	60 000		120 000	A system of preferential consumer credits for EE appliances (3.4.4)
				71600	Travel	10 000	10 000	10 000	10 000	10 000	50 000	
				72100	Contractual services	50 000	50 000				100 000	Surveys among manufacturers on training and TA needs (3.1.1,3.1.2)
				72100	Contractual services		160 000	150 000	130 000		440 000	Training for manufacturers (appliances and HVAC) (3.1.3)
				72100	Contractual services		200 000	300 000	300 000		800 000	Technical assistance to appliances/HVAC manufacturers on adaptation of production and upgrading testing facilities (3.1.4,3.1.5)
				72100	Contractual services		90 000	30 000			120 000	Business plans and marketing strategies for manufacturers of appliances (3.4.1,3.4.2)
				72100	Contractual services		120 000	40 000			160 000	Business plans and marketing strategies for manufacturers of HVAC (3.4.1,3.4.2)
				72100	Contractual services			40 000	40 000		80 000	Promotional materials for EE products (3.4.3)
				72100	Contractual services		60 000				60 000	Incentives for manufacturers/supply chain to promote EE products (voluntary agreements) (3.3)
				74500	Miscellan. expenses	30 000			30 000		60 000	Conferences to develop guidance/promote EE S&L for new buildings/developers (3,3)
				72100	Contractual services		40 000	40 000			80 000	Design of corporate procurement programmes (3.4.5,3.4.6)
				74500	Miscellan. expenses	5 000	5 000	5 000	5 000	5 000	25 000	
				Total Outcome					139 000	819 000	729 000	619 000

OUTCOME 4: Enhanced awareness and improved access to information of residential and commercial clients	Rosnauka	62000	GEF	71200	Intl. Consultants	30 000	30 000	20 000	20 000		100 000	
				71300	Local Consultants	30 000	30 000	30 000	30 000	30 000	150 000	Marketing, PR and awareness experts
				71600	Travel	10 000	15 000	15 000	15 000	15 000	70 000	
				72100	Professional service		44 000	44 000	44 000	54 000	186 000	Conferences, round tables, workshops (2/year)
				72100	Professional service	54 000	30 000	30 000	30 000	30 000	174 000	Development of websites (HVAC and appliances) (4.1)
				72100	Professional service	40 000	20 000	20 000	20 000	20 000	120 000	Market analysis and monitoring - appliances (4.2.1)
				74100	Professional service	10 000	40 000	40 000	40 000	40 000	170 000	EE Consultative Centre (4.2.2,4.2.5)
				72100	Contractual services		40 000	40 000	40 000	40 000	160 000	Information and training events for residents on EE appliances (4.2.4)
				72100	Contractual services		50 000	50 000	50 000	50 000	200 000	Didactic materials on EE appliances and practices for residents and schools (4.2.3)
				72100	Contractual services	40 000	20 000	30 000	20 000	30 000	140 000	Market analysis and monitoring - building HVAC equipment (4.3.1)
				72100	Contractual services	40 000	40 000	40 000	40 000	40 000	200 000	Technical documentation, information and training materials for large commercial buyers (4.3.2,4.3.3)
				72100	Contractual services		40 000	50 000	50 000	50 000	190 000	Design of training materials and training for sales personnel (4.4.1)
				74200	Printing and publ.	3 000	10 000	10 000	10 000	10 000	43 000	
				74500	Miscellan. expenses	5 000	5 000	5 000	5 000	5 000	25 000	
				Total Outcome			262 000	414 000	424 000	414 000	414 000	1 928 000
Project Management	Rosnauka	62000	GEF	71400	Project personnel	76 500	76 500	76 500	76 500	76 500	382 500	Project staff (PM, Assistant, Accountant)
				71600	Travel	6 000	6 000	6 000	5 000	5 000	28 000	Travel and field visits
				72200	Equipment	15 000			5 000		20 000	
				72400	Communication	3 500	3 500	3 500	3 500	3 500	17 500	
				72500	Supplies	3 500	3 500	3 500	3 500	3 500	17 500	
				74100	Audit	10 500	10 500	10 500	10 500	10 500	52 500	Financial Audit
				74500	Miscellan. expenses	3 000	3 000	3 000	3 000	3 000	15 000	
				Total Management			118 000	103 000	103 000	107 000	102 000	533 000
PROJECT TOTAL			928 000	2 410 000	2 286 000	1 404 000	782 000	7 810 000				