



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

Submission date: 22 May 2008
Re-submission date:

GEF PROJECT ID¹: 3597
GEF AGENCY PROJECT ID:
COUNTRY(IES): Russian Federation
PROJECT TITLE: Improving Urban Housing Efficiency in the Russian Federation
GEF AGENCY(IES): EBRD
OTHER EXECUTING PARTNER(S):
GEF FOCAL AREA(S): Climate Change
GEF-4 STRATEGIC PROGRAM(S): CC-SP1-Building EE
NAME OF PARENT/PROGRAM/UMBRELLA PROJECT (if applicable): Umbrella Programme for Energy Efficiency in the Russian Federation

A. PROJECT PREPARATION TIMEFRAME

Start date	June 2008
Completion date	December 2008
CEO Endorsement/Approval	March 2008

B. PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

The PPG will cover the following preparatory activities. These are essential in order to provide the necessary information for sound project design:

1 Baseline analysis and stakeholder dialogue

- Sector review: number of existing buildings by age, types of structures (brick masonry, sandwich panel, ceramzite panel, monolith, tower type, line type etc) and purpose
- Review of current thermal properties (u-values, construction types and technologies, heating design and efficiency) in municipal and mixed ownership housing, comparison to international benchmarks, and trends and drivers underlying any changes
- Review of ownership and maintenance models currently used in Russian residential block housing - role of municipalities, housing associations, zheks, maintenance companies and residents and legal basis of those roles
- Assessment of current and projected energy tariffs for consumers, and assessment of drivers underlying any changes
- Review and analysis of the policy environment for reconstruction and refurbishment of municipal & mixed ownership housing stock at Federal, Regional and Local authority levels including existing and planned support programmes (federal/regional), and results achieved.
- Review of best practice in building codes in integrated municipal energy planning, refurbishment and reconstruction, and performance incentives for high-efficiency buildings
- Agreement with Federal and Regional authorities dealing with the Russian Housing Fund on co-ordinated actions within the context of the GEF project
- Agreement on roles and responsibilities, activities and co-funding commitments from Federation and Regional authorities

2 Demonstration pipeline development

- Develop criteria for demonstration project identification
- Identify regions and specific towns or building clusters to participate in the project
- Prepare list of prospective investments and external financing needs including estimated value of the proposed

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

investments, and the extent and type of technical assistance that the borrowers may require to convert the initial proposal into a bankable investment proposal

3 Project Strategy Development

- Determine viable and appropriate financing structures and delivery mechanisms including an integrated model of financial vehicle for refurbishment of housing stock involving commercial banks
- Review project barriers and refine project strategy to address them
- Identification of training needs for residents, management companies, commercial banks or other involved financial institutions, local authority entities and design of appropriate training programmes
- Develop project tendering methodology including tender documentation, evaluation methodology and negotiating guidelines
- Develop project implementation plan
- Develop promotion and dissemination plan
- Develop monitoring and verification plan, including establishing project boundary and developing a rigorous methodology for capturing the benefits of the policy, information, and training components of the project, including an estimate of GHG reductions related to those project activities (IC reasoning)

List project preparation activities	Project Preparation (a) GEF Grant	Co-financing (b)	Total (c=a+b)
1. Baseline analysis and stakeholder dialogue	40,000	50,000	90,000
2. Demonstration pipeline development	75,000	80,000	155,000
3. Project Strategy Development	50,000	70,000	120,000
Total project preparation financing	165,000	200,000	365,000

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

GEF Agency	Focal Area	Country Name / Global	(in \$)		
			PPG (a)	Agency Fee (b)	Total c = a + b
EBRD	Climate Change	Russian Federation	165,000	16,500	181,500
			-	-	-
Total PPG Requested			165,000	16,500	181,500

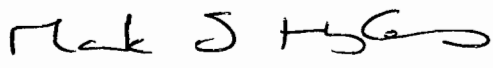

D. PPG BUDGET REQUEST

Cost Items	Total Estimated Person Weeks (PW)	GEF (\$)	Co-financing (\$)	Total (\$)
Local consultants *	15	60,000	80,000	140,000
International consultants*	11	88,000	95,000	183,000
Per Diem Allowance	6	8,000	8,000	16,000
Travel		6,000	8,000	14,000
Miscellaneous		3,000	9,000	12,000
Total PPG Budget		165,000	200,000	365,000

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

** Person weeks here refers to the weeks that are to be charged to GEF grant. One can also provide person months, if this is more applicable to the project.

E. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 <i>Mr Mark Hughes</i> GEF Agency Coordinator	 <i>Mr Peter Hobson</i> Project Contact Person
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Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Position Titles	\$/Person Week (GEF only)	Estimated PWs (GEF only)	Tasks to be performed
<i>Local</i>			
Energy efficiency expert	4000	9	Lead review of sector and energy consumption trends and drivers in municipal and mixed ownership housing; Review current and projected energy tariffs for consumers; Lead review of best practice integrated municipal energy planning, refurbishment and reconstruction, and performance incentives for high-efficiency buildings; Develop criteria for demonstration project identification; Prepare list of prospective investments and external financing needs
Policy advisor	4000	6	Lead review and analysis of the policy environment for reconstruction and refurbishment of municipal & mixed ownership housing stock at Federal, Regional and Local authority levels; Support negotiations with Federal and Regional authorities dealing with the Russian Housing Fund and agreement on roles and responsibilities, activities and co-funding commitments
<i>International</i>			
Finance expert	8000	3	Support work on demonstration project identification; prepare list of prospective investments and external financing needs including estimated value of the proposed investments, and the extent and type of technical assistance that the borrowers may require to convert the initial proposal into bankable investment proposal
Energy efficiency expert	8000	4	Support review of current energy consumption, trends and drivers in municipal and mixed ownership housing; Review list of prospective investments and external financing needs
Project co-ordination	8000	4	Lead consultation on project activities, refine GEF project implementation, promotion and dissemination plan, carry out IC analysis, development of M&E plan

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

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