



## PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

Submission date: 14 December 2011

Re-submission date: 5 January 2012

GEF PROJECT ID: 4784

GEF AGENCY PROJECT ID: XXUKR11X05

COUNTRY(IES): Ukraine

PROJECT TITLE: Introduction of energy management system standard in Ukrainian industry

GEF AGENCY(IES): UNIDO, (select), (select)

GEF FOCAL AREA(S): Climate Change

### A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	01/03/2012
Completion date of PPG	08/31/2013

### B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

Preparing and detailing a strategy to accelerate the adoption of energy management system standard in Ukrainian industry.

#### 1. Collection of supplemental data

Detailed data is needed for a careful analysis of the energy use patterns in industry, benchmarking, energy management practices, existing certification and accreditation schemes are available for the implementation of national standards and capacity needs of all stakeholders.

##### 1.1 Energy consumption in industry

Detailed information on the energy use patterns in various sectors of the Ukrainian industry, monitoring, reporting and verification (MRV) framework and methodology, benchmarking data and applied energy management measures and tools (including the availability of metering equipment) will be identified. Further the accuracy of the available data will be validated. Based on this data, the Industrial sectors to be covered within the scope of the project will be prioritized.

##### 1.2 Review of the relevant legal and regulatory framework

A detailed review of the existing policy and institutional frameworks for the promulgation of a national standard on energy management, certification and accreditation schemes and finally monitoring, reporting and verification structures and methodologies will be carried out. A proposal will be made on the process for developing an incentive driven policy mechanism to encourage the adoption of energy management systems and for the development of institutional structures that support certification of companies and accreditation of energy auditors as well as to support an MRV framework providing information from the company to the sectoral to the national level.

##### 1.3 Detailed capacity needs assessment

Industries and support institutions will be consulted on their capacity building needs. Once capacity gaps are identified, interventions will be proposed.

## 2. Stakeholder consultations

Stakeholders consultations have been carried out during the preparation of the PIF of this project. More detailed consultations, focusing on details of the project implementation and the roles and contributions of the various stakeholders, will take place during PPG phase.

Governmental institutions and public agencies interested in the project objective and activities will be consulted to discuss their views on the detailed objectives of and institutional arrangements for this project, to assess whether their involvement in its execution can be enlarged, to secure their commitment to critical outputs and to agree on the activities they could undertake as a part of their contribution to the project success. These consultations will also be used to review existing policy and institutional frameworks and to propose strategies for improvements. The consultations will be facilitated through bilateral consultations with the relevant parties, workshops at national and local levels and close involvement of the Selected Energy Intensive Industrial Sectors, State Agency on Energy Efficiency and Energy Saving of Ukraine; Institute on energy conservation and energy management of the National Technical University of Ukraine “Kyiv Polytechnical Institute”; State Statistics Committee of Ukraine; State Committee for Technical Regulation and Consumer Policy; National Accreditation Agency of Ukraine.

## 3. Design of project structure and methodology

The information collected and the consultations made will feed into the design of the project structure and methodology following an incentive based policy approach supported by investments facilitated through various financial institutions. Therefore the document will also detail the methodology for project implementation including the criteria for the selection of projects, requirements for funding, definition of eligible costs, etc.

## 4. Project strategy and implementation detailing

Based on the activities described above, the detailed planning of the full-sized project will be completed. Collaboration with related initiatives will be ensured when designing project strategies and defining the scope and activities for the pilot projects.

In summary, the PPG activities, which will lead to the GEF project document, will include:

- Identification of a set of viable outcomes, outputs and activities that constitute the most cost effective response to the identified threats and barriers;
- Identification of the risks applicable at various levels of the project implementation and propose a targeted mitigation strategy
- Costing of expected project outcomes and outputs, co-financing sources and co-financing commitments in compliance with the GEF incremental principle;
- Confirmation of co-financing, exploration of non-grant instruments
- Evaluation of the socio-economic impacts of the project
- A sustainability plan for the project
- Estimation of global environmental benefits including the potential GHG emission reductions
- Cost-effectiveness analysis
- Arrange a monitoring and evaluation plan, including a set of impact indicators to track the project's progress and effectiveness, baseline and target values on indicators.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
1. Collection of supplemental/ baseline data and analysis	Supplementary data collected is used in finalizing the project document	GEF TF	20,000	30,000	50,000
2. Stakeholder consultations	Stakeholder buy-in in the proposed project implementation strategy.	GEF TF	20,000	20,000	40,000
3. Design of project structure	Detailed feasibility of project structure and methodology.	GEF TF	20,000	20,000	40,000
4. Project strategy and implementation detailing	Detailed GEF project document produced for UNIDO approval and CEO endorsement.	GEF TF	20,000	30,000	50,000
<b>Total Project Preparation Financing</b>			<b>80,000</b>	<b>100,000</b>	<b>180,000</b>

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

	Project Preparation	Agency Fee
Grant Amount	80,000	8,000
Co-financing	100,000	
<b>Total</b>	<b>180,000</b>	<b>8,000</b>

#### D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
GEF TF	UNIDO	Climate Change	Ukraine	80,000	8,000	88,000
<b>Total PPG Amount</b>				<b>80,000</b>	<b>8,000</b>	<b>88,000</b>

<sup>1</sup> No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

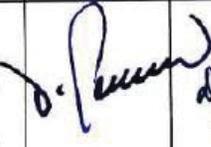
#### E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	25.00	25,000	10,000	35,000
International consultants*	16.00	40,000	10,000	50,000
Travel		0	20,000	20,000
consultation workshops		15,000	10,000	25,000
in-kind co-financing			50,000	50,000
<b>Total PPG Budget</b>		<b>80,000</b>	<b>100,000</b>	<b>180,000</b>

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

**F. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF LDCF/SCCF Trust Fund criteria for project identification and preparation.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Mr. Dmitri Piskounov, Managing Director, PTC UNIDO GEF Focal Point		December 15, 2011	Rana Ghoneim 	+431 26026 4356	R.Ghoneim@unido.org

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

<b>Type of Consultant</b>	<b>Position / Titles</b>	<b>\$/ Person Week<sup>1</sup></b>	<b>Estimated PWs<sup>2</sup></b>	<b>Tasks to be Performed</b>
Local	National expert on energy management systems	1000	10.00	<ul style="list-style-type: none"> <li>•Collect data on energy use patterns in SMEs in Ukraine</li> <li>• Evaluate the implementation of energy management systems in Ukraine</li> <li>• Propose the industrial sectors to be targeted under the project</li> <li>•Identify training needs and ideal methodology.</li> </ul>
Local	National expert on socioeconomic impacts of energy management	1000	5.00	<ul style="list-style-type: none"> <li>•Analyse the socioeconomic impacts and benefits to be delivered by the Project at the national level, including consideration of gender dimensions</li> </ul>
Local	National expert on outreach and coordination	1000	5.00	<ul style="list-style-type: none"> <li>•Identify local stakeholders to be involved in the project including private sector, CSOs, NGOs, etc.. and propose roles</li> <li>•Report on related existing initiatives and potential synergies.</li> </ul>
Local	National expert on policy	1000	5.00	<ul style="list-style-type: none"> <li>•Examine the conditions for promulgation of a national standard, •Consider the requirements and steps for implementing a national certification and accreditation.</li> </ul>
International	Technical and project design expert	2500	8.00	<ul style="list-style-type: none"> <li>•Assist in the preparation of the project's logical framework and M&amp;E plan, including a set of measurable impact and progress indicators.</li> <li>•Present the barriers and propose a project baseline based on the information delivered by the local experts.</li> <li>•Provide recommendations on the suggested project scope, strategy and design.</li> <li>•Suggest a sustainability plan for the project outcomes and outputs.</li> <li>•Recommend criteriafor the selection of projects</li> <li>•Prepare the project timetable and related detailed budget</li> <li>•Prepare the first draft of the FSP proposal.</li> </ul>
International	Financial expert	2500	3.00	Negotiate with potential co-financiers their contributions anddevise the project financial structure, explore non-grant instruments
International	Expert on policy	2500	5.00	Hold consultations with public and private sector stakeholders regarding the policy and institutional activities.

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<sup>1</sup> Provide dollar amount per person week.

<sup>2</sup> Provide person weeks needed to carry out the task