



**Project UNDP/GEF/UNECE
«REMOVING BARRIERS TO ENERGY
EFFICIENCY IMPROVEMENTS IN THE
STATE SECTOR IN BELARUS»**

Geneva
29-31 May 2006

*Project Development Facility B
Period of implementation: 2004-2006*

- Output 1 :** Finalization of the details for setting up an Energy Center
- Output 2:** A plan for making USD 7-8 million EE investments
- Output 3 :** Institutional and staff incentives to foster proactive approach in EE in the state sector
- Output 4 :** Plan to catalyze an increase in EE investments beyond project sites
- Output 5 :** Development of the Project Brief and UNDP Project Document for the Full Project

Project Development Facility B

Period of implementation: 2004-2006

Total Budget

GEF	USD 195,000
In-kind contributions:	
UN ECE	USD 22,500
Belarus Government (Committee on Energy Efficiency)	USD 100,000

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Output 1 : Finalization of the details for setting up an Energy Center

Activities performed:

- Review lessons and best practice in setting up Energy Center in the NIS
- Survey and document the state of energy services being offered in Belarus today
- Development of business model, staffing, costed equipment needs, legal nature of the Energy Center

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Output 2: A plan for making USD 7-8 million EE investments

Activities performed:

- Desk review of EE investments in Belarus
- Selection of EE investment proposals of the Project partners
- Energy audits and rapid facilities studies on USD 30 million EE investment proposals
- Refine and rank proposals by financial, energy saving and GHG reduction parameters
- Draft and sign conditional agreements in USD 8 million of EE investments

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Output 3 : Institutional and staff incentives to foster proactive approach in EE in the state sector

Activities performed:

- Review the legal regulatory, institutional and economic framework in Belarus effecting EE investments in the state sector
- Analyze and document the constraints (barriers) to EE investments
- Define options under which municipalities and state enterprises are able to retain savings from energy efficiency, re-invest in energy efficiency

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*Output 4 : Plan to catalyze an increase in
EE investments beyond project sites*

Activities performed:

- Development of the Energy Center business-plan
- Draft a replication programme to introduce successful staff performance and municipal energy savings retention project schemes nation-wide

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*Output 5 : Development of the Project Brief and
UNDP Project Document for the Full Project*

Activities performed:

- Development of the Logical Project Framework
- Draft a GEF Project Executive Summary and UNDP Project Document for the Full Project
- Secure all letters of endorsement and financial commitment

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Full Project

Period of implementation: 2006-2010

Total budget:	US\$ 9,769,600
Allocated resources:	
GEF	US\$ 1,400,000
Co-financing:	
Committee on EE	US\$ 3,150,000 (incl. US\$ 150,000 in-kind)
Project partners including	US\$ 5,119,600
Grodno Khimvolokno:	US\$ 1,240,000
Ozeritsiky agri.enterprise:	US\$ 1,607,650
Belarusian railways:	US\$ 2,068,950
Minsk region (Borovliany) utility:	US\$ 203,000
UNECE	US\$ 100,000 (in-kind)

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Full Project

Period of implementation: 2006-2010

Global Goal: Greenhouse gas emissions are reduced by 23, 437 tons of CO2 equivalent annually. Fossil fuel consumption is reduced by 9, 880 tons of fuel equivalent annually.

Conventional fuel savings will lead to a reduction of approximately 352, 500 tons of CO2 equivalent over a 15-year period.

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Objective of the Full Project

Influx of internal investment in energy efficiency projects in the state sector increased by USD 18 million as the result of the project implementation

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Outcomes of the Full Project

Outcome 1: Increased incentives for state organizations to invest in energy efficiency

Target: State organizations – Project partners have increased their investment in energy efficiency by USD 100,000 annually from 3rd project year.

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Outcome 2: Financial resources made available by the state sector for energy efficiency investment are used more efficiently

Target: 10% of state resources available as loans but not as grants

Outcome 3: Project successes throughout Belarus sustained and replicated

Target: By the project end, the Energy Center achieves self-sustaining level; new energy efficiency investment program launched; this program will be developed and implemented by the Energy Center

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Main activities to achieve outcomes of the Full Project

Outcome 1

Activities:

- training for national experts and budget organization staff in energy planning, on-going consulting services to the project partners in budgeting;
- assistance and consulting services to project partners in setting-up special settlement accounts for energy efficiency purposes, support target municipalities to measure energy savings and financial revenues;
- develop an implementation plan for introduction of staff incentives, including setting aside of budget resources, identification of responsible staff, bonus criteria and conduct training

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Outcome 2

Activities:

- improve capacity for energy auditing and provide training for national experts and local energy auditing firms in auditing and developing feasibility studies;
- develop a long-term strategy for restructuring government EE financing facilities to promote loans over grants;
- training of national experts and project partners in developing business plans, negotiations skills, basics of financial economics, loan application, as well as in dealing with local banks;
- implementation of EE investment program of USD 8 million, provide consulting services to the state organizations (project partners) when implementing the program

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Outcome 3

Activities:

- create an Energy Center to provide on-going support to state organizations for realizing more energy efficiency investments;
- refine and adjust the Energy Center business plan to ensure a smooth transition to financial self-sufficiency after project closure;
- create a source of reliable, current and complete information on modern energy efficient equipment, methodological (technical) approaches and opportunities to increase energy efficiency;

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- develop a new investment program of at least USD 10 million (including USD 5 million in loan funds, plus USD 5 million in own resources of the Project partners);
- sign agreements of cooperation between Energy Center and state organizations and municipalities not involved in the UNDP/GEF project;
- set up contacts between the Energy Center and energy conservation institutions in Belarus and similar institutions (energy centers/agencies) in Eastern Europe and CIS states

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Thank you

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