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# **United Nations Development Programme**

**Government of the Russian Federation**

## **Terminal Evaluation of UNDP/GEF Project: Standards and Labels for Promoting Energy Efficiency in Russia**

(GEF Project ID: 3216; UNDP PIMS ID: 3550)

### **Terminal Evaluation Report**

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## SYNOPSIS

**Title of UNDP supported GEF financed project:** Standards and Labels for Promoting Energy Efficiency in Russia

**UNDP Project ID:** PIMS 3550

**GEF Project ID:** 3216

**Evaluation time frame:** June 2010 to March 2017

**CEO endorsement date:** April 5, 2010

**Project implementation start date:** June 25, 2010

**Project end date:** June 30, 2017

**Date of evaluation report:** March 31, 2017

**Region and Countries included in the project:** Russian Federation

**GEF Focal Area Objective:** SP-1 (for GEF-4): Promoting energy efficiency in residential and commercial buildings

**Implementing partner and other strategic partners:** Implementing partner: Ministry of Education and Science (MoES)

**Evaluation team members:** Mr Roland Wong, International Consultant  
Mr. Alexei Zakharov, National Consultant

**Acknowledgements:**

The Evaluation Team wishes to acknowledge the time and effort expended by all project participants and stakeholders during the course of the Russia Standards & Labels Terminal Evaluation. We sincerely hope that this report contributes towards a lower carbon future in the Russian Federation.

## EXECUTIVE SUMMARY

This report summarizes the findings of the Terminal Evaluation Mission conducted during the November 24 - December 3, 2016 period for the UNDP-GEF Project entitled: “*Standards and Labels for Promoting Energy Efficiency in Russia*” (hereby referred to as the S&L Project or the Project), that received a USD 7.810 million grant from the Global Environmental Facility (GEF) in April 2010.

### Project Summary Table

Project Title:	<i>Standards and Labels for Promoting Energy Efficiency in Russia (S&amp;L Project)</i>			
GEF Project ID:	3216		<i>at endorsement (Million US\$)</i>	<i>at completion (Million US\$)</i>
UNDP Project ID:	3550	GEF financing:	7.810	7.810
Country:	Russian Federation	IA/EA own:	7.677	0.
Region:	Eastern Europe	Government:	21.212	0.
Focal Area:	Climate Change	Other:	28.482	0.
FA Objectives, (OP/SP):	SP1 for GEF 4: Promoting energy efficiency in residential and commercial buildings	Total co-financing:	57.371	0.
Executing Agency:	Ministry of Education and Science (MoES)	Total Project Cost:	65.181	7.810
Other Partners involved:	Rosstandart, Moscow City Government, OJSC Mosenergosby, AVOK, RATEK	ProDoc Signature (date project began):		25 June 2010
		(Operational) Closing Date:	Proposed: 30 May 2015	Actual: 30 June 2017

### Project Description

The Russian Federation S&L Project design was approved with an objective of “*reducing GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances*”.

Overall project targets in the S&L Project strategic results framework (SRF) included:

- An incremental national indirect target of “*7.8 million tonnes of CO<sub>2</sub> reduced by 2015 and 29.9 million tonnes of CO<sub>2</sub> by 2020*”; and
- An incremental indirect target for the pilot region of Moscow of “*1.89 million tonnes of CO<sub>2</sub> reduced by 2015 and 6.86 million tonnes of CO<sub>2</sub> by 2020*”.

This was to be achieved according to actions proposed in the Project Document of April 2010. The S&L Project commenced on 25 June 2010 with the Inception Phase conducted in late 2010 with an original proposed terminal date of 30 May 2015. The terminal date of the S&L Project was 30 June 2017.

## Project Results

The overall project targets for the S&L Project were not achieved:

- With regards to the incremental national indirect target, this Project did not achieve any GHG emission reductions due to the failure of the Project to set up any mandatory minimum energy performance standards (MEPS) that would force local appliance and building equipment manufacturers to meet government-defined performance thresholds prior to an appliance or equipment entering the Russian market. In addition, no functioning programs for market monitoring and market surveillance were setup; and
- With regards to an incremental indirect target for the Moscow pilot region, this Project again did not achieve any GHG emission reductions. This was due to the emergence of the Eurasian Customs Union in setting energy efficiency standards for appliances and building equipment at a supra-national level, and new updates in the Federal EE Law No. 261 that prevented the Moscow region from introducing their own regional EE regulations that could be applied against a Moscow S&L pilot.

Table A provides a summary of actual outcomes achieved on S&L Project in comparison with intended outcomes.

**Table A: Comparison of Intended Project Outcomes from the Inception Report to Actual Outcomes**

Intended Outcomes in April 2010 ProDoc	Actual Outcomes as of March 2017
<b>Outcome 1:</b> 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 implementation of the project	<b>Actual Outcome 1:</b> To date, the NICB does not have the appropriate constitution of members with the required outreach to effectively coordinate and promote EE S&L schemes in Russia. This has resulted in poor progress in establishing legal and regulatory framework and the widespread application of EE S&L schemes throughout Russia.
<b>Outcome 2:</b> 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 practices.	<b>Actual Outcome 2:</b> A pilot S&L scheme for public procurement has been partially designed against a background of regulatory uncertainty involving “interim” national mandatory MEPS for public procurement only. The Russian Government (without the assistance of the Project) drafted national MEPS in 2014 for all market participants (see Para 125) that have not yet been adopted as mandatory. Mandatory MEPS at the ECU level are not likely to be approved for several more years.
<b>Outcome 3:</b> 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.	<b>Actual Outcome 3:</b> With no new EE standards from this Project, the interest of local manufacturers has not been enhanced nor has their capacity been strengthened for compliance with any new EE standards. Moreover, no progress was made to bring EE models onto the market at more competitive prices for the majority of the population nor was there any survey conducted to assess the capacities of local industries on their needs to upgrade their production lines to produce EE compliant products.
<b>Outcome 4:</b> Enhanced awareness and improved access to non-partial information of residential and	<b>Actual Outcome 4:</b> Access to impartial EE information for residential and commercial clients has been slightly enhanced with the availability of booklets and guidelines from project partners such as

Intended Outcomes in April 2010 ProDoc	Actual Outcomes as of March 2017
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.	the AEB and ABOK. However, there are currently no available websites in Russia that serve as information clearing houses for EE information. In addition, no market monitoring mechanisms have been set up to provide reports on the sales of targeted appliances by energy classes, in part because the Project did not complete and implement any pilot S&L schemes.

## Summary of Conclusions, Recommendations and Lessons

The S&L Project has fallen short of achieving its objectives and intended outcomes for a variety of reasons including:

- the lack of an appropriate implementing agency. The mandate of the Ministry of Education and Science (MoES) does not have relevance to transforming markets towards the use of energy efficient appliances and equipment;
- poor Project design which placed considerable emphasis on *voluntary adoption* of minimum energy performance standards (MEPS) as its desired level of ambition, and emphasis on building the capacities of local manufacturers to produce more EE products despite a poor baseline understanding of the conditions of the local industry;
- lack of proper stakeholder engagement that excluded the essential participation of the Ministry of Industry and Trade (MoIT), its subsidiary Rosstandart (until 2016), and the Eurasian Customs Union. Instead, the Project chose to engage RATEK, an association of local electronics manufacturers known for their open opposition to regulation of the manufacturing industry;
- no effective adaptive management during the 2010 to 2015 period of the Project, followed by some adaptive management after 2015 which was not as effective given that there were few resources and time left in the Project;
- general resistance by the UNDP Russia Project Support Office (PSO) to adopt advice from the Istanbul Regional Hub for international inputs and exposure to best international practices.

The S&L Project attempted to make up for lost time after 2015 with the recruitment of a project manager and an international CTA, both with relevant experience in energy efficiency and S&L projects. While this has resulted in progress with regards to EE S&L schemes in public procurement, translation of relevant EU testing standards into Russian, and testing laboratory investments from the Project for Rosstandart, these useful activities have come at a stage when the Project had insufficient time and resources remaining to achieve any of the intended outcomes and objectives prior to the Project termination date of June 30, 2017.

### Corrective actions for the design, implementation, monitoring and evaluation of the project:

*Action 1 (to UNDP): Project preparations should be better resourced to allow for proper assessment of baseline conditions and design of appropriate actions for market transformation.*

*Action 2 (to UNDP): UNDP-GEF projects implemented by country offices (or Project Support Offices) need strong oversight by regional technical advisors who are qualified experts in the subject matters of the projects they are managing (in this case, energy efficiency).*

Actions to follow up or reinforce initial benefits from the Project:

*Action 3 (to the Government of the Russian Federation): With an estimated 1 to 3 years before there is full agreement of harmonized EE technical regulations for the Customs Union, the Government of Russia should agree to develop and adopt its own national EE technical regulations as an interim measure for S&L schemes for household appliances and building equipment.*

*Action 4 (to UNDP PSO): The PSO should monitor adoption of the regulatory S&L framework (patterned after EU MEPS regulations) by the Ministry of Industry and Trade (MoIT) as a mandatory S&L programme. This will provide some indications of the timetable for adoption of harmonized EE technical regulations for the Customs Union as applied to all manufacturers of electronic equipment and household appliances on the Russian market of the “performance threshold for products to enter the Russian market” especially pertaining to energy performance.*

*Action 5 (to UNDP PSO): Continue negotiations with Rosstandart to ensure implementation of the demo product testing programme (extended or limited scenario) during the remaining implementation period and even after official closure of the Project to obtain the initial compliance profile of the marketplace, produce data for further market surveillance strategies and programmes, and to build testing experience among the testing centers where new laboratories are being developed.*

*Action 6 (to the Government of the Russian Federation): In parallel to laboratory investment and testing staff training programme and after adoption of EE technical regulations, immediately proceed with establishing a market surveillance organization (such as with ROSPOTREBNADZOR, Rosstandart or any other governmental authority) and develop market surveillance knowledge and skills within this designated organization.*

Proposals for future directions underlining main objectives of S&L Project:

*Action 7 (to UNDP PSO): Assist Rosstandart in contacting other global manufacturers operating in Russia for possible cooperation in training testing staff of other testing centres outside of St. Petersburg.*

*Action 8 (to the Government of the Russian Federation): Assist ROSTEST and all CSMs in obtaining accreditation to EN-ISO/IEC17025 or national accreditation from national Accreditation Body (ROSACREDITATION) for each of the relevant test procedures in all its testing laboratories.*

*Action 9 (to UNDP PSO): With the remaining resources of the S&L Project, find external sources to ensure wider dissemination of the S&L awareness raising messages, possibly through the broadcasting of the videos produced under the Project’s campaign on national TV channels or national websites with high ratings with viewers.*

### Best and worst practices in addressing issues relating to relevance, performance and success:

*Worst practice: UNDP project designs should stay away from actions designed to assist local enterprises in upgrading their capacities to produce or sell EE or green products unless there is a strong understanding of the business of these local enterprises, and the efforts required to upgrade these enterprises.*

*Worst practice: Project designs with significant standards and labelling components need to incorporate mandatory minimum energy performance standards as an objective towards facilitating market push of energy efficient appliances. Failure to do so will not result in market transformation of an energy efficient appliance and equipment market.*

*Worst practice: This Project was designed to develop S&L schemes for the Russian Federation for household appliances and building equipment. However, it did not achieve this objective due to the lack of consistent inputs from qualified professionals with international experience in the development of S&L schemes.*

### Evaluation Ratings<sup>1</sup>

1. Monitoring and Evaluation	Rating	2. IA & EA Execution	Rating
M&E design at entry	5	Quality of Implementation Agency - UNDP	2
M&E Plan Implementation	2	Quality of Execution - Executing Entity (MoES)	2
Overall quality of M&E	2	Overall quality of Implementation / Execution	2
3. Assessment of Outcomes	Rating	4. Sustainability <sup>2</sup>	Rating
Relevance <sup>3</sup>	2	Financial resources	1
Effectiveness	2	Socio-political	1
Efficiency	2	Institutional framework and governance	1
Impact <sup>4</sup>	1	Environmental	4
Overall Project Outcome Rating	2	Overall likelihood of sustainability	1

<sup>1</sup> Evaluation rating indices (except sustainability – see Footnote 2, and relevance – see Footnote 3): 6=*Highly Satisfactory (HS)*: The project has no shortcomings in the achievement of its objectives; 5=*Satisfactory (S)*: The project has minor shortcomings in the achievement of its objectives; 4=*Moderately Satisfactory (MS)*: The project has moderate shortcomings in the achievement of its objectives; 3=*Moderately Unsatisfactory (MU)*: The project has significant shortcomings in the achievement of its objectives; 2=*Unsatisfactory (U)*: The project has major shortcomings in the achievement of its objectives; 1=*Highly Unsatisfactory (HU)*: The project has severe shortcomings in the achievement of its objectives.

<sup>2</sup> Sustainability Dimension Indices: 4 = *Likely (L)*: negligible risks to sustainability; 3 = *Moderately Likely (ML)*: moderate risks to sustainability; 2 = *Moderately Unlikely (MU)*: significant risks to sustainability; and 1 = *Unlikely (U)*: severe risks to sustainability. Overall rating is equivalent to the lowest sustainability ranking score of the 4 dimensions.

<sup>3</sup> Relevance is evaluated as follows: 2 = Relevant (R); 1 = Not relevant (NR)

<sup>4</sup> Impact is evaluated as follows: 3=Significant (S); 2=Minimal (M); 1=Negligible (N)

## ABBREVIATIONS

Acronym	Meaning
AVOK	Non-Commercial Partnership - Association of Engineers for Heat Supply, HVAC and Building Thermophysics
AWP	Annual Work Plan
APR	Annual Project Report
CAE	Combined annual expenditures
CIS	Commonwealth of Independent States
CO <sub>2</sub>	Carbon Dioxide
CSM	Center for Standardization and Metrology
CTA	Chief Technical Advisor
EDET	Economic development electricity tariffs
EE	Energy efficiency
EE S&L	Energy efficiency standards & labels
ERP	Enterprise resource planning system
EU	European Union
GDP	Gross Domestic Product
GEB	Global environmental benefit
GEF	Global Environment Facility
GHG	Greenhouse Gas
GOR	Government of Russia
GOST	<i>gosudarstvennyy standart</i> (in Russian) translated into English to mean Russian <i>state standard</i> or national Standard
GWh	Gigawatt hour (1 GWh = 1 million kWh)
HVAC	Heating, ventilation, air conditioning
IEA	International Energy Agency
IEC	International Electrotechnical Commission
IR	Inception Report
ISO	International Organization for Standardization
IW	Inception Workshop
kW	Kilowatt
kWh	Kilowatt hour
m <sup>2</sup>	Square meter
M&E	Monitoring & Evaluation
MEPS	Minimum efficiency performance standard
MoES	Ministry of Education and Science (or Minobrnauka)
MoIT	Federal Ministry of Industry and Trade (or Minpromtorg)
Mt	Mega tonne (1 Mt = 1 million tons)
MWh	Megawatt hour (1 MWh = thousand kWh)
NGO	Non Government Organization
NICB	National Interagency Coordination Body
NPD	National Project Director
OAO	OAO "Mosenergosbyt" Energy Saving Center
OJSC	OJSC Mosenergosbyt - Energy distribution and service company of the Moscow region
PIMS	Project Information Management System
PIR	Annual Project Implementation Review
PM	Project Manager
PPG	Project Preparation Grant
PR	Public relations

Acronym	Meaning
R&D	Research & Development
RF	Russian Federation
RATEK	National Association of Trading Companies and Manufacturers of Household Electric Appliances and Computer Equipment in Russia
RCU	Regional Coordinating Unit
ROAR	Result Oriented Annual Report
ROSTEST	The Moscow-based center for standardization, metrology and testings (CSM) under the Rosstandart
S&L	Standards & labels
SRF	Strategic results framework
t	Tonne
TA	Technical Assistance
TACIS	Technical Assistance to the Commonwealth of Independent States (EU-funded)
TPR	Tripartite Review
TTR	Terminal Tripartite Review
TV	Television
TWh	Terawatt hour (1TWh = 1 billion kWh)
UEC	Unit energy consumption
UNDP	United Nations Development Program
UNDP-CO	UNDP Country Office
UNFCCC	United Nations Framework Convention on Climate Change
USA	United States of America
US\$, USD	United States Dollar
US\$c	United States Dollar Cent

## 1. INTRODUCTION

1. This report summarizes the findings of the Terminal Evaluation Mission conducted during the periods of November 24 - December 3, 2016 and between March 13-15, 2017 for the UNDP-supported GEF-financed Project entitled: “**Standards and Labels for Promoting Energy Efficiency in Russia**” (hereby referred to as the S&L Project or the Project), that received a USD 7.81 million grant from the Global Environmental Facility (GEF).
2. The S&L Project was aimed at mitigating greenhouse gas (GHG) emissions in the Russian Federation through facilitating market transformation towards energy efficient technical building equipment and household appliances. The Project approached this aim through the phased introduction of energy efficiency standards and labelling, and the implementation of barrier removal activities to improve the regulatory and legal environment, strengthening institutional capacities to implement S&L schemes and enforce new energy efficiency standards, supporting manufacturers and supply chain stakeholders to increase the supply of energy efficient products, and raising awareness and increasing the access to information that would increase the sales and usage of EE equipment.

### 1.1 Purpose of the Evaluation

3. The scope of the TE for the Russia S&L Project was to include all activities funded by GEF and activities from parallel-financing. The Terms of Reference (ToRs) for the TE are contained in Appendix A. Key issues addressed on this TE include:
  - Design of the S&L Project and its effectiveness in achieving the stated aims of reducing GHG emissions from reduced electricity consumption from wider use of EE household appliances and building equipment;
  - Assessment of key financial aspects of the Project, including the extent of co-financing planned and realized;
  - The effectiveness of the S&L Project in the piloting of schemes to strengthen compliance to S&L of targeted household and building equipment;
  - Strengths and weaknesses of S&L implementation, monitoring and adaptive management and sustainability of Project outcomes including the Project exit strategy;
  - Results and impacts of the implemented national activities including views from the S&L Project focal points (and other relevant stakeholders) on the impacts of the S&L Project activities implemented and their recommendations on the future regional activities; and
  - Recommendations, lessons learned, best practices from implementing this Project that could be used on other similar GEF projects.
4. Outputs from this TE will provide an outlook and guidance in charting future directions on sustaining current efforts by UNDP, the Government of Russia, their donor partners, and the private sector, to mainstreaming energy efficient appliance and equipment usage and reducing GHG emissions from power generation facilities in the Russian Federation.

## 1.2 Scope and Methodology

5. The scope of the TE for the Russia S&L Project was to include all activities funded by GEF and activities from parallel-financing. The Terms of Reference (ToRs) for the TE are contained in Appendix A. Key issues addressed on this TE include:
  - Design of the S&L Project and its effectiveness in achieving the stated aims of reducing GHG emissions from reduced electricity consumption from wider use of EE household appliances and building equipment;
  - Assessment of key financial aspects of the Project, including the extent of co-financing planned and realized;
  - The effectiveness of the S&L Project in the piloting of schemes to strengthen compliance to S&L of targeted household and building equipment;
  - Strengths and weaknesses of S&L implementation, monitoring and adaptive management and sustainability of Project outcomes including the Project exit strategy;
  - Results and impacts of the implemented national activities including views from the S&L Project focal points (and other relevant stakeholders) on the impacts of the S&L Project activities implemented and their recommendations on the future regional activities; and
  - Recommendations, lessons learned, best practices from implementing this Project that could be used on other similar GEF projects.
  
6. The methodology adopted for this evaluation includes:
  - Review of project documentation (i.e. APR/PIRs, meeting minutes of Project Steering Committee or multipartite meetings) and pertinent background information;
  - Interviews with key project personnel including the current and former Project Managers, technical advisors (domestic and international), and Project developers;
  - Interviews with relevant stakeholders including other government agencies, appliance manufacturers and appliance retail outlets; and
  - Field visits to selected Project sites and interviews with beneficiaries.

A detailed itinerary of the Mission is shown in Appendix B. A full list of people interviewed and documents reviewed are given in Appendix C and Appendix D respectively. The Evaluation Mission for the UNDP-GEF project was comprised of one international expert, and one national expert.
  
7. The Project was evaluated for overall results in the context of:
  - *Relevance* – the extent to which the outcome is suited to local and national development priorities and organizational policies, including changes over time;
  - *Effectiveness* – the extent to which an objective was achieved or how likely it is to be achieved;
  - *Efficiency* – the extent to which results were delivered with the least costly resources possible; and
  - *Sustainability* - The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion.
  
8. All possible efforts were made to minimize the limitations of this independent evaluation. Notwithstanding that 10 days were spent in Moscow in November-December 2016 by the evaluation team to collect and triangulate as much information as possible, follow-up interviews, Skype conversations, and in-person interviews were made by the evaluation team in Moscow during March 2017.

### 1.3 Structure of the Evaluation

9. This evaluation report is presented as follows:
  - An overview of Project activities from commencement of operations on June 25, 2010 to the present activities of the S&L Project;
  - An assessment of Project results based on Project objectives and outcomes through relevance, effectiveness and efficiency criteria;
  - Assessment of sustainability of Project outcomes;
  - Assessment of monitoring and evaluation systems;
  - Assessment of progress that affected Project outcomes and sustainability; and
  - Conclusions, recommendations and lessons learned.
  
10. This evaluation report is designed to meet GEF's "Guidelines for GEF Agencies in Conducting Terminal Evaluations, Evaluation Document No. 3" of 2008:  
<http://www.thegef.org/gef/sites/thegef.org/files/documents/Policies-TEguidelines7-31.pdf>
  
11. The Evaluation also meets conditions set by:
  - the UNDP Document entitled "UNDP GEF – Terminal Evaluation Guideline":  
<http://web.undp.org/evaluation/documents/guidance/GEF/UNDP-GEF-TE-Guide.pdf>;
  - the UNDP Document entitled "Handbook on Planning, Monitoring and Evaluating for Development Results", 2009:  
<http://www.undp.org/evaluation/handbook/documents/english/pme-handbook.pdf>; and
  - the "Addendum June 2011 Evaluation":  
<http://www.undp.org/evaluation/documents/HandBook/addendum/Evaluation-Addendum-June-2011.pdf>

## 2. PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT

### 2.1 Project Start and Duration

12. The Russian S&L Project officially commenced implementation on June 25, 2010, the date when the Russian Government signature for the Project document (ProDoc) was obtained. The Project duration originally was plan for 5 years ending in June 2015. In April 2014, a request was made to extend the project for another 2 years ending in June 2017, which was approved in November 2014.

### 2.2 Problems that S&L Project Sought to Address

13. The S&L Project Document (ProDoc) provides details on why there has been a lower rate of usage of energy efficient appliances in Russia, and the actions of the Project to increase its usage. During the period when the Project was being prepared (in 2009), trends were observed on the energy efficient household appliance market and technical building equipment in Russia that were not to the levels of adoption seen in countries in the EU with standards and labelling schemes. In the Russian Federation, market conditions in 2009 were increasingly favourable towards these efficient appliances and equipment based on rising electricity tariffs, and increase in the supply of modern housing, and the increased purchasing power and awareness of consumers towards modernized household equipment. Despite these conditions, the efficiencies of the appliances and equipment sold in the Russian Federation had lagged far behind their equivalent in Europe and other developed regions of the world. A further challenge to the increased use of EE appliances and equipment has been the devaluation of the Russian rouble by 50% in 2015, and the difficulties of authorities to raise electricity tariffs; as a result, the price of electricity in Russia is below global market rates.
14. To accelerate market transformation of energy efficient household appliances and building equipment in the Russian Federation, the Government promulgated Federal Law № 261-FZ of November 23, 2009 (with a subsequent new amended Law No 426 of 12 December 2011, para. 1, Art. 10), that stipulates products sold in the Russian Federation must contain information in their documentation about their energy efficiency class through labelling. In Part 2 of Article 10, the types of goods subject to these labelling requirements would be established by the Government of the Russian Federation including the category of goods within the specified types of goods and their characteristics.
15. The S&L Project sought to address issues impeding the progress in implementing Law № 261-FZ, and mainstreaming of the utility of EE household appliances and EE building equipment. Issues in the S&L ProDoc included:
  - a lack of policies supportive of energy efficiency as well as fiscal and human resources to support their implementation;
  - the lengthy period of time required to amend the Federal Law on Technical Regulation needed to introduce mandatory EE labelling and minimum efficiency performance standards (MEPS);
  - no clear institutional leader to promote appliance energy efficiency issues as well as standards and labelling;
  - reluctance of local appliance and equipment manufacturers and distributors in the production and sale of high efficiency appliances and equipment;
  - weak linkages between Rosstandart (a government agency under MoIT with oversight on standards), network of Rostest test laboratories, RosAccreditation (a body certifying labs for

compliance with GOST testing standards), and international certification bodies to ensure GOST can undertake efforts to adapt EE standards to the Russian context, and to ensure that the testing and certification of appliances and equipment is undertaken with state-of-the-art equipment, international standard procedures and train staff;

- lack of capacity of local manufacturers of household appliances and technical equipment to improve product designs and production lines to manufacture EE appliances at competitive costs;
- lack of procurement models and programmes for energy efficient appliances and equipment;
- the relative paucity of consumers who are aware of the benefits of EE appliances; and
- lack of reliable and visible information on the energy efficiency performances of home appliances and economic benefits (such as the lifecycle cost of a product compared to its purchase price).

### 2.3 Immediate and Development Objective of S&L Project

16. The objective of the S&L Project was the “reduction of GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances”. The S&L Project strategic results framework (SRF) from April 2010 is contained in Appendix F.

### 2.4 Baseline Indicators Established

17. Objective-level baseline indicators of the S&L Project includes:

- GHG emission reductions reduced nationally by 2015 and 2020 compared to the expected baseline development in tonnes CO<sub>2eq</sub>; and
- GHG emission reductions reduced in the Moscow pilot region by 2015 and 2020 compared to the expected baseline development in tonnes CO<sub>2eq</sub>.

The baseline value for all these indicators at the start of the S&L Project was zero.

18. Outcome-level baseline indicators for the S&L Project includes:

- Status of the National Inter-Agency Coordination Body (Output 1.1);
- Status of the proposal(s) for the amendment of the Federal Law on Technical Regulation, suggested legal and regulatory amendments and administrative orders, and implementation of the voluntary EE S&L programme in Moscow (Outputs 1.2 and 1.3);
- Status and content of the GOST-standards for targeted appliances, compliance testing and certification system in place, and technical guidelines concerning the MEPS for public procurement (Outputs 2.1 to 2.3);
- Number and market share of local manufacturers that have benefitted from technical support provided by the Project, manufacturers that have signed a voluntary agreement (Outputs 3.1 and 3.3);
- Status of working group operation and implementation of the elaborated strategies and mechanisms (Outputs 3.2 and 3.4);
- Status of the market monitoring reports, usefulness of the web-site, planned activities and trained sales personnel in the selected pilot region (Outputs 4.1 to 4.5).

The baseline value for all these indicators at the start of the S&L Project can be found in Appendix F.

## 2.5 Main Stakeholders

19. In addition to the implementing partner of the S&L Project, namely the Ministry of Education and Science (MoES or Minobrnauka), the main strategic stakeholders identified in the S&L ProDoc included:

- Ministry of Natural Resources and Environment;
- Ministry of Energy;
- Ministry of Economic Development;
- Federal Agency of Technical Regulations and Metrology (known as Rosstandart under the Ministry of Industry and Trade);
- Moscow City Government;
- Regional Government of Nizhny Novgorod;
- professional associations and associations of manufacturers; and
- representatives of scientific community.

A complete listing of S&L Project stakeholders that have participated on the S&L Project is provided in Section 3.2.2 (Paras 55-58).

## 2.6 Expected Results

20. To achieve the specific S&L Project objective of “reduced GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances”, the S&L Project was designed for the removal of barriers with the following expected **Project outcomes** (from the 2010 SRF):

- 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 in at least one pilot region during the implementation of the Project;
- Outcome 2: 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 practices;
- 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;
- 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, and market monitoring mechanism.

### 3. FINDINGS

#### 3.1 Project Design and Formulation

21. Design of the S&L Project was conducted during the period of 2006-2008 with an international consultant and a national consultant, Mr. Gennady Smaga, who became the first S&L Project manager in 2010. The S&L ProDoc identifies a number of barriers to the mainstreaming of energy efficient appliances for households and industry including:
- institutional barriers that included the need to strengthen human resources within institutions to implement strengthened S&L policies;
  - the difficulties in amending the Federal Law on Technical Regulation that is needed to introduce mandatory EE labelling and minimum efficiency performance standards (MEPS) for household appliances and energy-consuming building equipment;
  - no lead institution to promote energy efficiency through standards and labelling;
  - resistance from local appliance manufacturers to new energy efficiency standards due to their lack of certainty on how this may impact their share on the appliance market;
  - lack of capacity in-country for the testing of appliances for MEPS or any other energy efficiency standards; and
  - lack of willingness amongst the public to purchase energy efficient appliances.
22. The strategy of the S&L Project to overcome these barriers included:
- provision of a national interagency coordination body (NICB) to advance energy efficient S&L schemes through seminars and roundtables for relevant decision-makers, and implementing a monitoring and evaluation program to track the progress of the schemes;
  - prepare assistance to the NICB on amending the federal law on technical regulations to adopt mandatory EE labelling and MEPS, developing secondary regulations to support the new law on energy conservation and EE improvement, and preparing legal proposals that would initiate public discussion on suggested amendments and secondary regulations;
  - setup of administrative acts and personnel to implement a pilot S&L project in Moscow;
  - setup system of EE testing and labels standards as well as compliance testing and certification for a select group of appliances (preferably high usage and high energy consumption);
  - promotion and set up of procurement models for EE equipment within the public sector (that may include public-private partnerships);
  - setup of a market monitoring mechanism that would produce updated information on the sales of target EE appliances by energy classes that would be disseminated to household consumers as well as large commercial buyers and sales personnel of these appliances.
23. The primary risk identified in the ProDoc is an outcome where the government does not assign a clear mandate to a government agency to lead and EE S&L programme. The Project was to provide resources to facilitate the emergence of a lead agency to promote energy efficient standards and labels for energy efficient appliances and building equipment.
24. One issue not addressed in the S&L Project design are replacement programmes for household appliances. Without these programs, a certain percentage of old appliances (such as refrigerators and stoves) that have been replaced by new appliances would likely be resold and placed in operation

in another household. As such, the direct relationship of GHG emission reductions and reduced electricity consumption to the increased sale of EE household appliances would be compromised.

### 3.1.1 Analysis of Project Planning Matrix

25. The strategic results framework (SRF) for the S&L Project provides 24 indicators (8 outcome level and 16 output level) and 30 targets (10 outcome level and 20 output level) to guide implementation of the Project towards its objective of “reducing GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances”. The wording of *most of the indicators and targets do not meet SMART criteria*<sup>5</sup>. A major omission within the indicators is the absence of time bound indicators as well as most of the indicators not being specific. Specific comments includes:
- on “*Objective level targets*”, the national level indirect GHG emission reduction target of 7.8 Mt of CO<sub>2eq</sub> by 2015 and 29.9 Mt by 2020 does not appear achievable. This is further discussed in Para 87;
  - all targets have descriptions which do not reflect best practices for the preparation of SRFs or log-frames on many other projects. An economy of words in the SRF would clarify the indicator and target. For example, under Output 1.2, an improved description of indicator could be “number of proposals for the amendment of the Federal Law on technical regulation ..... by EOP” with a numerical target. This would apply to all indicator descriptions in the SRF that use the word “status” which is not “measurable”;
  - The “*Outcome 3 targets*” are not specific leading Project implementation teams to interpret the level of effort required to meet this outcome. An example includes the target of “retail prices of the products in high energy efficient classes in Russia market are comparable to or lower than in selected reference countries”. The real reason for having this indicator is to catalyse sales in EE appliances, and this target needs to be more specific as a driver towards catalysing sales of EE appliances. Similarly, the target of “local manufacturers are incorporating EE labels into their marketing strategy and comply with standards issued” is not sufficiently specific nor may it be attainable without an incentive; global experience indicates that voluntary standards is not a successful approach to increasing the sales of EE appliances and electronic equipment;
  - The “*targets for outputs in on their Outcome 4*” are not specific including “establishment and regularly updated Internet-based energy efficiency information clearing house on energy consuming products” (Output 4.2), “a regional awareness campaign has been developed and implemented...” (Output 4.3), and “a regional information campaign on energy efficiency building equipment implemented...” (Output 4.4). For all these targets, an indicator reflecting the effectiveness of the delivery of these outputs would have been an improvement to define a level of ambition in the SRF. For example, such targets could have included the number of users and hits on the Internet site for Output 4.2, the number of households aware of EE appliances in Moscow (through a consumer survey) for Output 4.3, and the percentage of project developers, general contractors and investors who are aware of EE appliances and have plans for their procurement (through a user survey) for Output 4.4.
26. In calculating the BAU GHG emission scenario, the Project was to include electricity consumption of refrigerators/freezers, washing machines, pumps, industrial air conditioners and fans, and

<sup>5</sup> Specific, Measurable, Attainable, Relevant and Time-bound

refrigeration units for air conditioning systems. This was calculated as 306.4 Mt of CO<sub>2eq</sub> in 2010 that increases to 463.0 Mt in 2015 (the proposed project EOP in the ProDoc). The alternative (project) scenario projected a 9.77 Mt CO<sub>2eq</sub> reduction out of which a causality factor of 0.8 was attributed to the GEF project leading to a GHG emission reduction target of 7.8 Mt CO<sub>2eq</sub> by 2015<sup>6</sup>. The attainability of this target has been questioned by the Project as well as the evaluators. This is further discussed in Para 87.

27. In October 2014, the Project revised its log frame with the assistance of Dr. Yuri Pashyk. Dr. Pashyk's analysis recommended several changes to outcomes, outputs and activities of the Project. While the recommendations in Dr. Pashyk's report were based on best international practices and the need of the Project to optimize use of its remaining resources, the PMO and PSO did not prepare a new log frame based on Dr. Pashyk's recommendations. As a result, the PIRs of 2015 and 2016 used the original outcome indicators to track its progress while not reporting its progress specific to Dr. Pashyk's revised indicators and targets. As such, the evaluation team has only evaluated this Project's progress using the old log frame from 2010, and in line with their contractual obligations which were to evaluate S&L Project progress with the 2010 Project logframe.

### 3.1.2 Risks and Assumptions

28. A number of risks were identified in the SRF as potential obstacles to the Project objective of reducing GHG emissions by facilitating market transformation towards more EE building equipment and household appliances. A primary risk identified in the ProDoc is an outcome where the government does not assign a clear mandate to a government agency to lead and EE S&L programme. Project resources in the design were allocated to facilitate the emergence of a lead agency to promote energy efficient standards and labels for energy efficient appliances and building equipment. More concerning to the evaluation team in the discussion of risks and assumptions, is the lack of discussion of the more prominent roles of MoIT and its standards organization, Rosstandart, in setting standards for energy efficiency of appliances and building equipment that would be transferred to a standards and labelling scheme and subsequent Government decrees and other legislative orders.
29. Another significant risk identified was linked to the complexities of the legal adoption of suggested legal amendments to facilitate mandatory EE S&L at the federal level (that may not take effect during the Project implementation); this is related to Output 1.2. As such, the response to this risk was to lower the Project's level of ambition to deliver only proposals at the federal level with no measure in the SRF for uptake of the legal amendments. Complicating this issue was the emergence of the Eurasian Customs Union (ECU), and its mandate to harmonize standards and technical regulations on energy efficiency of energy consuming devices (that includes many of the appliances considered on this GEF project) at a supra-national level with all ECU member states. The emergence of the ECU was not discussed in the ProDoc nor was it identified as a risk. Further discussion on the emergence of the ECU (later renamed as the Eurasian Economic Union or the EAEU) is provided in Section 3.2.1, Para 48.
30. More troubling for the evaluators, however, is the assumption made in relation to Outcome 3, namely "continuing interest of local manufacturers and other stakeholders in 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". Yet, a significant barrier (or risk) identified in Para 49

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<sup>6</sup> Page 85 (Table V-5) of ProDoc

of the ProDoc to widespread use of EE appliances in Russia was the hesitation of local manufacturers to adopt EE standards due to the perception that such new standards would bring uncertainty to their market share in Russia. This risk and assumption is problematic for the following reasons:

- First, the aforementioned assumption and risk seem contradictory. The Project does not strongly address the need for incentives for local manufacturers and other stakeholders in the supply chain to overcome their fears of losing market share from more energy efficient products on the market; and
- Second, voluntary adoption of energy performance standards is the level of ambition of the S&L Project. Based on global experience in other countries such as Turkey and China, environmental and energy savings arguments alone (that may result in a market push of EE appliances in Russia) are insufficient to facilitate market transformation, especially with the availability of cheaper less efficient appliances and equipment in Russia. As such, mandatory MEPS is the most important requirement to achieve the Project level outcome targets for the EE appliances market in Russia.

### 3.1.3 Lessons from Other Relevant Projects Incorporated into S&L Project Design

31. The ProDoc of the S&L Project does not list any other relevant projects into its design.

### 3.1.4 Planned Stakeholder Participation

32. Since the ProDoc claims that there is no one single Federal Ministry or agency that has a clear mandate to promote appliance energy efficiency and standards and labelling schemes, one of the primary outcomes of the S&L Project was to clarify the roles of all agencies and eventually assign one Federal Ministry or agency to develop legislation, propose programs and implement S&L policy actions designed to increase the usage of EE appliances in Russia. To achieve this outcome, the Project would need to engage a number of relevant stakeholders, both public and private, through the convening of a national inter-agency coordination body (NICB) to participate in specific activities to advance and mainstream S&L schemes.
33. With MoES serving as the chair of the NICB, the original Project design called for a number of government agencies to be involved in S&L schemes on this Project. This included amongst others, the Federal Ministries of Natural Resources and Environment, Energy, Economy, Industry and Trade, Regional Development, and the Federal Agency of Technical Regulations and Metrology (otherwise known as Rosstandart under the Ministry of Industry and Trade) and the Federal Supervisory Office of Consumer Rights Protection and Human Welfare. All these organizations possess legal mandates relevant for successful implementation of energy efficiency S&L systems. Industrial and professional associations were also to be included in the NICB such as the Russian Union of Industrialists and Entrepreneurs, associations of manufacturers and supply chain stakeholders (such as RATEK), certification and testing authorities, (in particular the ROSTEST certification centres), and consumer organizations. However, the technical linkage of MoES in the formulation and setting MEPS and S&L policies appears weak<sup>7</sup>.

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<sup>7</sup> The website of the Ministry of Education and Science (Minobrnauka) at <http://government.ru/en/department/33/events/> states that the Ministry is a “federal executive body responsible for drafting and implementing government policy and legal regulation in the field of education, science, research and development and related innovation activities.....and intellectual property (excluding legal regulation of issues related to control, supervision and the provision of state services in the field of legal protection of inventions, useful models, industrial samples, ..... including those that are part of a comprehensive technology, trademarks, service marks, and protected designation of origin)”.

34. To enhance S&L schemes, the Project also proposed outreach to large investors and real estate developers and construction companies to adopt EE equipment procurement models. This included cooperation with the Russian Railways as well as financial institutions such as the IFC (WB Group) and the on-going IFC/GEF “Russian Sustainable Energy Finance Programme”, as well as leading Russian commercial banks involved with consumer crediting and lending to Russian manufacturers.
35. The involvement of the aforementioned stakeholders with targeted Project activities was to advance the sustained development and adoption of S&L schemes to meet the intended objectives and targets of the Project. All stakeholders would be able to establish the legal and regulatory framework for S&L schemes, create the supply of EE appliances, inform consumers to create demand for EE appliances, and apply international testing standards for EE appliances to remove substandard appliances from the market and create confidence of the quality of EE appliances on the market. While this list of stakeholders in the ProDoc for the S&L Project is extensive, *incentivizing local manufacturers to improve the supply of EE appliances under a voluntary regime still appears as a significant barrier considering the uncertainties stated in the ProDoc in achieving mandatory MEPS for EE appliances during the 5-year duration of the S&L Project.*

### **3.1.5 Replication Approach**

36. The Project design envisaged a replication approach by conducting well-managed pilot EE S&L schemes in Moscow and one additional region that included Nizhny Novgorod. These pilots would provide lessons learned on implementing EE S&L schemes for replication pilots in other regions of Russia and in neighbouring countries.

### **3.1.6 UNDP Comparative Advantage**

37. UNDP's comparative advantage to other donor agencies is its focus on policy-based and cross-sectoral approaches as well as building local capacities through effective collaboration with a wide range of local stakeholders. This would include public and private sectors as well as technical experts, civil society and grassroots level organizations. These approaches are strongly applicable on energy efficiency projects such as this S&L Project. Given UNDP's long track record on projects within the energy sector, notably with energy efficiency standards and labelling projects, UNDP is suited as an implementing agency for this Project.

### **3.1.7 Linkages between S&L Project and Other Interventions within the Sector**

38. The intention of the S&L Project was to learn from and improve its performance from other similar projects in the energy sector. As such, the Project was to be coordinated with other related initiatives in the energy efficiency arena in the Russian Federation including:
  - the UNDP/UNIDO/EBRD Umbrella Programme “Energy Efficiency in the Russian Federation”;
  - the UNDP-GEF project “Transforming the Market for Efficient Lighting” (GEF ID 3658); and
  - the UNDP-GEF project “Improving Energy Efficiency in Buildings in Northwest Russia” (GEF ID 3659), from which results and lessons learned would be closely monitored with co-ordination and exchange of experiences to be initiated for all related topics as they emerge.

39. The Project was also going to arrange communication 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 (the co-ordination with the Federal Energy Management project on efficient federal energy buildings, regulations and institutional support to enhance efficiency in budget-funded buildings).

### 3.1.8 Management Arrangements

40. The ProDoc designated the Ministry of Education and Science (MoES) of the Russian Federation as the implementing partner of the S&L Project in accordance with UNDP's National Implementation Modality (now referred to as National Execution or NEX modality). The NEX modality tasks MoES with responsibility for certifying work plans and approved budgets, reporting on procurement, coordinating and tracking co-financing, terms of reference for contractors and tender documentation, and chairing the Project Steering Committee (PSC) that is otherwise referred to as the National Inter-Agency Coordination Board or NICB. The Chair of the NICB was to be the National Project Director (NPD) from MoES.
41. In the ProDoc, UNDP would provide Project implementation support to MoES by managing the budget and project expenditures, contracting project personnel, executing actions for procurement, and implementing the day-to-day management and monitoring of the Project operations. At the time the ProDoc was written in 2009, UNDP had a Country Office in Russia which changed into a Project Support Office in 2011. While this would not change the manner in which the Project was managed, the UNDP office operated without a Resident Representative in Russia, and was designated as a Project Support Office (PSO). The PSO is staffed by Ms. Natalia Olofinskaya (head of PSO) as well as Ms. Irena Bredneva and Ms. Ekaterina Kuraeva. The PMO of the S&L Project is headed by its Project Manager, Mr. Sergei Antipov, and a Project Assistant, Ms. Olga Martynenko.
42. Given the absence of a focal agency to promote national S&L schemes, the ProDoc mentions MoES as a lead implementation agency for at least the first 12 months of the Project<sup>8</sup>. With the anticipated successes of this GEF-funded project in identifying such a focal agency, the ProDoc mentions that the lead implementation agency may change to Rosstandart as a possible and duly appointed Federal Agency for Standards and Labelling. An organogram of the S&L Project implementation arrangements is provided on Figure 1.

## 3.2 Project Implementation

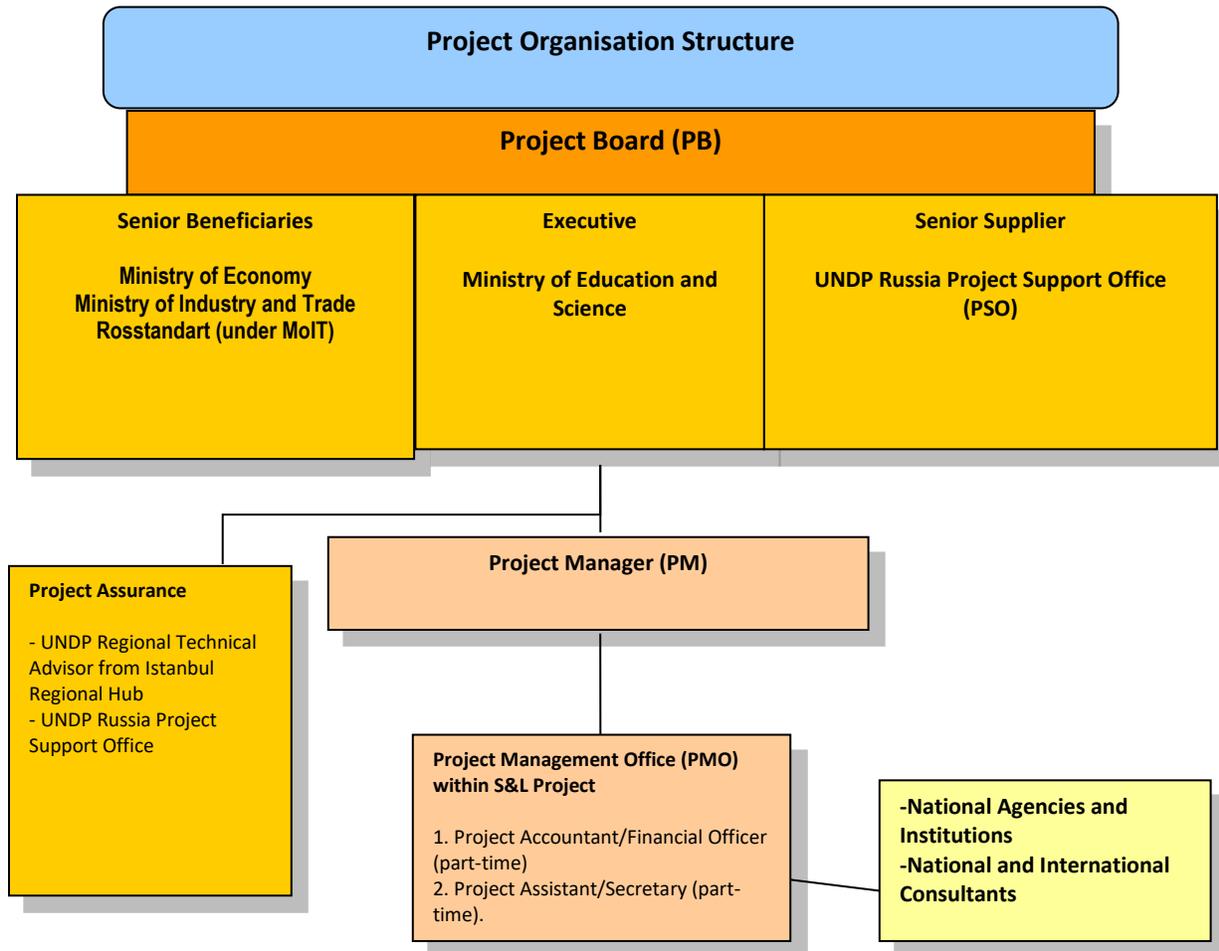
43. The following is a compilation of key events and issues of S&L Project implementation in chronological order:

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<sup>8</sup> The former NPD of the S&L Project, Mr. Alexei Antropov, had mentioned that the S&L Project was developed from a previous GEF project (GEF ID 292) entitled "*Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Building and Heat Supply*" based on the example of the city of Vladimir, Russia implemented between 1997 and 2004. This project was implemented by the predecessor ministry of MoES, the Ministry of Industry, Science and Technology who also provided funds from their state budgets for research and development in this area. This project sought to improve energy efficiency of buildings that included the installation of more energy efficient equipment for heating; the results of this project were used for further "research" into mechanisms for replication of project results. This would have included the use of energy efficient equipment for heating and ventilation of buildings. The outputs of this project spawned the concepts of the S&L Project which MoES had also provided funds for development.

- The S&L Project was approved by the GEF CEO on April 5, 2010;
- The ProDoc was signed on June 25, 2010, marking the official start of the Project;

**Figure 1: Current Management Arrangements for the UNDP-GEF Project “Standards and Labelling for Promoting Energy Efficiency in Russia” (S&L) Project**



- The S&L Project commenced operations in September 2010 with its first Project Manager and the recruitment of the Project Assistant, Project Finance Assistant, and the CTA between October and December 2010;
- First S&L Project Board meeting was conducted in September 2010;
- An agreement with a Local Responsible Party (under the name of “RUSDEM-Energoeffect” or “RUSDEM”) was signed on December 2, 2010 to manage local contracting and financial advances

from UNDP on behalf of MoES, and in line with standard practice for NEX-implemented projects in Russia<sup>9</sup>;

- *First tenders to implement Project activities were announced in April 2011 and signed in May and June 2011.* The period between August and November 2010 was required to familiarize Project management staff with formal UNDP procurement procedures;
- The Project's second Project Manager was hired in March 2011 replacing the previous project manager whose position was renamed as a Senior S&L Specialist (NCTA);
- The Project's first international Chief Technical Advisor (ICTA) was recruited in April to September 2011 to provide inputs towards best international practices to be adopted in Russia for its S&L schemes;
- The S&L midterm evaluation (MTE) was conducted by an International Consultant in May to June 2013 with a report issued in October 2013 that made a number of recommendations that included the extension of the S&L Project to December 2016;
- The National Chief Technical Advisor (NCTA) was hired by the Project in September 2013 in response to the MTE recommendations;
- Discussions between UNDP Russia and the Head of Energy of UNDP-GEF in New York were commenced in January 2014 on extending the S&L Project from its terminal date of June 2015 to June 2017. Approval of the extension was conditional on the hiring of an ICTA, and preparation of proper rationale to extend the project based on a real project strategy<sup>10</sup>;
- A second ICTA (with relevant experience and expertise in S&L in Belarus as well as the Eurasian Customs Union) was recruited during the May-October 2014 period to provide strategic guidance to the Project;
- The second Project manager was laid off on October 14, 2014, and was replaced by the third Project manager in January 2015;
- A formal request was made in March 2015 to extend the project for 2 years to June 2017. This request was granted in late 2015 coinciding with the recruitment of the Project's third ICTA with experience with a successful S&L project in Turkey;
- As of December 2016, the Project is completing its activities with a planned terminal date of June 30, 2017.

### 3.2.1 Adaptive Management

44. Adaptive management is discussed in GEF terminal evaluations to gauge the performance of managers of GEF projects to steer Project activities through changing and fluid regulatory, environmental and business conditions, common on the majority of GEF projects. Without adaptive management, GEF investments would not be effective in achieving their intended outcomes, outputs and targets. Unfortunately, the Russia S&L Project has been marked by numerous missed opportunities for adaptive management that had the potential to achieve its primary objective of

<sup>9</sup> Russia signed an agreement with UNDP in 1993 to qualify for tax exempt status for operational and administrative expenses but not for programmatic activities. In 1999, Russia passed Law No. 95 (on Technical Assistance) providing tax exempt status for TA funds pre-approved by the GoR's "Commission on International Humanitarian and Tech Assistance" (CIHTA). The Commission meets twice a year to review TA budgets for equipment and services (for VAT exemption). To qualify, these budgets are supported by the ProDoc or other official UNDP budget documents. Disbursement of funds **for services** can only be done via a legal entity or "responsible party" that has obtained certificate from the Ministry of Economy. In the case of the S&L Project, "Rusdem-Energoeffect" was selected as the responsible party on a competitive basis and approved by a special CAP meeting held by UNDP. This allowed the S&L Project to hire contractors directly but strictly in line with the submitted budget for services.

<sup>10</sup> Marcel Alers email of January 27, 2014 to Nataly Olofinskaya and John O'Brien.

“reducing GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances”.

45. Many examples of the absence of adaptive management were noted during the 2010 to 2014 period of the Project, where planned activities in the ProDoc could have been adapted to a changing regulatory environment for energy efficiency and standards and labelling in Russia. The Inception Phase of the S&L Project during the period of July 2010 to March 2011 was not marked with a stakeholder workshop (nor were the evaluation team given any documentation of the workshop). Instead, an NICB meeting (serving as the Project Board during the Project) took place in September 10, 2010 to discuss kick-off activities for the Project. Comments of the evaluation team on the information presented to them on the first NICB meeting includes:
- A statement made that Project activities should be implemented according to exactly what was provided in the S&L ProDoc. As such, no adaptive management was recommended at this stage of the Project<sup>11</sup>;
  - Little mention of any outreach efforts in meeting minutes to relevant stakeholders in advancing S&L schemes in Russia including the MoIT, Rosstandart, and the Eurasian Customs Union;
  - No adjustments were made to the M&E framework until October 2014, 4 years after the commencement of the Project.
46. In particular, the lack of outreach to the Eurasian Customs Union (ECU) for policy dialogue is disturbing to the evaluation team since the existence of the ECU (formed in January 2010) should have been known to the Project Manager and PMO of the S&L Project, as well as its mandate to waive levies on goods travelling within member states that includes Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. To facilitate this mandate, the ECU was to initiate harmonization of standards and technical regulations on energy efficiency of energy consuming devices (that includes many of the appliances considered on this GEF project). Later, the ECU (renamed the Eurasian Economic Union or the EAEU in 2012) made the decision in 2012 to submit draft technical regulations to member countries for adoption<sup>12</sup>, thereby proposing changes in the system of technical regulations in Russia to a system of harmonized technical regulations amongst all member states of the ECU. In addition, most if not all of these harmonized technical regulations of the ECU will be formulated on the basis of technical regulations that already exist in the European Union (EU).
47. It is noteworthy that the ProDoc does not mention the emergence of the ECU as an entity that could potentially shape EE policies and S&L schemes of the Project (this is consistent with the dates of preparation of the S&L Project during 2008 and 2009, prior to the empowerment of the ECU in November 2010 to formulate technical regulations at the supra-national level). However, the emergence of the ECU around 2010 should have provided strong indications to all S&L Project personnel that changes to the system of changing energy efficiency technical regulations would need to consider ECU directions in this regard. While the ECU did issue draft technical regulations in 2012, S&L Project personnel, the UNDP PSO and Project partners claimed that this caused regulatory uncertainty as to how the Government, in particular MoES, would lead in efforts in the setting of MEPS and S&L policies for appliances and building equipment in Russia. Notwithstanding, the evaluation team have not seen any evidence of any such discussion with Project files (including NICB meeting minutes), nor could any of the Project personnel (former and past) recall how the Project

<sup>11</sup> Personal communication with Ms. Nataly Olofinskaya on November 30, 2016.

<sup>12</sup> <http://www.eurasiancommission.org/en/nae/news/Pages/20-06-2016-4.aspx>

was adaptively managed to manage this regulatory uncertainty. Adaptive management actions with the emergence of the ECU between 2010 and 2014 should have included:

- an increased and substantial effort to increase policy dialogue with the ECU, and to understand their plans for development of technical regulations on EE standards at the supra-national level;
- Project assistance to develop strategies involving the amendment of the Federal Law on Technical Regulations to implement Federal Law № 261-FZ “Law on Energy Conservation and EE improvement” of November 23, 2009 (with a subsequent new amended Law No 426 of 12 December 2011, para. 1, Art. 10) and its harmonization with technical regulations to be developed by the ECU;
- developing supporting policies and regulations to support implementation of Federal Law № 261-FZ and preparing legal proposals to set the performance requirements or refer to a Standard that contains the performance requirements that would initiate public discussion on suggested amendments to these policies and regulations;
- developing plans to share drafts of the supporting policies and regulations on MEPS of the Russian government with the ECU for the purposes of harmonizing both Russian and ECU standards and regulations; and
- developing strategies to develop appropriate laws and standards for testing equipment, market surveillance, building capacity and infrastructure for testing laboratories, and ensure appropriate certification of testing facilities. This was actually a recommendation made by Dr. Pashyk in October 2014 which was adopted by the Project.

The evaluation team does not have any evidence of any policy dialogue by the Project or its representatives with the ECU until 2013, at which point the Project had appointed RATEK as the official contact point with the ECU. However, the benefits of policy dialogue by RATEK on behalf of the Project have been an abject failure (as elaborated in Para 58).

48. Moreover, in June 2010, a similar project funded by the EU entitled “Approximation of EU and RF technical regulation and standardisation system” (EuropeAid/132827/ C/SER/RU), commenced operation under the Department of State Policy in the Sphere of Technical Regulation, Standardisation and Assurance of Measurement Uniformity of the Ministry of Industry and Trade (MoIT). In particular, this project was designed to focus on a long-standing effort (since 2002) to reform the Russian technical regulation system and assist ECU member states in development of:

- market surveillance;
- conformity assessment and use of voluntary standards;
- sectoral technical regulations and standards;
- market education and awareness raising.

The activities of this EU-supported project mirror the activities of the S&L Project. Moreover, this project proposed activities to harmonize draft technical regulations as a follow-up to the approved ECU Board decision of June 20, 2012. On June 20, 2016, the Eurasian Economic Commission (EEC) reported the submission of draft technical regulations to the ECU for energy efficiency for energy consuming devices for domestic approval including refrigerators, freezers, electric induction motors, television sets, washing machines and dishwashers, appliances that were included under this S&L

Project<sup>13</sup>. The aforementioned EU project also reported this on their website<sup>14</sup>. More seriously, *the perception of duplicated work is very strong and this S&L Project did not have any linkages with the EU-funded project.*

49. As mentioned in Para 45, the Russian UNDP PSO had expressed reservations during these early stages of the S&L Project of the need for adaptive management. There were a number of indicators that raised concerns (raised by the Regional Technical Advisor (RTA), the mid-term evaluator and the first and second ICTAs) that during the 2010-14 period that the Project was not going to deliver its intended outcomes including:
- NICB action to not formally review the choice of MoES as the executing agency for this Project despite specific instructions from GEF Secretariat (from NICB meeting of March 2013);
  - Suggestions by the first CTA recruited on this Project in 2010 (Mr. Frank Klinckenberg) that the Project strategy was focusing on the development or updating of standards of appliances that had not yet been regulated in the EU. This strategy was “baffling” considering that this should be routine work of the Government and not the Project<sup>15</sup>;
  - Resistance by the Project in June 2010 to recruit international consultants with experience in the engagement of the private sector in standards and labels programs for energy efficiency; and
  - Internal UNDP correspondence indicating the expenditure of US\$1.4 million after 18 months of Project implementation with little or no visible progress, and no inputs from international consultants.
50. The midterm evaluation (MTE) conducted in June 2013 again offered an opportunity to adaptively manage the Project and to strengthen its activities towards meeting its objectives. Some of the more important observations made in the MTE highlights the slow and inappropriate adaptive management:
- *“The Project team does not seem to use adaptive management in the project implementation. I have seen no proof of the project management using feedback from M&E activities for purposes of adaptive management. Neither does the project management seem to use lessons from other relevant projects for incorporation into project implementation”* (p. 56);
  - *“Work planning processes are result-based but the main focus is at formally achieving individual results without keeping project strategy, goal, objective and outcomes in mind. It would make sense to re-orientate work planning towards strict logical alignment with project strategy, goal, objective and outcomes.”* (p. 66-67);
  - *“Reasons of delay (of the Project implementation) are the slow project start, slow project procurement and moderately unsatisfactory project management for the entire duration of the project and small size of the project implementation team”* (p. 69).
51. The MTE explains that there was poor adaptive management by the Project team that strictly follows the Project Document (consistent with Para 45). This strict adherence to the activities prescribed in the original ProDoc was confirmed in interviews with former Project team members and UNDP PSO staff, as they claim, due to their lack of confidence in changing the activities in the ProDoc (as observed by the evaluation team in Para 45). This slow and inappropriate adaptive management

<sup>13</sup> <http://www.eurasiancommission.org/en/nae/news/Pages/20-06-2016-4.aspx>

<sup>14</sup> <http://eu-rf.org/draft-technical-regulation-on-the-requirements-for-energy-efficiency-of-energy-consuming-devices-published/>

<sup>15</sup> November 10, 2011 memo from Klinckenburg Consultants to Ms. Nataly Olofinskaya and Mr. John O’Brien

also highlights the lack of qualified expertise into implementing the Project strategy and developing plans on Project topics of energy efficiency and S&L by experts (see Para 49 and reference to Klinckenburg comments). Although annual work plans (between 2010 and 2014) were prepared and discussed amongst working groups and approved by the NICB, the planned activities did not contribute towards delivering any of the outputs and outcomes in the Project Strategic Results Framework. Adaptive management on the S&L Project only improved after 2014, coinciding with the hiring of the third and current project manager.

52. Adaptive management responses to the 2013 MTE recommendations were slow<sup>16</sup> and ineffective:

- The second “national CTA” was quickly recruited in September 2013 to foster partnerships and strengthen stakeholder outreach, a decision made by the NPD<sup>17</sup>, and in line with MTE recommendations<sup>18</sup>. However, a review of the ToRs of the second NCTA revealed responsibilities that do not contain provision to advance the needs of the Project beyond what would be considered to be baseline or routine work by the Government, particularly to assist in conducting strategic planning which was recommended by the MTE. Moreover, the work in these ToRs could have been performed by the second Project Manager<sup>19</sup>, and the person recruited as the second NCTA was underqualified to conduct such work<sup>20</sup>. This second NCTA was terminated from the Project in June 2015 by the third Project Manager;
- During the period of May to July 2014, another reputable international EE and S&L consultant (Dr. Yuri Pashyk of the BELLIS Institute of Belarus<sup>21</sup>) was recruited as the second ICTA to provide strategic guidance and necessary adaptive management measures for the S&L Project to implement and increase the likelihood that the Project will achieve its intended outcomes and objectives. The timing of the recruitment of the second ICTA was interesting as it coincided with a request by the UNDP Russia PSO for an S&L Project extension from May 2015 to May 2017. Dr. Pashyk’s report recommended a number of changes in activities to the Project<sup>22</sup> that were related to:
  - Establishing a mandatory technical regulation system for energy efficiency and energy labelling for energy consuming products, driven by the best international and European practices that can accommodate EE technical regulations changes in harmony with ECU member countries;
  - Developing appropriate regulations and standards for testing and market surveillance as well as activities to build capacity and infrastructure for testing laboratories, certification bodies and market surveillance; and

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<sup>16</sup> Responses took over 9 months

<sup>17</sup> Documentation of the tendering for this consulting position was not made to the evaluation team

<sup>18</sup> MTE report, Recommendation 9, pg 35

<sup>19</sup> This NCTA position was to “facilitate cooperation with government authorities, manufacturers, other stakeholders and international participants”. The ToR includes actions by the NCTA to participate, interact, coordinate, and carry out technical consultations with stakeholders.

<sup>20</sup> Based on a review of his CV, and interviews with his former colleagues (the second and third Project Managers, the RTA and acting head of the PSO, Ms. Nataly Olofinskaya). Moreover, it was difficult to evaluate his work based on the fact that there were a few English reports made available to the evaluation team. In addition, his work for outreach to other stakeholders had no value to the Project.

<sup>21</sup> <http://www.bellis.by/en/>

<sup>22</sup> S&L for Promoting Energy Efficiency in Russia (UNDP-GEF) Report on “Recommendations to Revise the Project Strategy and Activities” prepared by Dr. Yuri Pashik, July 2014

- Engaging the appropriate federal agencies responsible for implementing and mainstreaming S&L schemes. This would include the MoIT to initiate legislation for mandatory MEPS of appliances and equipment covered under the Project;
  - Responses to the finalized October 2014 recommendations made by Dr. Pashyk could not be implemented until the “no cost” Project extensions were approved by UNDP HQ, and meeting a request by the UNDP RTA for the recruitment of an ICTA to guide implementation for the extended period of the Project. Management responses by the UNDP PSO to the recruitment of an ICTA were not encouraging: the August 2014 “Annex to the management response” to issue No. 40 with regards to “bringing in long-term international advisor will quickly lead to outstanding results”, the PSO responded by saying only a short-term assignment for an international advisor would be justified, and claiming that there are Russian experts who have good knowledge of both Russian and international legislative knowledge on S&L issues; and
  - A third ICTA international was recruited by the Project in mid-2015, 18 months after the MTE recommendations were made, and as a “pressured” response to obtain approval for a March 2015 request for a Project extension to June 2017. The third ICTA had successful S&L experience on a GEF project in Turkey.
53. After the contract of the *second Project Manager* was not renewed in October 2014 for what the UNDP PSO said was “poor performance”, the *third Project Manager* was recruited in early 2015. There were a number of adaptive management actions undertaken by this PM to achieve some of its objectives including:
- The firing of the NCTA and recruitment of the third ICTA in June 2015;
  - Strategizing the approach of the Project during early 2015 to the regulatory uncertainties brought on by the emergence of the ECU, and with the assistance of the third ICTA. This involved a renewed focus to improved outreach to Rosstandart on strengthening monitoring, verification and enforcement (MVE) through test laboratory modernization and upgrading and harmonization of testing procedures that can be harmonized with requirements of the ECU;
  - By late 2016, the Project moved forward with the translation of 35 relevant EU regulatory documents on testing standards, and the drafting of mandatory MEPS<sup>23</sup>, despite the regulatory uncertainty caused by the emergence of the ECU. Reasons for this direction were related to anticipation by Project personnel and the strong likelihood that agreement by all member states on the draft ECU technical regulations (TRs) for energy efficiency (that were drafted and submitted by the Eurasian Economic Commission (EEC) in mid-2016 as mentioned in Para 48) would take 1 to 3 years; the official position of the GoR and ECU was that these TRs would be adopted by late 2017. With this possible delay, the Russian Federation (as well as other ECU member countries) are formulating their own “interim” national EE technical regulations prior to approval of harmonized ECU-EE technical regulations. Discussion are now underway between the Project and Rosstandart to streamline the harmonization process of national EE technical regulations to future ECU technical regulations.

<sup>23</sup> At the time this report was written, the evaluation team has not been provided with any evidence of the status of adoption of these mandatory MEPS by a Government ministry. As such, it appears the effort to submit proposals on MEPS to a government ministry for adoption have stalled.

54. In conclusion, the slow response of the UNDP PSO and the Project team to adaptively manage the S&L Project between 2010 and 2014 has adversely impacted the ability of the Project to achieve its objectives. Up to October 2014, the Project did not have action plans (road maps) nor did the Project make any efforts towards developing a system for voluntary and mandatory requirements to the energy efficiency and energy labels of energy-using products during this time. Instead, Project activities were significantly altered to implement activities not specified in the S&L ProDoc including energy audits and energy efficiency labelling for buildings, public and sport facilities. After the completion of Dr. Pashyk's reports in October in 2014 that included a revised Project strategy and roadmap, Project performance improved dramatically under the management of the hard-working third Project Manager. Strangely, however, the PMO nor the PSO prepared a revised log frame on the basis of Dr. Pashyk's recommendations for the purposes of monitoring Project progress. Furthermore, the Project by 2015 did not have sufficient time and resources to fully deliver the revised outputs and outcomes from Dr. Pashyk's recommendations that would have made a significant impact to the sales and usage of more EE appliances and building equipment. This is truly a sad outcome and a lost opportunity for the Russian Federation.

### 3.2.2 Partnership Arrangements

55. One of the outputs of the Project was to establish the NICB. On Para 62 in the ProDoc, the Project was to engage key stakeholders such as the Federal Ministries of Natural Resources and Environment, Energy, Economic Development, Industry and Trade, Regional Development; Rosstandart (also referred to as the Federal Agency of Technical Regulations and Metrology) and the Federal Supervisory Office of Consumer Rights Protection and Human Welfare as well as the Russian Union of Industrialists and Entrepreneurs, associations of manufacturers and supply chain stakeholders (like NP AVOK and RATEK), certification and testing authorities, in particular the Rostest certification centers, consumer organizations and NGOs.
56. Between 2010 and 2015, 6 NICB meetings have been held. A review of the minutes from 2010 to 2015 did not provide any detailed information to indicate any consistent strategic thinking to advancing the Project with key stakeholders. More disturbing, considering the purpose of the NICB meetings was to inform key stakeholders and find a champion to lead S&L development in Russia, attendance by these aforementioned key stakeholders to the 6 NICB meetings was at best inconsistent or there is a possibility the meetings were very poorly documented. For example, Federal Supervisory Office of Consumer Rights Protection and Human Welfare (ROSPOTREBNADZOR) as well as the Federal Ministries of Natural Resources and Environment, Energy, and Economy did not attend one of these meetings. More importantly, the Federal Agency of Technical Regulations and Metrology (or Rosstandart) attended only 2 meetings in 2010 and in 2015 represented by Rostest. Aside from the Chair of the NICB and UNDP, the most consistent attendee of the NICB meetings was RATEK (4 meetings) and the Russian Energy Agency (3 meetings).
57. A conclusion to be drawn from the NICB meeting minutes from 2010 to 2014, the S&L Project did not effectively engage key stakeholders to participate on the Project. This included MoIT and their subsidiary agency Rosstandart, and the Ministry of Economy amongst other important stakeholders. The failure of the Project to engage these important stakeholders in a meaningful way was also "baffling" coupled with Project Management reluctance and incompetence to strengthen outreach to the stakeholders. There was also no evidence during this period that the Project engaged stakeholders identified in the ProDoc (as listed in Section 3.1.4, Paras 33 to 35).

58. Instead, the Project established partnership arrangements during the early phases of the S&L Project with:

- RATEK<sup>24</sup> is an association of local equipment and appliance manufacturers, many of whom are foreign appliance manufacturers such as Samsung, LG and Bosch<sup>25</sup> as well as smaller appliance and equipment manufacturers. Their prominent role in the Project on developing EE standards with the Government is a curious one in consideration of their open opposition to EE S&L in Russia as early as 2010 (see Appendix H for a summary of RATEK media releases on this). While their skill sets are suited to marketing and awareness raising that would lead towards achievement of Outcome 3<sup>26</sup>, it is difficult to see what incentives RATEK could develop for increasing sales of EE appliances (compliant with “voluntary appliance standards”) in the absence of mandatory MEPS in Russia, and the reluctance of its members to be further regulated with MEPS<sup>27</sup>. Furthermore, RATEK would not have any reason to initiate meaningful dialogue with the Government on EE standards on locally manufactured appliances. At this time, they are the Project’s only link to the ECU (with S&L Project Managers not having any contact with such an important stakeholder), positioning themselves to obstruct any progress towards mandatory MEPS development. Their defence of their work (paid by the Project) was the “complicated nature” of amending technical regulations<sup>28</sup>. Between 2011 and 2014, RATEK were engaged by the Project to prepare a number of consulting reports on a number of marginally relevant topics in S&L and made contributions on behalf of the NICB to legislative reform on energy efficiency to the Government. With progress made on the Project on testing facilities, testing regulations and MEPS in 2016, the first roundtable meeting convened by the Project between Rosstandart, RATEK and other appliance manufacturers on March 1, 2017 was held as a means of informing stakeholders of the regulatory landscape for an S&L scheme in Russia. The result of the meeting was RATEK’s willingness to wait for Belarusian EE standards (who have developed their own national mandatory EE standards) to be adopted by the ECU, clearly a tactic designed to prolong EE regulatory uncertainty. With RATEK already engaged as a stakeholder working with the Project as well as being paid for reports with marginal relevance to advancing EE regulations in Russia, the evaluators strongly disagree with RATEK being entrusted with such an important role;
- Termek<sup>29</sup> is a building construction company that was subcontracted by the Project to undertake the development of standards and labeling schemes. They do not have any such corporate experience;
- Association of European Businesses (AEB) in Russia represents over 500 European companies that are active in Russia to develop cooperation between Russian and European business circles

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<sup>24</sup> RATEK represents equipment producers in Russia who primarily aim at selling cheaper goods in Russia in large quantities (<http://ratek.org/en/english-about-us>). They fear regulations will raise their costs and depress sales, that implies the Project should not have an interest in them designing MEPSs. Their role is more suited to market surveys, raising awareness, and training of sales staff.

<sup>25</sup> In 2014, UNDP PSO opined that in Russia with only 2 manufacturers of refrigerators and no local manufacturers of washing machines, local manufacturing enterprises are unable to afford investments to change their manufacturing processes to produce more energy efficient appliances.

<sup>26</sup> S&L Project Outcome 3 is the “enhanced interest and strengthened capacity of the local manufacturers and other supply-chain stakeholders to comply with the new EE standards and to bring energy efficiency models to the market at competitive and for the majority of the population affordable prices”

<sup>27</sup> Mainly due to the uncertainty of many RATEK members of the risk that their share of a regulated appliance market in Russia would shrink coupled with weak capacities of institutions to conduct market surveillance.

<sup>28</sup> Personal communication with RATEK and Mr. Tulikov.

<sup>29</sup> <http://www.termek.ru/kollektiv.html>

through its organization of conferences, seminars and roundtables discussions. Many of the member businesses within the AEB Group have made investments in the manufacture of white appliances in Russia (such as Bosch and Siemens appliances) including a refrigerator manufacturing plant (with production capacity of 500,000 of refrigerators per year) and a washing machine manufacturing plant (opened in June 2012 with a capacity is 450,000 units per year). Interestingly, these plants are also geared to increasing supply of products for export, including to the countries of Western and Eastern Europe where the volume of exports has exceeded 100,000 units per year in 2015. AEB's interest on the S&L Project has been to increase the sales of their products through the transferring of its experiences in the EU on MEPS and S&L schemes for white appliances. The evaluators believe AEB would have been a better partner than RATEK;

- The *Ministry of Economy* whose role in the Project has been to encourage public procurement of EE appliances that fall under a mandatory MEPS regime and encouraged through an S&L scheme<sup>30</sup>. The interest of the Ministry of Economy in developing S&L schemes for public procurement would appear to be genuine given that the Government would benefit from lower energy costs to the operation of its public assets. In addition, their subsidiary agency, Rosaccreditation is a key agency in the accreditation of EE testing labs and the certification of electronic products. However, this Ministry has not attended one NICB meeting (see Para 56);
- The *Ministry of Regional Development (MoRD)* who work with a number of IFIs including EBRD who had a large residential EE project with IFC and MoRD. While MoRD has oversight of the approval of residential buildings<sup>31</sup>, it has no mandate to regulate the appliances that are within the scope of the S&L Project;
- The *Russian Energy Agency (REA)* who implement the Federal Law No 261-FZ on “improvement of energy conservation and energy efficiency as well as government activities in energy efficiency and sustainable energy development”. While a partnership with REA seems completely appropriate given its purpose as a centre of exchange of monitoring information, training, coordination and promotion of projects in the field of energy efficiency amongst other energy issues, REA's role in the NICB is not clear. For example, there were no examples given to the evaluation team of REA's participation on any of the above activities in information exchange. Furthermore, REA appears to have been represented by a Mr. Tulikov, although the same Mr. Tulikov also represents the Head of the Russian Academic of Economics (as mentioned minutes to the March 2015 NICB meeting);
- ABOK is the Russian Association of Engineers for Heating, Ventilation, Air Conditioning, Heat Supply and Building Thermal Physics. This NGO works independently to assist in the scientific and technical advances in heating, air conditioning and heat supply. ABOK only attended one NICB meeting in March 2015 near the conclusion of the Project, to present their work on energy efficiency in buildings. However, there is no evidence of their involvement with the Project after this meeting;
- GFK is a global market research company that provides services in the Russian Federation on sales trends of white appliances and other building equipment. Their research is funded by several electronics manufacturers based in Russia. The Project purchased sales data of appliances covered under the S&L Project as early as 2012. While they have not had any

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<sup>30</sup> Project contact with the Ministry of Economy was early 2014.

<sup>31</sup> Their website (<http://archive.government.ru/eng/power/57/>) explains that the MoRD is responsible for drafting and implementing government policy and legal regulation with amongst other responsibilities “submission to the government for endorsement, and also for elaborating national policy and legal regulation in the field of construction, architecture and urban development (excluding state technical registration and inventory of capital construction projects) and housing and utilities on questions that are not within the competence of the Federal Agency for Construction, Housing and Utilities”.

transactions with the S&L Project since 2012, GFK still conducts ongoing surveys on the sales of appliances that are covered under the S&L Project. Analysis of GFK data on sales of white appliances is further elaborated in Section 3.3.1 (Paras 85-86).

59. Most curiously and as first mentioned in Paras 46 and 47, the Project did not facilitate any effective partnership arrangements for MoES with intermediary agencies to communicate with the ECU, the intergovernmental body that oversees the Customs Union Technical Regulations Development Plan (approved by Decision No. 103 dd. 23 November 2013 by the Council of the Eurasian Economic Commission), where energy efficiency and energy labelling requirements are to be included into and approval system of mandatory MEPS and regulations in the ECU (Belarus, Kazakhstan and Russia). This would include the poor leadership of MoES to engage the appropriate ministries in interministerial dialogue with another ministry such as MoIT to discuss how the S&L Project could engage in a discussion of ECU TRs. The S&L Project had been ideally set up to assist the Russian Government in preparing the basis for ensuring implementation of these technical regulations. In Dr. Pashyk's 2014 analysis of the reports produced by the S&L Project between 2010 and 2013<sup>32</sup>, one of his general conclusions was that none of the 33 reports produced accounted for the new technical regulation systems mandated by the ECU on energy efficiency and energy standards and labels. It was only in January 2014 when RATEK conducted its first discussions with the ECU on the development of these technical regulations.
60. Another partnership arrangement that was not properly developed during the Project was with Rosstandart. Since the S&L Project was designed to promote EE appliances through S&L schemes, it should have developed a strong partnership with Rosstandart from the Project's inception phase (for the setting and drafting of EE testing regulations and standards and legislation) as well as its parent agency, MoIT responsible for making these standards and regulations mandatory on behalf of the Russian government. For reasons that remain unexplained, the S&L Project management regime of 2010 to 2014 did not feel it was necessary to have a partnership with Rosstandart<sup>33</sup>. Meaningful Project dialogue with Rosstandart did not occur until early 2016 with the shift in Project focus towards testing regulations and developing appropriate testing capacities of Rostest-Moscow and other regional laboratories.
61. The reluctance of the Project to embrace and adopt the inputs of qualified energy efficiency and S&L experts to provide strategic guidance to the Project strategy and plans has also had an adverse impact on the effectiveness of the Project. This applies to the first 3 international consultants on the Project<sup>34</sup>. Despite a previous but unsuccessful attempt made over an 18-month period in 2011 and 2012 by an international company, ICF to provide a project manager to the S&L Project<sup>35</sup>, the Project did not have an international consultant from late 2011 until mid-2014 (with the hiring of Dr. Pashyk) despite the urgent need for international inputs. ICF also tried to engage another UNDP-GEF Project in Russia, the Northwest Buildings Project, and faced the same lack of interest. However, UNDP's

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<sup>32</sup> S&L for Promoting Energy Efficiency in Russia (UNDP-GEF) Report on "Inventory of Project Activity Implementation Reports including an Assessment of their Pertinence, Relevance and Impact" prepared by Dr. Yuri Pashyk, July 2014, pg 49

<sup>33</sup> Curiously, in the PIRs of 2011 to 2014, project management reported the completion of the drafting of standards that were submitted to Rosstandart for adoption. The evaluators do not have any evidence of these drafted standards being submitted to Rosstandart.

<sup>34</sup> This applies to the first ICTA, Mr. Frank Klinckenburg, the mid-term evaluator, Mr. Jerome Ketting, and the second ICTA, Dr. Yuri Pashyk.

<sup>35</sup> Personal communication from former ICF staffers, Mr. Vitaly Bekker, now Project Manager for NW Buildings Project

Northwest Buildings Project managed to hire one of ICF's personnel as Project Manager, which reportedly revived that project through inputs from a knowledgeable professional<sup>36</sup>. The simple lesson learned from these events is that energy efficiency projects or other projects should be staffed with professionals who are knowledgeable on the subject of the project and its international best practices; otherwise, these projects would suffer from a lack of interest from qualified professionals, and a failure to meet its objectives and targets.

62. Further examples of the lack of partnership arrangements with key stakeholders were exposed in the MTE report:

- ***“The private sector is not being engaged sufficiently...” (p. 58).*** While Project management during the 2010 and 2014 period of the Project claimed to have involved private companies including manufacturers, sellers, testing laboratories and retailers via business associations with RATEK and ABOK, the evaluation team do not see any value in these relationships (see Para 58). However, since early 2015, project has had more success in engaging relevant private sector entities such as Birusa, BSH, Mediamarkt, Eldorado, GFK, to advance the benefits of energy-efficient appliances and S&L schemes;
- ***“Partnerships with EBRD and others must be improved stronger and opportunities for stronger and newer partnerships...” (pg 58).*** Both IFC and EBRD each attended one of the NICB meetings with no evidence of follow-up to more strongly engage these entities with their finances to advance S&L schemes in Russia;
- ***“Some examples of stakeholders are mentioned below. By far, not all of them are involved in the project.” (p. 58-60).*** Project management staff who served between 2010 and 2014 did not feel meetings with stakeholders listed in the ProDoc was practical. In some bizarre way, this was claimed as adaptive management of the Project. This was partially rectified in early 2015 as elaborated in Para 65.

63. Commencing in 2015, the Project did make some improvements in its engagement of stakeholders who are relevant to the development and implementation of national S&L schemes. This was done with under the leadership of the third Project Manager and the assistance of the third ICTA who has excellent experience with a UNDP-GEF S&L project in Turkey (GEF ID 3565). Improvements included:

- initial outreach to relevant S&L stakeholders such as Rosstandart and MoIT;
- linkages in early 2016 with the MVE activities of another GEF Project, the “Transforming the Market for Efficient Lighting” (GEF ID 3658), and applying the technical assistance for institutional strengthening towards MVE systems for lighting products and applying them to white appliances and other EE equipment within the S&L Project;
- interactions with international appliance manufacturers operating in Russia in mid-2016 on the possibilities of cooperating in training lab testing personnel for appliances covered under the Project;
- a network of 6 testing labs for energy efficiency; and
- outreach to experts and specialist companies to improve the effectiveness of efforts to raise awareness of the general public (with special attention paid to schoolchildren) on the benefits of energy efficiency and the environment.

<sup>36</sup> Personal communication from John O'Brien

64. Finally, GEF in its STAP notes on the Project in 2010 noted that a review of the suitability of MoES as the implementing agency of the S&L Project needed to be conducted. This adaptive management review was never undertaken as stated in the 2013 NICB meeting minutes due to the reluctance of MoES as well as UNDP Russia to conduct such a review.
65. In conclusion, engagement of more relevant stakeholders to deliver intended outcomes and objectives after 2015 were started too late into the S&L Project. Earlier partnership arrangements with these stakeholders would have resulted in more substantial implementation of S&L schemes including the advancement of legislation for mandatory MEPS, the existence of certified and accredited testing laboratories, and personnel to conduct market surveillance. The Achilles' heel, however, of this Project's partnerships is the prominent role of RATEK, an organization openly opposed to any further regulation on sales of their equipment that would include the adoption of mandatory MEPS. With RATEK in charge of preparing proposals for legislative reform in energy efficiency as well as S&L schemes, and serving as the Project's official link to the ECU, the Project cannot expect to achieve any of its objectives with this type of stakeholder in place on such an important role.

### 3.2.3 Feedback from M&E Activities Used for Adaptive Management

66. *PIRs from 2011 to 2016* provided details of activities that were to be used for adaptively managing the Project. An assessment of the quality of PIRs for the purposes of feedback for adaptive management was made by the evaluators:
- lack of consistency between what was reported in the PIRs and NICB meeting notes, notably for PIRs from 2010 to 2013 where on the status of the NICB, PIRs reported that 6 Federal ministries are attending the meetings (see Paras 56-57). NICB meeting minutes do not indicate the attendance of many of these ministries with the exception of the Ministry of Education and Science, the implementing agency of this Project;
  - with regards to the output on "proposed amendment of the Federal Law on Technical Regulation, and of secondary legislation to implement the new Law on Energy Conservation and Energy Efficiency Improvement", the PIRs from 2010 to 2013 report that the Project prepared and submitted packages of draft legislation and normative documents to MoIT and the Ministry of Energy. The evaluators have not found any evidence of such submissions or adoption of these packages by any Federal Ministry including NICB meeting minutes of 2013;
  - reporting of progress after 2015 dramatically improved with the appointment of the third Project manager, an individual well qualified to lead this Project given his background of energy efficiency.
67. *The Mid-Term Evaluation (MTE) report from July 2013* also provided feedback for M&E activities, and recommendations to improve the delivery efficiency of the Project from its first 3 years of operation (from June 2010 to early 2013) and to focus on barrier removal to sustained implementation of national S&L programs. The fact that there were over 21 recommendations in the MTE report leads one to believe that Project progress between 2010 and 2013 should have been assessed as unsatisfactory. Moreover, management responses to the MTE were issued 9 months after the MTE report with many of the recommendations not being implemented until 2015, 21 months after the MTE report was issued. Delays in the UNDP management response is further elaborated in Para 70.

68. *Minutes from annual Project Board (NICB) meetings (2010 to 2015)* provided documentation of discussions with selected NICB members consisting of UNDP Russia, MoES, RATEK and selected representatives from other stakeholders (who only sporadically attended NICB meetings) to review on an annual basis, progress on Project implementation and other operational issues, and to take adaptive management actions. A review of these meeting minutes reveals:

- a lack of progress reporting and any strategic discussions on the outputs and objectives of the Project from 2010 to 2014, with no reference to previous NICB meeting minutes or to the Project SRF. As such, the NICB meeting minutes do not provide any evidence or detailed discussion on the work of the previous year and any recommendations to adaptively manage the Project;
- a lack of clarity of the persons who attended the meetings since there is no roll call or listing of those present at these meetings;
- the meeting minutes from March 2015 when the third Project Manager finally made adaptive management suggestions consisting of 5 fundamental changes on the Project in light of the unsatisfactory rating of project implementation by the MTE evaluator in June 2013<sup>37</sup>. Some of these changes included:
  - dropping the second pilot region in Output 1.3;
  - dropping all activities of Component 3 (Engagement and capacity building of local manufacturers);
  - redirecting the remaining funds from these dropped activities towards providing technical assistance for upgrading laboratories under standardization and metrology centers of Rosstandart;
  - drawing high-profile professionals from MoIT, MoE, Ministry for Economy, and Ministry for Construction and Housing to discuss the Project ToR, planning and works for completion.

For reasons that are inexplicable to the evaluation team, the implementation of the UNDP PSO management response to the MTE, 21 months after the MTE report was written (management response was prepared 9 months after the MTE), was a delay time that is unacceptable due to the dwindling resources of the Project.

69. The NICB meeting minutes also highlighted some other bizarre decisions and revelations including:

- the 2011 minutes stating that ██████████ department of legislation development in the field of energy and innovations of the REA, and that ██████████ was hired by the Project through RUSDEM to prepare reports and draft laws with no plans for the Project to conduct any policy dialogue plan with other stakeholders (more detail on RUSDEM is provided in Para 73). Moreover, according to these minutes, ██████████ was a representative of the Russian Energy Agency as a public official who was also hired as a contractor for UNDP (according to Dr. Pashyk's report on the inventory of reports produced by the S&L Project between 2010 and 2014);
- the March 2013 minutes provides information on a decision by the NICB to keep MoES as the Project's implementing agency stating that "MoES was the root of Project and facilitated substantial financial and organizational contributions to the Project adoption"<sup>38</sup>. Considering this

<sup>37</sup> Attendance at this NICB meeting also included representatives of UNDP from HQ in New York, Istanbul Regional Centre and the Russian PSO.

<sup>38</sup> This statement stems from a previous GEF project (GEF ID 292) entitled "*Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Building and Heat Supply*" based on the example of the city of Vladimir, Russia implemented between 1997 and 2004. This project was implemented by the predecessor ministry of MoES, the Ministry of Industry, Science

is a weak rationale for keeping MoES as the implementing agency, there were other more relevant S&L actors in 2013 who should have been considered or even taken over as the implementing agency such as Rosstandart and MoIT who had a representative sitting on the ECU's Technical Regulations Board;

- in the 2014 minutes, the NICB propose “to evaluate the possibility of transfer of experience to the Customs Union”, and “to clarify through RATEK whether the Project has the right to express its position regarding the **draft technical regulations of the Customs Union**”. With regards to the latter decision, the Project's first meeting with the ECU only occurred 3 years into the Project. Furthermore, the Project Manager presented information on elaborated GOSTs. This highlights the fact that the standards development paid for by the Project between 2010 and 2014 was irrelevant given that the ECU were already drafting their own technical regulations (as of 2012), and that the Project did not have a policy dialogue strategy that would have put to use some of the standards previously drafted;
- the March 2015 minutes informing the NICB members that Mr. Alexei Melikhov, Deputy CEO Rostest Moskva, also “highlighted future independent EE test lab development.....mentioning financial lab viability as the key issue and said, in particular that a lab can be economic solely with mandatory EE labeling. He assured those in attendance that Rostest Moskva boasts all the resources for testing, provides refresher training and is prepared for professional upgrading.” In the context of feedback, this information significantly devalues the previous work done (between 2010 and 2014) on the Project on voluntary labeling.

70. In conclusion, M&E activities did not account for the formulation of mandatory S&L schemes being developed with the Eurasian Customs Union as early as 2012. Since a major effort of the Project was to pilot mandatory S&L schemes, the lack of reporting on any outreach to the ECU by the NICB or the Project Manager is a glaring omission that would have made any legislative work being done by the Project (if any such work was done between 2010 and 2013) through Project contractors superfluous. This can be considered a major failure of the feedback from the M&E activities of this Project.

### 3.2.4 Project Finance

71. The S&L Project had a GEF budget of USD 7.8 million that was disbursed over a 6.5-year duration, managed by a PMO from June 2010 to its expected terminal date of June 2017. Table 1 provides an overview of expenditures of the S&L Project budget of USD 7.8 million from April 2010 to December 2016. These tables reveal:
- High rates of disbursements during the period of 2010 to 2012 (totalling USD 2.2 million) that coincides with a period of almost no progress on the Project;
  - A slight decrease in S&L disbursements between 2013 and 2014 during and after the MTE, and at a time when the PMO and UNDP were reflecting on past (lack of) achievements, and attempting to adaptively manage the Project towards achieving its intended objectives and outcomes. Total Project disbursements up to the end of 2014 total just under USD 4 million;
  - Deviations of ProDoc outcome expenditures including:
    - An estimated USD 3.4 million on Outcome 2 (National S&L schemes), USD 1.2 million more than budgeted in the ProDoc;

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and Technology. This project sought to improve energy efficiency of buildings that included the installation of more energy efficient equipment for heating; the results of this project were used for further “research” into mechanisms for replication of project results. This would have included the use of energy efficient equipment for heating and ventilation of buildings.

- Under-expenditures for Outcomes 1, 3 and 4;
- USD 600,000 remain for expenditure during 2017;
- Project management costs in the order of USD 610,000, approximately 8% of the total project budget of USD 7.8 million.

72. In assessing the effectiveness of Project expenditures, the evaluation team had difficulty in establishing any value for number of the outputs produced during the Project, especially during the period of 2010 to 2013. A review of 33 reports generated during this period of the Project was conducted in July 2013 by Dr. Pashyk concluded the following:

- most reports include analysis of international and European experience but are both incomplete and insufficient to make recommendations;
- reports that review Russian laws in the field of technical regulations all failed to account for the existence of a uniform technical regulation system is required by the ECU that includes energy labelling and standards for energy efficiency for energy consuming equipment and household appliances;
- insufficient details for the development of testing laboratories and their accreditation that would be fundamental to the enforcement of MEPS and energy labelling;
- the quality of some reports do not appear to be prepared by energy and S&L professionals. The use of such terms as "test certification systems" and "energy efficiency standards and labelling system" do not reflect knowledge of international practice. The use of incorrect terms and definitions deprives project participants of the possibility to have one common and unambiguous interpretation of project objectives, tasks and activities and understand the concepts and objectives of further changes in the project strategy;
- the subject matter of the majority of the reports are not pertinent to Project activities and expected Project results. This adversely affects Project strategy affecting future work plans that could be prepared to efficiently meet Project objectives. Furthermore, none of these reports contribute to developing action plans and strategies to introduce a system for voluntary S&L schemes and mandatory MEPS and energy labels for energy consuming products;
- some of the reports cover energy audit and energy efficiency labelling for buildings, public and sport facilities that are not covered under the Project scope in the ProDoc;
- there are several examples of reports produced that have absolutely no pertinence to the Project SRF or achieving the Project objectives<sup>39</sup>;
- there is a lack of clear recommendations in these reports that are relevant to the original ProDoc strategy making these reports difficult to apply.

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<sup>39</sup> Examples from Dr. Pashyk's report include the OOO Ensys Tekhnologii, "Energy Consumption and GHG Monitoring for Selected Engineering Equipment in Buildings for 2009-2011"; OOO Energotekhservis NN, "Review of the legal and normative framework in the second pilot region (Nizhegorodskaya Oblast) to create conditions to introduce energy labelling standards and preparation of improvement activities"; OOO TsNIIPromzdaniy, "Drafting proposals and amendments to the Federal Law dated 23 November 2009 No. 261-FZ "On Saving Energy and Improving Energy Efficiency and on Amending Certain Legal Acts of the Russian Federation" and the Federal Law "On Technical Regulation"; and OOO NPO TERMEK, "Development of a methodology for governmental and corporate procurements of energy-efficient equipment (in three volumes)".

**Table 1: GEF Project Budget and Expenditures for Russia S&L Project (in USD as of December 31, 2016)**

S&L Outcomes	Budget (from Inception Report)	2010 <sup>40</sup>	2011	2012	2013	2014	2015	2016 <sup>41</sup>	Total Disbursed	Total to be expended in 2017
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	779,000	1,838	166,848	58,680	82,477	72,183	149,743	117,864	649,633	
OUTCOME 2: National S&L schemes for selected power-consuming products designed, required verification and enforcement capacity set up	2,225,000	910	281,962	183,748	254,829	369,576	1,119,055	1,190,710	3,400,790	
OUTCOME 3: Enhanced interest and strengthened capacity of the local manufacturers and the supply chain stakeholders	2,345,000	0	652,419	183,011	136,876	209,740	15,338	0	1,199,384	
OUTCOME 4: Enhanced awareness and improved access to information of residential and commercial clients	1,928,000	0	123,442	287,063	213,192	263,633	183,397	285,117	1,353,844	
Project Management	533,000	19,764	129,277	101,247	89,274	73,577	101,088	95,825	610,052	
<b>Total (Actual)</b>	<b>7,810,000</b>	<b>22,513</b>	<b>1,353,947</b>	<b>813,749</b>	<b>776,648</b>	<b>988,710</b>	<b>1,568,620</b>	<b>1,689,516</b>	<b>7,213,702</b>	<b>596,298</b>
<b>Total (Cumulative Actual)</b>	<b>7,810,000</b>	<b>22,513</b>	<b>1,376,460</b>	<b>2,190,208</b>	<b>2,966,856</b>	<b>3,955,566</b>	<b>5,524,186</b>	<b>7,213,702</b>		
Annual Planned Disbursement (from ProDoc) <sup>42</sup>		928,000	2,410,000	2,286,000	1,404,000	782,000	0	0		
<b>% Expended of Planned Disbursement</b>		<b>2%</b>	<b>56%</b>	<b>36%</b>	<b>55%</b>	<b>126%</b>				

<sup>40</sup> From September 2010<sup>41</sup> Up to December 31, 2016<sup>42</sup> From planned ProDoc disbursements

Table 2: Co-Financing for Russia S&amp;L Project (as of December 31, 2016)

Co-financing (type/source)	UNDP own financing (million USD)		Government (million USD)		Partner Agency (million USD)		Private Sector (million USD)		Total (million USD)	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Grants <sup>43</sup>									0.000	0.00
Loans/Concessions									0.000	0.00
• In-kind support			2.200		0.537		1.216		3.953	0.00
• Other			19.012	1.275 <sup>44</sup>	7.140		27.266	3.249 <sup>45</sup>	53.418	4.52
<b>Totals</b>	0.000	0.000	21.212	1.275	7.677	0.000	28.482	3.249	57.371	4.52

<sup>43</sup> Includes all cash contributions

<sup>44</sup> Includes contributions from 6 testing laboratories of testing laboratory infrastructure (St.Petersburg region CSM, Rostest-Moscow, CSM of Krasnoyarsk and Region, CSM of Samara and Region, CSM of Nizshny Novgorod and Region, and CSM of Bashkortastan Republic).

<sup>45</sup> Includes ENES Forum (US\$3.028 million) and ABOK (US\$220,454).

*The net value of mostly irrelevant reports produced between 2010 and 2013 is in the order of more than USD 3.5 million. The net value of the reports produced after 2014 that are either irrelevant or are poorly timed for issuance is USD 338,000.*

73. Lastly, the Project set up a company named RUSDEM-Energoeffect for the purposes of transferring UNDP Project funds to subcontractors hired by the Project<sup>58</sup>. This arrangement was agreed upon between the UNDP PSO and implementing agency, MoES, in late 2010, and is consistent with the NEX Corporate Manual. RUSDEM<sup>59</sup> is actually a private entity that manages UNDP funds.
74. Despite several requests by the evaluation team to provide estimates of co-financing against the ProDoc estimate of USD 57.371 million, no co-financing estimates were provided until May 2017 as shown on Table 2. Given the lack of any effective and useful outputs generated by the S&L Project, and the lack of effective engagement with key stakeholders (such as Rosstandart, MoIT and the ECU), the low level of co-financing on the S&L Project would appear to be entirely reasonable. The co-financing provided on Table 2 is only from the years 2015 to 2017. It is also possible that within 2017, co-financing on the S&L Project could materialize from manufacturing associations such as BSH who may have provided additional services to complement the training sessions of test laboratory personnel that were paid by the S&L Project. Notwithstanding this potential co-financing contribution, the co-financing of the S&L Project will be far below the level of expectations as envisaged in the S&L Project document.
75. In conclusion, the cost effectiveness of the S&L Project has been **highly unsatisfactory** in consideration of the funds wasted during the 2010 to 2014 period of the S&L Project expenditures on incompetent management personnel, and the creation of reports with little or no relevance to advancing S&L programmes in the Russian Federation (see Footnote 39 and Para 95 as samples).

### 3.2.5 M&E Design at Entry and Implementation

76. The M&E design as covered in Paras 155 to 190 in the S&L Project ProDoc is robust and thorough. The design thoroughly covers all M&E activities including:
- the Project inception phase;
  - responsibilities for monitoring Project activities from day-to-day, periodic and annual monitoring;
  - reporting requirements for Project monitoring (including the inception report, APRs, PIRs, QPRs, Project terminal report, periodic thematic reports, technical reports, and Project publications);
  - independent evaluations that includes the Midterm Evaluation as well as the Final Evaluation;
  - audits; and
  - dissemination of Project results to encourage learning and knowledge sharing.
77. As mentioned in Para 45, a decision was made during the first NICB meeting of September 2010 that no changes were to be made in the M&E design provided in the S&L Project ProDoc.

<sup>58</sup> From the S&L Project Financial Reports from 2011 to 2015

<sup>59</sup> RUSDEM is also the name of the NGO responsible for information dissemination on the previous GEF project (GEF ID 292) entitled "Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Building and Heat Supply" based on the example of the city of Vladimir, Russia that was implemented between 1997 and 2004. This NGO was also headed by the former NPD of the S&L Project, Mr. Alexei Antrpov who resigned as NPD of the S&L Project in December 2016.

Implementation of this M&E design, unfortunately, has been weak with a number of the M&E activities defined in the design not being implemented:

- no Project inception report was prepared;
- PIRs from 2011 to 2016 were available;
- no QPRs were available as well as thematic reports, technical reports and project publications;
- the midterm evaluation of 2013 exists but does not paint a clear picture of the Project issues;
- financial audits were made available from 2011 to 2015. These reports do not inform the reader of what pieces of work the Project supported financially. However, the line item under “studies and research” was extremely high amounting to hundreds of thousands of dollars, possibly accounting for the USD 338,000 cost of irrelevant reports; and
- there is no evidence of any dissemination activities of Project results, likely due to the fact that the Project has not yet produced any credible material that was fit for dissemination to other stakeholders.

78. As such, *the ratings for M&E plan implementation is rated as **unsatisfactory***. This rating has been given in consideration of the quality and shortage of documentation of M&E reports listed in Para 77. Ratings according to the GEF Monitoring and Evaluation system<sup>60</sup> are as follows:

- M&E design at entry - 5;
- M&E plan implementation - 2;
- Overall quality of M&E - 2.

### 3.2.6 Performance of Implementing and Executing Entities

79. The performance of the implementing partner (formerly known as an Executing Agency) of the S&L Project, MoES, can be characterized as follows:

- With the primary role of being the head of NICB, the coordinating agency at the onset of the Project (under Output 1.1), MoES did bring together a number of agencies for activities of the Project. Unfortunately, many of these invited agencies were not appropriate stakeholders to advance S&L schemes within the Russian Federation. This included RATEK, a local manufacturing association with open opposition to any regulation of the sale of its products including energy efficiency and S&L schemes (see Para 58);
- Lack of strategic guidance in developing and promoting S&L schemes for the targeted appliances on the Project. The MTE stated that the “Project team has limited capacity building, PR and communication skills and is not open to criticism”. In addition, the Project team focused on current tasks and had no strategic vision;

<sup>60</sup> 6 = HS or Highly Satisfactory: There were no shortcomings;

5 = S or Satisfactory: There were minor shortcomings,

4 = MS or Moderately Satisfactory: There were moderate shortcomings;

3 = MU or Moderately Unsatisfactory: There were significant shortcomings;

2 = U or Unsatisfactory: There were major shortcomings;

1 = HU or Highly Unsatisfactory

U/A = Unable to assess

N/A = Not applicable.

- Avoidance by MoES to respond to the request by the GEF Secretariat (as part of its 2010 approval of the Project) to review concerns by GEF Secretariat that MoES was not the most appropriate agency to execute the Project and to review all other potential options for an alternative executing agency<sup>61</sup>. While this was to be reviewed during the MTE, the MTE report does not address the issue of the appropriateness of MoES as an executing agency for this Project;
- Facilitated and allowed a number of activities funded by the Project that were not planned as per the SRF and do not contribute to the intended outcomes of the Project;
- MoES does not have the institutional mandate to promote and institutionalize energy efficiency and S&L schemes in the Russian Federation. The setting of standards and regulations related to energy efficiency is the purview of Rosstandart under MoIT, and the efforts to legislate mandatory MEPS is under the purview of MoIT. Communication between MoES and Rosstandart and the S&L Project did not occur until after 2015, a point in the Project during which too few resources were remaining to meet the desired targets of the Project. There has been no communication between MoES and MoIT on efforts towards mandatory MEPS;
- No effort to work with testing labs before 2014, claiming that they needed to undertake “stock-taking on EE regulations” through advice provided by the first ICTA in 2010;
- No efforts to work with the ECU whose mandate as early as 2010 was to harmonize, amongst others, energy efficiency standards at a supra-national level of electronic goods being traded within member states;
- Agreement in 2014 to staff an ICTA in an attempt to meet the objectives and achieve the outcomes and targets of the Project with less than 2 years remaining on the S&L Project.

The overall performance of MoES as an Implementing Partner is rated as **unsatisfactory** in consideration of its lack of strategic leadership on advancing S&L schemes in the Russian Federation, and its failure to facilitate effective outreach to relevant stakeholders such as Rosstandart, MoIT and the ECU.

80. The performance of UNDP (the Implementing Agency) can be characterized as follows:

- The UNDP Russia Project Support Office (PSO) undertook recruitment procedures for Project staff recruitment. In several instances, the evaluation team could not verify if there was compliance to proper recruitment procedures;
- Recruitment of underqualified national individuals to manage the Project and provide technical assistance including the first 2 project managers (from 2010 to 2014)<sup>62</sup>, and a national CTA (from September 2013 to June 2015). These individuals did not provide any value to the Project given their lack of expertise in energy standards and labelling;
- Long delays in responses from the UNDP PSO to requests by the Regional Technical Advisor (RTA) in Istanbul after the MTE findings in 2013 to improve the overall performance of the Project by involving ICTAs to bring best international practices on S&L promotion to the Russian Federation;
- No energy sector or S&L experience in the Russia PSO, rendering them unfit to make key decisions on managing the S&L Project. The PSO made decisions on Project stakeholder involvement for which there was an appearance of a “deliberately” poor understanding of the key government agencies that should have been involved;

<sup>61</sup> As reported by the RTA in the 2012 PIR (August 2012).

<sup>62</sup> The first PM had some government experience in the energy sector but lacked English speaking and writing skills and poor outreach to stakeholders. The second PM was an accomplished project manager but had poor experience in the energy sector. Both PMs did not have much autonomy in determining the directions of the Project without clearance from the PSO.

- Deployment of 3 international technical advisors on the Project with only short contracts between 2011 and 2014. The first 2 international CTAs recommended the need for a strategic vision and strategic leadership on the Project. The responses by the UNDP PSO to these recommendations were either ignored (as was the case in 2011), dismissed (as was the case on the 2014 “Annex to management response”, issue No. number 40<sup>63</sup>) or inefficiently responded to (as was the case in 2014 and 2015 when the PSO needed approval for the no-cost extension of the Project to 2017);
- Employment of a well-qualified Project Manager in 2015 who has improved Project outreach to appropriate stakeholders and meshed well with the third international CTA (who has extensive experience in a successful S&L project in Turkey). Unfortunately, notwithstanding the excellent inputs and international experience of this CTA, his inputs have come at a very late stage of the Project when there were insufficient funds and time to meet the Project objectives.

81. Overall performance of UNDP on the S&L Project is rated as **unsatisfactory** based on its failures to staff qualified international and national personnel through the early stages of the Project, its insistence on the recruitment of NCTAs to provide strategic leadership for the Project (that did not materialize), the long and unacceptable delays by the PSO to respond to recommendations made by the MTE as well as by the second ICTA, Dr. Pashyk, and the failure of timely responses by the PSO to repeated requests by the UNDP RTA based in Istanbul on measures to improve Project performance.

82. A summary of ratings of the implementing and executing entities of the S&L Project are as follows:

- *Implementing Partner (MoES)* – 2;
- *Implementing Entity (UNDP)* – 2;
- *Overall quality of implementation/execution (UNDP/MoES)* – 2

### 3.3 Project Results

83. This section provides an overview of the overall project results and assessment of the relevance, effectiveness and efficiency, country ownership, mainstreaming, sustainability, and impact of the S&L Project. In addition, evaluation ratings for overall results, effectiveness, efficiency and sustainability are also provided against the revised April 2010 Project SRF (as provided in Appendix F)<sup>64</sup>. For Tables 3, and 5 to 7, the “status of target achieved” is color-coded according to the following color coding scheme:

Green: Completed, indicator shows successful achievements	Yellow: Indicator shows expected completion by the EOP	Red: Indicator shows poor achievement – unlikely to be completed by project closure
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#### 3.3.1 Overall Results

84. A summary of the achievements of the S&L Project at the Project Objective level with evaluation ratings are provided on Table 3.

<sup>63</sup> The UNDP response to this issue was that “it is clear that among Russian experts there are some who have good knowledge of both Russian and international legislative and normative basis”. While this is likely true, UNDP either deliberately hired inferior Project Managers and NCTAs in the early stages of the Project or they did not properly vet prospective qualified candidates with expertise in energy efficiency.

<sup>64</sup> Evaluation ratings are on a scale of 1 to 6 as defined in Footnote 46.

**Table 3: Project-level achievements against S&L Project targets**

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>65</sup>
<b>Project Objective: Reduction of GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances</b>	The amount of GHG emissions reduced compared to the expected baseline development	No incremental CO <sub>2</sub> reduction compared to the projected baseline (see ProDoc, section IV, part V).	National level: Cumulative, incremental CO <sub>2</sub> emission reduction (with a causality factor 4) of 7.8 Mt of CO <sub>2eq</sub> by 2015 and 29.9 Mt by 2020.	<i>With no pilot S&amp;L schemes setup by the EOP, emission reductions from increased EE appliance sales attributable to the Project work on S&amp;L schemes are likely to be close to "0".</i>	For reasons provided in Paras 86-88.	1
			Pilot region (Moscow): Cumulative, incremental CO <sub>2</sub> emission reduction of 1.89 Mt by 2015 and 6.86 Mt by 2020 of CO <sub>2eq</sub>	<i>There was no Moscow pilot implemented, and thus "0" Mt CO<sub>2eq</sub> by 2015 was achieved.</i>	For reasons provided in Para 89.	1
<b>Overall Rating – Project-Level Targets</b>						<b>1</b>

85. The S&L Project target for GHG emission reductions was set at 7.8 million tonnes CO<sub>2eq</sub> cumulative by 2015 and 29.9 million tonnes CO<sub>2eq</sub> reductions cumulative by 2020. Indirect GHG reductions were to be generated mainly from raised consumer awareness of EE appliances (through Project S&L schemes) and a resulting increased sales of EE appliances. The Project claims that target levels indicated in the Project Document were found to be unattainable (in part due to mistakes in calculations, market sales and market share assumptions). However, the Project reported that market transformation of appliances during the S&L Project period occurred<sup>66</sup> including:

- An increase in market sales of refrigerators 2-fold from 1.78 million to 3.69 million units from 2009 to 2014. This includes an increase in the market share of extra EE refrigerators (class +, ++, +++) from 6.4% to 30.6%. with a decrease in market share of inefficient refrigerators (class B) from 35% to 13%;
- An increase in market sales of washing machines of 230% from 1.77 million to 4.04 million units from 2009 to 2014. This includes an increase in market share of washing machines of EE class +, ++, +++ from 5.1% to 47.4%, a decrease of EE class from 92% to 45%, and an increase in inefficient EE class B and D from 1.6% to 2.2%;
- An increase in market sales of dishwashers of 340% from 0.21 million to 0.71 million units from 2009 to 2014. This includes an increase in market share of dishwashers of EE class +, ++, +++ from 1% to 22.4%, a decrease in EE class from 98% to 75.6%, and inefficient EE classes B and D not available on the market.

86. According to the S&L Project management, these increased market sales in EE appliances have generated cumulative emissions reductions by 2015 of 0.35 Mt of CO<sub>2eq</sub>. The evaluation team, however, are of the opinion that *these emission reductions are not linked to the S&L Project* due to:

<sup>65</sup> Ibid 57.

<sup>66</sup> Sales data purchased from GFK by the S&L Project as detailed in Para 58. Data on white appliances is collected on an annual basis by GFK through retail store surveys paid by several local appliance manufacturers based in Russia.

- poor or non-existent engagement of relevant S&L stakeholders;
- late contributions to legislative S&L reform (including MEPS for public procurement in 2016 near the end of the Project);
- no functional market monitoring mechanisms;
- cancellation of pilot S&L schemes in Moscow and Nizhny Novgorod;
- GfK statements characterizing the household appliance market in Russia as now only having EE models available due to changing consumer preferences for better appliances and their decreased cost<sup>67</sup>; and
- the absence of a recycling program for old and inefficient appliances and equipment (see Para 88).

More importantly, the S&L Project did not have any outputs that would have influenced consumer behavior in Russia to purchase more energy efficient appliances.

87. The Project commissioned a report by Ernst & Young claiming that an emission reductions target in the order of 0.65 Mt of CO<sub>2eq</sub> by 2016 and 3.5 Mt by 2020, was more realistic and attainable if there had been improved stakeholder engagement and market monitoring mechanisms at earlier stages in the Project<sup>68</sup>. These findings are based on a similar project that was efficiently implemented in Belarus from 2013-2016 to provide mandatory EE standards and testing laboratory infrastructure<sup>69</sup>; the Russian S&L Project could have realized similar implementation efficiencies and achieved higher emission reductions. While the Ernst & Young report was commissioned to justify GHG emission reductions from the Project, the evaluation team cannot justify any GHG emission reductions from Project activities, and considers the report to be of no value to the Project.
88. Another major flaw in the approach to calculating GHG emission reductions from this Project is the lack of considerations in the Project design or on the sales data provided by GfK of the recycling of used appliances. There is a strong likelihood that a certain percentage of old appliances (that are being replaced by newer appliances) would have been resold and placed back into service negating a certain proportion (if not all) of the GHG emission reduction benefits.
89. The GHG emission reductions targets for a Moscow pilot were set at 1.89 million tonnes CO<sub>2eq</sub> cumulative by 2015 and 6.86 million tonnes CO<sub>2eq</sub> reductions cumulative by 2020. However, with a changing regulatory environment and the emergence of the ECU in 2011, Project activities related to the adoption, implementation, and enforcement of relevant S&L policies, regulations and legislation stagnated during the 2010-2013 period of the Project. This further clouded the ability of the Project to achieve the targets of the Moscow pilot. By June 2016, consultations with federal and regional levels confirmed that the updated EE Law (federal law No 261) does not allow the introduction of regional EE legislation and regulations that could be applied against a Moscow S&L pilot, as currently, only mandatory S&L schemes stipulated by the federal legislation could be applied against any regional pilot. As a result of a (late) decision taken by the NICB in 2016, activities in pilot regions (Moscow and Nizhny Novgorod) were abandoned resulting in zero GHG emission reductions

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<sup>67</sup> Personal communication with Ms. Natalia Morzhova, Deputy Country Manager for GfK, Moscow on GfK surveys on consumer research on white appliances.

<sup>68</sup> Ernst and Young report calculates that a 100% market transformation of EE appliances would result in a maximum emission reduction of 1.41 Mt of CO<sub>2eq</sub> by 2015 and 4.285 Mt of CO<sub>2eq</sub> by 2020. The evaluators doubt the validity of the draft report which needs to be reviewed as a final version.

<sup>69</sup> These efforts were a part of the EU-financed (€6.0 million) project “Support in the field of norms and standards related to energy efficiency of consumer goods and industrial products” from 2013 to 2016.

for these pilots. The evaluation team ponder if the Project could have been adaptively managed during the MTE to exclude the Moscow and Nizhny Novgorod pilots in favour of other useful activities as described in Para 47.

90. With regards to the calculation of indirect GHG emission reductions generated by Project activities, the calculation in the ProDoc estimate of the required an estimate of the overall market size of the targeted appliances on this Project<sup>70</sup>. The emission reductions of the overall market of targeted appliances would then be calculated and multiplied by a causality factor. The causality factor in the ProDoc was 0.8 (indicating very strong effect of the Project works on the actual incremental emission reductions). The S&L Project management have applied a causality factor of 0.6, a slightly weaker impact of the Project. The evaluators disagree with the use of the causality factor since the indirect GHG emission reductions were to be calculated using market surveillance infrastructure to monitor the increased sales of selected appliances and equipment that comply with newly adopted MEPS. Instead, with the Project not delivering on intended outputs of market surveillance and adopted MEPS, it defaulted to the use of the causality factor of 0.6 which is incorrect. Moreover, if a causality factor approach were to be used, the causality factor would be close to zero for reasons as follows:

- The lack of progress on the S&L Project to establish mandatory MEPS for the energy consuming appliances between 2010 and 2016 that was further was clouded in regulatory uncertainty with the emergence of the EE harmonization requirements of the ECU in 2012;
- The lack of outreach by the Project to important stakeholders such as the ECU and Rosstandart in the context of establishing and enforcing compliance to S&L schemes as well as laboratory testing and market surveillance until early 2015;
- Since 2015, there have been no tangible legislative S&L developments by the Project that could be tied to increased EE appliance sales and GHG emission reductions;
- Increased sales of EE appliances is likely due to all retail outlets only selling EE appliances throughout the Russian Federation resulting in general reductions in appliance prices and improving the affordability of these appliances to marginal income households (see Paras 58 and 86);
- Even with an increase in the use of EE appliances with more Russian citizens (according to surveys by GFK), there has been no discussion with anyone on the Project concerning the decommissioning or dismantling of old appliances, which are likely sold to marginal income households. As such, these appliances are likely placed back into service negating any GHG emissions reduction benefits.

GHG emission reductions from the S&L Project are summarized on the GEF Tracking Tool as provided in Appendix E.

91. These overall results reflect a lost opportunity for the Russian S&L Project to reduce the growth rate of GHG emissions from reduced usage of inefficient appliances and growth in market share of EE appliances. For this reason, the evaluation of the achievement of S&L Project-Level targets is rated as **highly unsatisfactory**.

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<sup>70</sup> This is stipulated in the GEF-STAP report of March 2013 on “Calculating GHG Benefits of GEF Energy Efficiency Projects”, Version 1.0, page 12

### **3.3.2 Outcome 1: Institutional, legal and regulatory basis established and institutional capacity built**

92. Activities under Outcome 1 were intended to “establish an institutional, legal and regulatory basis for, and improve the capacity of national authorities to introduce and facilitate widespread application of energy efficiency S&L schemes complete with their testing in at least one pilot region during project implementation”. Project resources would be used to:
- build capacity to promote energy efficiency as well as S&L legislation, regulation programs, mandatory EE standards and labels at the federal level; and
  - implement a comprehensive but voluntary EE S&L programme in the selected Moscow pilot region.

A summary of the actual achievements of the Outcome 1 with evaluation ratings are provided on Table 4.

93. The purpose of this component was to assist the Government of the Russian Federation in establishing a regulatory framework supportive of S&L development coupled with improved capacity of the national authorities to facilitate the introduction and widespread application of EE S&L schemes. Since 2011, the Government has wanted to focus on the development of technical regulation systems for energy efficiency and energy labelling of energy-using products in harmony with EU practices, the guidelines of which are enshrined in Federation Law No. 261 of November 2009 amongst other Russian normative legal acts. The key elements of this strategy are:
- identification of technical regulation priorities in the field of energy efficiency (ecodesign and energy labelling);
  - adoption of measures (European Commission Regulations) implementing Directive 2009/125/EC (superseding Directive 2005/32/EC) and Directive 2010/30/EU (superseding Directive 92/75/EEC). These set requirements to the ecodesign (energy efficiency) and labelling of those energy-using products which cause significant consumption of energy resources and have a considerable environmental impact;
  - setting up standardized methods to test and measure energy efficiency parameters of energy-using products falling under measures implementing Directive 2009/125/EC and Directive 2010/30/EU;
  - building up the required testing capacity (technical equipment of laboratories and staff qualifications) in the field of energy efficiency of energy-using products in accordance with the requirements of the international standard, ISO/IEC 17025;
  - development of the accreditation system;
  - training of specialists in conformity assessment and formation of approval bodies;
  - ensuring product market surveillance to monitor compliance to energy efficiency and energy labelling requirements;
  - regular monitoring of the efficiency of introducing new requirements for ecodesign and energy labelling directives and of the implementing measures.

Table 4: Outcome 1 achievements against targets

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>71</sup>
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 organizational arrangements to promote the introduction of the S&L schemes	At the Federal Government level no responsibilities are defined or organisational structures established for development of EE S&L schemes.	A National Inter-Agency Coordination Body (NICB) has been established  Required legal and regulatory amendments have been adopted at the regional (city government) level for implementation of a full scale (voluntary) S&L program in line with what can be later expanded to a mandatory scheme at the Federal level.	<i>An NICB has been established</i>  <i>No legal and regulatory amendments have yet to be adopted in a (pilot) regional level.</i>	See Para 94	2
	Status of the proposed legal and regulatory amendments and voluntary agreements at the federal and city government (regional) level.	Inadequate legal and regulatory framework to effectively promote S&L schemes and lack of awareness of key policymakers (together with other institutional barriers) to adopt the required amendments at the Federal level.	Proposals for required amendments in federal laws to facilitate introduction of mandatory S&L at the national level have been submitted for Government consideration.	<i>20 proposals have been submitted for Government consideration. In 2012, all questions on technical regulations sent to ECU. In 2016, 4 proposals were under consideration related to EE labelling to public procurement and MEPS. However, ministries need to be identified for entry into Government that may include the Ministry of Economy and MoIT to make these proposals for EE labelling and MEPS mandatory.</i>	See Para 94	4
			Implementation of EE S&L started in at least one additional Russian region beyond Moscow City.	<i>This was replaced by a proposal for a pilot enforcement of MEPS and energy labelling for public procurement in Russia that has not yet been implemented. Pilot for additional city was cancelled.</i>	See Para 100	3

<sup>71</sup> Ibid 57

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating 71
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 Ministry of Education and Science	<i>An NICB has been established but does not function as a manager and promoter of EE S&amp;L under MoES</i>		3
Output 1.2 A proposal for the suggested amendments in federal legislation to facilitate mandatory EE S&L submitted to federal authorities	Status of the proposal(s) for amendment of the Federal Law on Technical Regulation and of secondary legislation to implement the new Law on Energy Conservation and Energy Efficiency Improvement	The Federal Law on Technical Regulation of 2002 does not allow mandatory EE S&L. 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.  Institutional barriers of amending federal legislation.	Proposals for the amendment of the Federal Law on Technical Regulation to allow mandatory EE S&L, including MEPS, are prepared and submitted to the authorities.	<i>20 proposals for amendment on Federal Law on Technical Regulation to allow mandatory S&amp;L and MEPS has been submitted to the Government administrative authorities only for public procurement.</i>	See Para 94	4
			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.	<i>Drafts for supporting policies and mechanisms to implement MEPS for public procurement and energy labeling is being drafted and coordinated with a draft Governmental Order on groups of products that should have energy labeling. Rosstandart (MEPS and testing adoption) and Ministry of Economy are involved with this effort</i>	See Para 96	3
Output 1.3: Adoption of all required legal and regulatory changes by Moscow city govt to facilitate implementation of a full scale S&L pilot program in the Moscow region	Status of the suggested legal and regulatory amendments and administrative orders.  Status of implementation of the voluntary EE	A fully supportive legal and regulatory framework to facilitate the implementation of a full scale S&L program in Moscow region is not established yet	All the required regulatory changes adopted and administrative orders issued to support 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: <ul style="list-style-type: none"> <li>Administrative orders of the Moscow City Government</li> </ul>	<i>The introduction of a voluntary EE S&amp;L scheme in Moscow was cancelled in 2015</i>	This was cancelled on the basis of consultations at federal and regional levels confirming that the updated EE Law does not allow introduction of regional EE legislation/ regulations. Currently only mandatory S&L	2

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>71</sup>
	S&L programme in Moscow		defining scope and criteria of voluntary EE S&L programme <ul style="list-style-type: none"> <li>• Voluntary agreements to implement the program signed by the Moscow City Gov't and key supply side stakeholders;</li> <li>• Administrative orders for minimum energy performance standards of building equipment for public procurement</li> </ul>		schemes are stipulated by the federal legislation for selected categories of equipment.	
<b>Overall Rating – Outcome 1</b>						<b>3</b>

94. While 20 proposals on harmonization with the EU Ecodesign and S&L Directives and with the actual draft of relevant chapters of the EAEU Technical Regulations were being reviewed by MoIT, there is a strong likelihood that the government will adopt its own national technical regulations on eco-design and S&L directives. The primary reason for this direction is related to the uncertainty of the timing of approval of Customs Union technical regulations to supersede national regulations of all member states. As such, the Russian Federation will then have a usable S&L scheme under which it can regulate appliance and building equipment sales to MEPS until such a time when Customs Union technical regulations are approved for use in all member states. At the time of writing of this report, the strategy was not the official position of the Government of Russia.
95. The S&L Project was to target 2 classes of equipment for S&L development: industrial power equipment (water pumps, industrial air conditioners, industrial fans, and refrigeration units for central air conditioning systems), and electrical household appliances (refrigerators, freezers and washing machines). The Project, however, generated a number of reports under the guise of amending federal legislation to facilitate mandatory EE S&L for vetting by federal authorities. An assessment of the aforementioned reports from this all of which have a lack of relevance to SRF indicators of this outcome was conducted by Dr. Yuri Pashyk, the second ICTA recruited by the Project in mid-2013 and a highly credible EE and S&L professional from Belarus (see Para 72). A sampling of some of these 2010 to 2013 reports follows:
- "Development of GOST R 'measurement and verification of energy efficiency of building services. Definition of energy savings in the operation of certain types of building services (method of upgrading insulation zone)";
  - "Development of a manual on best practices of foreign and domestic consumer lending households to promote the use of energy-efficient household appliances (refrigerators, freezers, washing machines) in the Russian Federation";
  - "Development, manufacturing and commissioning of interactive demonstration booths of household appliances that demonstrate the benefits of energy-efficient appliances to older models (refrigerator, washing machine)";
  - "Development of the method of marking and identifying energy efficiency class of residential apartment buildings";
  - "Development of public buildings energy efficiency voluntary labeling techniques on the example of sports facilities";
  - "Organization and training of sales personnel on energy efficiency when using household appliances";
  - "Development of a long-term strategy for an information campaign to promote high-class energy efficiency of equipment available with the use of the marking"; and
  - Selection of an independent testing laboratory to provide technical assistance in equipping it with the purpose of testing of refrigerators, freezers and (or) the washing machines in the parameters.
96. Actions were taken by Mr. Tokur, the third ICTA in August 2015 in an effort to advance the progress to achieving Outcome 1. This included:
- his statement that the revision of the existing legislative framework is still the most critical component of the S&L Project, since this will benefit the Russian Federation and send a strong

signal to manufacturers and consumers of the allowable and mandatory MEPS on appliances to be sold within the Russian Federation;

- a review in August 2015 of Govt Decree No. 1221 on public procurement and Govt Decree No. 1222 on provisions of mandatory energy labelling for electronic products, as well as meeting representatives from MoES, Ministry of Economy and Rosstandart regarding international experience in the EU, Brazil, China and Turkey on approaches to revising S&L legislative framework. A recommendation was made to sustain communications and negotiations with the Government for the adoption of MEPS in light of the expected long period of time for the government to adopt new regulations;
- in October 2015, a draft regulatory framework for market surveillance was prepared, with the understanding that the Government's concerns focus on enforcement difficulties and the poor capacity for market surveillance within the Russian government. In light of ECU legislation being prepared through an EU-MoIT project, the third ICTA also recommended approaches of the S&L Project to revising legislation including adding appropriate provisions in the appropriate pieces of legislation to a final version of ECU technical regulations. Such an approach would encourage efficiency and avoid repeated amendments to existing laws and orders after final ECU legislation;
- in November 2015, the Project supported an initiative to invite a representative from the Turkish Ministry of Science Industry and Technology to the 2015 ENES Forum to present their approaches to S&L legislative reform, draft legislative framework for market surveillance infrastructure to assist the Russian Government in the initiation of a pilot enforcement scheme for public procurement. After discussions with Rosstandart, RATEK and Russian Energy Agency, the CTA assisted in drafting legislative framework for market surveillance infrastructure to be submitted to Government along with a detailed proposal for revision of Government Decree No. 1221 to be coordinated with GEF Lighting project. This has catalysed interest in investments in testing labs;
- in December 2015, based on the proposed revision to Decree No. 1221, the Russian Government approved commencement of pilot enforcement of MEPS and Energy Labeling for products for public procurement;
- in November 2016, a roadmap for revision of national legislation on EE for ErPs (in eco-design and energy labeling and recommended regime for market surveillance and MV&E), and ECU technical regulation on ErPs was reviewed by the third ICTA with a strong recommendation that the Project closely monitors the outputs are owned and sustained by the Russian government;
- in December 2016, the importance of correctly interpreting the meanings of "mandatory" and "voluntary" S&L programmes was stressed<sup>72</sup>.

97. In conclusion, the results of Component 1 can only be rated **moderately unsatisfactory** with the following rationale:

- Despite the establishment of an NICB by the Project, the NICB is neither fully functional in promoting EE S&L under MoES, nor can its members (including RATEK) advance S&L schemes in

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<sup>72</sup> In mandatory programmes, the requirements are set out by mandatory laws and regulations and they apply to all ErPs on the market covered by these laws and regulations (including public procurements). On the other hand, in voluntary programmes, a voluntary agreement should be entered into by and between relevant industry and the government where the energy efficiency (and/or other eco-design) targets are set out. The manufacturers in the relevant industry are completely free to or not to participate in this voluntary programme, but once the manufacturers participate, these targets become mandatory for them to achieve.

Russia. Moreover, there is no evidence that the NICB made outreach efforts to involve most appropriate stakeholders to advance S&L schemes including Rosstandart and the EAEU;

- 20 proposals on harmonization with the EU Ecodesign and S&L Directives and with the actual draft of relevant chapters of the ECU Technical Regulations have been submitted to Government with reviews of the proposals now being undertaken by MoIT. However, Project resources to generate this output were inefficiently used as evidenced by the delivery of several largely irrelevant reports that could not be considered for adoption by federal authorities;
- only one suggested federal amendment (related to Government Decree 1221 on public procurement) was accepted and adopted by government in December 2015 resulting in an EE S&L pilot enforcement scheme involving MEPS and energy labelling;
- no secondary legislation (supporting policies and mechanisms) to implement mandatory EE S&L and MEPS was drafted during the Project in accordance with the new Law on energy conservation and energy efficiency (Federal Law No 261) leaving challenges in future to implementing this Law.

### 3.3.3 Outcome 2: National S&L scheme proposed and MVE capacity strengthened

98. Activities under Outcome 2 were intended to “design national S&L schemes for selected power consuming products that includes strengthened verification and enforcement capacity based on best international practices”. Project resources would be utilized to:

- develop proposals for national S&L schemes for priority electronic products that would deliver the largest and most cost-effective energy savings;
- develop all the necessary elements for a full EE S&L programme including test procedures and infrastructure, certification schemes, energy labels and MEPS, that will be complemented by procurement models and voluntary agreements with manufacturers and supply chain stakeholders; and
- assist relevant government entities in planning adequate human and financial resources for S&L preparation and implementation.

99. The activities of Outcome 2 have provided some relevant outputs towards the development of proposals for national S&L schemes for priority electronic products that are intended to deliver the largest and most cost-effective energy savings. In addition, activities of this component did assist in developing necessary elements for a full EE S&L programme including test procedures and infrastructure, certification schemes, energy labels and MEPS, all of which were complemented by procurement models and voluntary agreements with manufacturers and supply chain stakeholders. In addition, activities of this outcome also provided technical assistance to personnel in relevant government entities for S&L preparation and implementation. A summary of the actual achievements of Outcome 2 with evaluation ratings are provided on Table 5.

100. Between 2010 and 2014, many of the activities and outputs towards Outcome 2 were deemed irrelevant (such as the need to include public and sport facilities which was not specified in the SRF). As of 2014, activities of Outcome 2 were not involving outreach towards relevant stakeholders such as Rosstandart, their testing laboratories under Rostest, and other government stakeholders involved in market surveillance. The only useful outputs disclosed in 2014 from this component were the drafting of 8 testing and EE labeling standards between 2011 and 2013 (as a part of Output 2.1). The availability of the drafts of the standards had the potential to catalyze interest and awareness of

Table 5: Outcome 2 achievements against targets

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>73</sup>
Outcome 2: 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 practices	Content of official GOST-standards for EE testing and labelling of targeted appliances and equipment	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.	<i>Translation, technical adaptation and expert review of 35 relevant EU regulatory documents on testing standards completed in January 2017 with close participation of metrological departments of Rosstandart's regional centers. Currently, these translations are being registered as official translations for preparing GOST testing standards that will eventually be superseded by harmonized Customs Union standards at a future date.</i>	See Para 101	3
	Availability of a fully operational system of compliance testing, including test procedures and accredited test laboratories for full product and regional coverage.	0	A fully elaborated, capacitated and transparent compliance checking and enforcement system in place meaning that the required EE testing and labelling standards are available as official GOST-standards and the certification system and facilities (test laboratories and certification bodies) have been evaluated to meet international standards.	<i>A network consisting of 6 SMC Centres (Standardization, Metrology and Certification Centres) with 14 labs have been setup (6 for refrigerators and freezers, 6 for washing machine "wet testing", tumble dryers and dishwashers, and 2 for air conditioners and heat pumps). Each lab also has their own department for testing separate products groups. To date, the Project has procured and installed testing equipment for all labs except air conditioners and heat pumps. All equipment installations are expected to be completed before the EOP in June 2017 with the approval of the official translations into GOST standards for the Customs Union. Training to relevant staff is being conducted.</i>	See Para 103	4
	Availability of technical EE guidelines for public procurement	0	Finalized guidelines and suggested criteria for promoting energy efficient building equipment in public procurement	<i>Technical EE guidelines for public procurement were developed in 2012 but are reportedly not in use.</i>	<i>Project claims that they were developed in 2012 in cooperation with ABOK (HVAC engineers Association), NOSTROY (National Association of</i>	3

<sup>73</sup> Ibid 57

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>73</sup>
					<i>construction engineers) and AEB (Association of European Business). The evaluators, however, have not been provided evidence that these guidelines exist.</i>	
Output 2.1 New and/or updated energy efficiency testing and labelling 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 and 2001, but cannot be implemented as mandatory due to restrictions on the Federal Law on Technical Regulation.	New and updated GOST-standards for energy efficiency test procedures and for EE labelling 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.	<i>34 relevant EU regulatory documents on S&amp;L have been translated into Russian, and can be used as official translations into GOST standards for the Customs Union once MEPS for selected appliances and equipment have been set</i>	See Para 101	2
		There is also a need for reviewing and updating of existing and development of new standards by taking into account international best practices and recent developments in this field	Additional appliances and equipment subject to EE S&L identified.	<i>In 2016, RAESCO prepared tender procedures were developed and harmonized with EU standards for MEPS for 14 groups of products under the Customs Union (GOSTs) for new types of appliances (electric motors, TV sets, office equipment, TV receivers and play stations, portable power sources, fans with motors, vacuum cleaners, computers and servers, water pumps, air conditioners and household fans). These are now under consideration by several ministries including MoE, Ministry of Economy and MoIT. Process gets complicated by other product groups under the purview of other Ministries (such as</i>		3

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>73</sup>
				<i>automobiles, heating systems and engineering systems).</i>		
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 organizations is in place, but requires an evaluation and possible upgrading	Voluntary certification schemes for energy efficiency compliance testing, compatible with the federal system of compliance certification have been implemented.	<i>This target will not be met since all labs will be seeking accreditation during the summer of 2017, after the EOP</i>	See Para 104	4
			The existing compliance testing, certification and enforcement system has been evaluated by independent international expert(s) and recommendations implemented.	<i>A compliance testing, certification and enforcement system has been provided by the third ICTA in late 2016 with recommendations implemented. The system is now under consideration for adoption by Rosstandart and the Government of Russia.</i>	See Para 102	
			A fully capacitated laboratory for testing of household appliances has been established by OJSC Mosenergosbyt	<i>Six laboratories in various parts of the country were equipped with climate chambers and reference washing machines, reference dishwashers and calorimetric rooms test systems. Training for testing lab personnel was delivered for 13 representatives from 7 laboratories by Belarus experts.</i>	See Para 103	
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 EE 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.	<i>These guidelines were developed in 2012 by ABOK (HVAC engineers Association), NOSTROY (National Association of construction engineers) and AEB (Association of European Business) but are very general in nature and will not be used in the absence of mandatory MEPS. In addition, these guidelines could have been useful had the Project engaged in policy dialogue with Ministry of Economy in 2012 since they were and still are in charge of public procurement.</i>		3
<b>Overall Rating – Component 2</b>						<b>3</b>

the market players and policy-makers in harmonization of existing testing standards with best international practice; however, the Project did not have any interface at that time with either Rosstandart, the Ministry of Economy, MoIT, or the ECU to make use of the standards drafted.

101. In January 2016, the PMO commissioned an assignment consisting of the translation and adaptation of 34 EU EE technical regulations for testing standards into a Russian context. This work was completed in mid-2016 by a diverse team consisting of Rosstandart staff experts of the Metrological Services of Regional Centers of Standardization and Metrology (CSM), experts from VNIINMASH (a lead institute in this subject area), and other official specialists and independent experts. The intention of this work was to avail to Government official translations of these EE technical regulations so that they can be converted into GOST standards (once MEPS have been set) for all member states of the EAEU (or Customs Union). The NICB convened with the Rosstandart team on February 28, 2017 to map the procedures and process required for official registration of these transpositions into GOST testing and lab accreditation standards. The usefulness of this assignment, however, will be largely dependent on the track that the Government of Russia adopts for EE S&L programs for household appliances and building equipment, either the adoption of ECU-EE standards or national EE standards for only the Russian Federation. There is also the possibility that these transposed technical regulations may undergo further editing to integrate the standards with other ECU members such as Belarus, Kazakhstan and Armenia.

102. Positive developments on the S&L Project had occurred during the tenure of the third ICTA who provided valuable strategic guidance on S&L development (using his experience from a similar UNDP GEF S&L project in Turkey) to accelerate progress towards the intended outcome of this component. Within a short time span of the S&L Project from September 2015 to December 2016, the third ICTA provided technical assistance towards:

- adoption of mandatory eco-design and energy labelling requirements and institutional arrangements that involve the establishment of a market surveillance organization in parallel with testing laboratory investments as a means to ensure the sustainability of the lab investment and the market surveillance program in general;
- the provision of a well-designed Monitoring, Verification and Enforcement strategy to assist the Russian Government in the setup of an efficient and effective market surveillance program and a sampling methodology that is critical in shaping and continually improving the market surveillance programmes with enforcement authorities throughout Russia the development of GOST testing standards that will be used in a pilot product testing programme using the developed market surveillance structure within the federal government. This will provide relevant government authorities with preliminary concepts on the compliance profile of various electronic products on the market. This will also inform new testing standards of the ECU when all member countries can agree on a date to set the standards.

103. Other inputs by the third international CTA after June 2015 can be summarized as follows:

- In August 2015, assistance was provided in finalizing technical specs for the climatic chamber for AC testing, and initiating arrangements to train 30 staff from 6 locations in Russian Federation through travel to meet with the Turkish Standards Institute (TSE) in Turkey, and visit their wet product testing facilities to assess ROSTEST equipment and training needs. This has resulted in support for the Project by Rosstandart and Rostest;

- In October 2015, tender documents for training of testing staff were developed and finalized;
- In November 2015, a report was prepared to assess contract prices for the procurement of testing laboratory equipment under the S&L Project. The report also underscored the urgency of the Russia Government to adopt mandatory MEPS for eco-design and improved energy labeling to sustain the investment in testing labs, market surveillance legislation and staff training, the need for an agreement with Rosstandart on their commitment towards a sustainable product testing business with newly equipped laboratories that are accredited;
- In July 2016, lab investments were completed that included the import and installation of 2 AC testing laboratories centers (Moscow and Ufa), and wet appliance testing labs (for washing machines, dishwashers and tumble driers) in 6 testing centers (Moscow, Ufa, Samara, St. Petersburg, Krasnoyarsk and Nizhniy Novgorod) as well as the upgrading of infrastructure for testing of refrigerating appliances in these testing centers and the contraction of new walk-through chambers as well as installation of testing rig<sup>74</sup>;
- In August 2016, a training program was formulated for testing personnel on the use of the new lab testing equipment<sup>75</sup>. BSH conducted this training on March 3, 2017 on “wet testing methods” that they claim will continue after the EOP. A similar program is currently being discussed with Samsung, and another training program is underway with CEIS (Spain) for air conditioners and heat pumps<sup>76</sup>. This would enhance sustainability of lab investments. The success of this training has led to a concept of creating a National Training Center for lab personnel that has been approved by Rosstandart. The Center will be housed within the SCMs<sup>77</sup> for training personnel on standards for testing EE of all types of household appliances and engineering equipment included in the current version of the Customs Union Technical Regulations;
- From September 2016 to February 2017, pilot market surveillance program was prepared and BSH Russia has been undertaking preparations for training Rostest personnel that would include trainers from international appliance manufacturers operating in Russia (such as BSH and Indesit) with international experience in appliance EE testing.

104. With regards to a target in Output 2.2 on voluntary certification schemes for energy efficiency compliance testing using accredited testing labs, the Project is currently in discussion with Rosstandart and Rostest on the possibility of obtaining special accreditation regimes for these labs. This would include accreditation for Customs Union regulations, GOSTs that are currently under registration with the Customs Union, and for international testing methods (notwithstanding that accreditation is not included within the scope of the S&L Project). Since all these labs have plans and financing in place to start the accreditation process this summer, Rostest intends to obtain accreditation according to the requirements of EN ISO/IEC 17025 or from the National Accreditation Body (ROSACREDITATION) for each of the relevant test procedures and establish itself as the Center

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<sup>74</sup> Russian government is in the process of developing another set of ECU regulations for MEPS requirements which are also to be backed by a set of energy labeling requirements for Energy Related Products (ErPs) to be enforced under upcoming Customs Union (CU). Adoption of these CU regulations at both national and CU levels is crucial for sustainability of these lab investments.

<sup>75</sup> All staff from the 6 regional SCMs were trained. Prior to 2015, there was training conducted in Belarus on refrigerators and washing machines testing only. In 2017, the BSH group provided additional training on testing of refrigerators in St.Petersburg (using equipment similar to those procured under the Project) that will focus on real testing in a BSH lab, conducting an audit of this test BSH experts of BSH, and discussions of findings and possible improvements.

<sup>76</sup> For air conditioners and heat pumps, the Project has a contract with CEIS (Spain) who have delivered training on their testing facilities for 6 representatives of the Moscow and Ufa labs. Upon completion of the installation of the Project-procured air conditioning and heat pump testing equipment, CEIS will deliver a second phase of their program in Russia including the supervision during mounting and commissioning and “robin rolling” testing.

<sup>77</sup> Rosstandart have a network 6 SMC Centres (Standardization, Metrology and Certification Centres) with 14 testing laboratories attached to them

of Excellence in Russia for testing. As such, there is a strong likelihood that this target to have a voluntary certification schemes for energy efficiency compliance testing will not be achieved by the EOP.

105. In conclusion, the results of Component 2 can only be rated **moderately unsatisfactory** with the following rationale:

- the poor progress towards this outcome between 2010 and 2014;
- the commencement of meaningful progress towards this outcome in mid-2015 that included the commencement of the process for registering 35 relevant EU regulatory documents on S&L into GOST standards for the Customs Union, scoping lab equipment investments, installation of updated lab equipment for 6 laboratories throughout Russia, and outreach to Rosstandart, Rostest and training organizations to be involved with the building of capacity of personnel operating testing lab equipment;
- the late start of equipping the 6 testing labs, and the lack of remaining time to establish voluntary S&L schemes and test assumptions of a pilot S&L schemes towards a mandatory S&L regime;
- development of technical EE guidelines for public procurement.

### 3.3.4 Outcome 3: Strengthened capacity of local supply chain stakeholders

106. Activities under Outcome 3 were intended to “enhance the interest and strengthened capacity of local manufacturers and other supply chain stakeholders to comply with the new EE standards and to increase supply of EE equipment to the market at competitive and affordable prices to the majority of the population”. Project resources were to be utilized to:

- provide technical support to domestic manufacturers and suppliers of targeted appliances on technologies used internationally for the production of EE products, and to increase their capacity to deliver good quality energy efficient products;
- facilitate cooperation of domestic manufacturers and supply chain partners on implementing a new S&L regulatory framework structure including timing of measures, threshold values and definitions of standards, and marketing efforts with demonstrations, all of this to ensure buy-in into the marketing of these EE products and the profitability of investments into EE production.

A summary of the actual achievements of the Component 3 with evaluation ratings are provided on Table 6.

107. Due to the extremely poor Project progress during the period of 2010 to 2014 on Outcomes 1 and 2, and the failure of RATEK to generate interest amongst local manufacturers in the production of EE appliances and equipment, the Project never created any opportunities to facilitate local production of EE appliances and equipment that would be more affordable to local consumers. In addition, the failure of the NICB on an agreement on how to approach S&L legislation and create a mandatory MEPS regime led to the failure of the Project to convince any local manufacturers to embrace energy efficiency labelling as a competitive edge to their sales strategy.

108. None of the outputs for Outcome 3 were delivered. For Output 3.1, the presence of RATEK meant that there was no possibility of providing any effective or meaningful technical assistance to local manufacturers for the production of energy efficient products. Baseline surveys were to be conducted amongst local manufacturers to assess the baseline of their current capacities, their needs

Table 6: Outcome 3 achievements against targets

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>78</sup>
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.	<i>No comparable prices for EE classes on Russian market.</i>  <i>No local manufacturers incorporating EE labels on their marketing strategy</i>		1
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	The number and market share of local manufacturers that have benefitted from technical support provided by the project	While foreign companies (including those with production facilities in Russia) supplying appliances and technical building equipment to the Russian market are familiar with the EE S&L schemes of their countries of origin and world-wide, Russian manufacturers still lack this experience	Following 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, 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	<i>No training or technical assistance has been delivered to local manufacturers of household appliances and technical building equipment</i>	See Para 108	1
Output 3.2 A working group of private sector stakeholders, members of the Inter-agency Coordination Body and other interested parties to elaborate the	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	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	<i>No public-private partnerships were discussed in the NICB</i>	See Para 109	1

<sup>78</sup> Ibid 57

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>78</sup>
possible public- private partnerships		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	promoting the adoption of the EE S&L schemes and the sale of EE appliances			
Output 3.3 Voluntary agreements with 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 labelling 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	<i>No voluntary agreements were negotiated or concluded with manufacturers and distributors of household appliances and technical building equipment</i>	See Para 109	1
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	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 marketing strategy of the local supply chain and used by consumers.  As applicable, development and implementation of corporate procurement programmes - using certified and labeled technical building equipment	<i>No joint marketing strategies with local manufacturers.</i>  <i>No attractive pricing policies or consumer credits or incentives for EE procurement</i>  <i>No corporate procurement programmes developed or implemented</i>	See Para 110	1
<b>Overall Rating – Outcome 3</b>						<b>1</b>

for technical assistance on energy efficiency product design, and the extent of upgrading of their facilities for production of EE products. These surveys were never conducted and only in April 2014, did Project Management mention that these surveys were not worth Project support.

109. For Outputs 3.2 and 3.3, the presence of RATEK on the NICB led to no public-private partnerships in promoting EE S&L schemes, and no possibilities to set up agreements for voluntary S&L programmes and provide EE information on product documentation. The meaning of the voluntary S&L programme only became clear to S&L Project personnel in December 2016 in a report filed by the third ICTA which defined the intent of voluntary S&L schemes as *“a voluntary agreement entered into by and between relevant industry and the government where the energy efficiency (eco-design) targets are set out. The manufacturers in the relevant industry are completely free to or not to participate in this voluntary programme, but once the manufacturers participate, these targets become mandatory for them to achieve”*. Prior to December 2016, the S&L Project had no direction on setting up voluntary S&L programs and how to engage local manufacturers to participate.
110. For Output 3.4, the resulting toxic business environment for promoting EE S&L schemes from the failure to deliver on Outputs 3.1 to 3.3 led to no possibilities of developing corporate procurement programmes and attractive pricing policies for consumers as incentives for procuring EE appliances. As such, all activities of Component 3 were dropped in 2014 after the Project had expended just under USD 1.2 million. These are important reasons why the evaluation team has not credited the Project with any GHG emission reduction benefits.
111. In conclusion, the results of Outcome 3 are rated **highly unsatisfactory** with the following rationale:
- No baseline surveys conducted to assess the capacity building requirements for local appliance manufacturers. As such, the Project could not take any strategic approaches to engage local manufacturers on voluntary S&L schemes;
  - With no Project assistance to upgrade local capacities to improve local production lines to produce EE appliances, there was substantially less influence by the Project on GHG emission reductions from increased sales of EE appliances; and
  - The Project deliberately using RATEK as a Project partner to assist the Project in preparing EE legislation notwithstanding RATEK’s well-publicized opposition to EE regulation of its products (see Para 58). This has only led to further entrenchment of local manufacturers of not willingly engaging on voluntary S&L programmes.

### 3.3.5 Outcome 4: Enhanced awareness and improved access to non-partial information

112. Activities under Outcome 4 were intended to “enhance awareness and improved access to impartial information on the viability of targeted EE appliances for residential and commercial clients”. Project resources would be used to:
- develop and deliver to consumers targeted information about appliance energy efficiency characteristics, costs and benefits of EE products, and easy-to-use comparison tools using Internet-based information platforms;
  - work closely with manufacturers of equipment, large retailer chains and local utilities to ensure their comprehension of the meanings of the energy label, and how they can deliver proper information in their recommendations for energy efficient products to customers.

A summary of actual achievements of Outcome 4 with evaluation ratings are provided on Table 7.

Table 7: Outcome 4 achievements against targets

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>79</sup>
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.	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.	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 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	<i>No surveys of consumer groups on their considerations of purchasing EE appliances has yet to be completed.</i>	See Para 113-114	1
Market monitoring mechanism	The share of customers who have considered energy efficiency aspects in their last purchasing decision			<i>No marketing monitoring mechanism</i>		
Output 4.1 An established market monitoring mechanism 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	<i>The evaluators have not had any access to any market monitoring reports.</i>	See Para 114	1
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	An internet-based energy efficiency information clearinghouse on energy consuming products established and updated	<i>The website: <a href="http://www.label-ee.ru">www.label-ee.ru</a> exists but is uninformative on EE products, only containing generic information on energy efficiency and standards and</i>	See Para 115	1

<sup>79</sup> Ibid 57

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>79</sup>
		and technical building equipment is not readily available.  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	regularly with EE information and its impact on 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	<i>labels. The website can serve as an EE information clearinghouse for energy consuming products, if any was available from Project outputs.</i>		
Output 4.3 Regional awareness campaign for household consumers	Status of the planned activities	Household consumers lack reliable information on energy efficiency characteristics and options of household appliances	A regional awareness campaign has been developed and implemented in the Moscow region, in cooperation with the Moscow City Government and OJSC Mosenergosbyt including: - The establishment of a customer 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	<i>Regional awareness campaigns for household consumers is being conducted in Moscow: -through dissemination of material created by Project subcontractors on appliance EE and EE practices, as presented on several Internet platforms including Facebook, Instagram, and videos posted on YouTube; - through attendance of the Project at information events and EE competitions including the Kidburg Kids City programme in Moscow and an all-Russia contest on best innovative EE technology -without the benefit of EE information generated from real S&amp;L pilot schemes -Evaluators, however, could not establish if an EE customer information centre was</i>	See Para 116	3

Intended Outcome	Performance Indicator	Baseline	Target	Status of Target Achieved	Evaluation Comments	Rating <sup>79</sup>
				<i>established at OJSC Mosenergosbyt</i>		
Output 4.4 Information campaign for large commercial buyers	Status of the planned activities	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	A regional information campaign on energy efficiency building equipment implemented, focusing primarily - but not exclusively - on the region of Moscow, including: - 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 events for large commercial buyers and their purchasing officers	<i>Several regional information campaigns on energy efficient building equipment have been implemented including: -dissemination of technical documentation and energy efficiency guidelines for building owners and managers such as the AEB energy efficiency guide of 2015 -attendance at large exhibition and conference events since 2015 including ENES Evaluators, however do not have any documentation on information needs of large commercial buyers of technical building equipment that would have been done by market researchers</i>	See Para 117	<b>3</b>
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	<i>The interactive e-learning course “EE Labeling of Refrigerators and Washing Machines” was developed in 2015 and used for training of more than 9,000 sales staff with 3 main retail outlets (Eldorado, Media-Markt and M-Video who comprise an estimated 70% of appliance market sales).</i>	See Para 118	<b>5</b>
<b>Overall Rating – Component 4</b>						<b>3</b>

113. Activities on Component 4 to improve access to impartial information on EE appliances in Russia did not commence in earnest until early 2015, very late in the Project. Prior to 2015, the Project had generated very little in terms of useful products that could be described as impartial information on EE appliances for residential and commercial clients. A key target indicator of this outcome was to have 80% of interviewed customers indicate that they would consider or have purchased targeted EE appliances during Project implementation. With such a late start to the activities in this component as well as no pilot S&L programmes, the Project has not undertaken such a consumer survey on views of EE appliances. In summary, the Project has failed in this regard to measure any impact of its activities and link it to increased sales of EE appliances.
114. For Output 4.1, the Project was to have monitored EE S&L schemes from Outputs 3.3 and 3.4. Considering these outputs were not delivered, no reports on market monitoring of the purchases of EE equipment and appliances would have been possible. This is evident on the Project website ([www.label-ee.ru](http://www.label-ee.ru)) which was supposed to have hosted these market monitoring reports. While the Project reported in its PIRs of increased sales of targeted EE appliances, the sources and methodology of these sales figures were not shared with the evaluators<sup>80</sup>. Without any credible market research generated by the Project, information on baseline and current sales of EE appliances were only available from other sources (such as GfK). The increases in EE appliances sales certainly cannot be linked with any of the Project activities which were deemed of marginal impact in the context of influencing purchasing decisions of residential and commercial clients towards EE appliances.
115. For Output 4.2, the Project website ([www.label-ee.ru](http://www.label-ee.ru)) is at currently an uninformative website with considerably less information than targeted on the SRF and cannot be considered an “information clearinghouse”. Since the Project has not produced any useful EE information, the site does not have regular updated EE information and its impact on operating costs of selected appliances, non-partial product information, certified test results, available financing support schemes and other relevant information that would inform a consumer on best choices between different appliances on the Russian market with emphasis on energy efficiency considerations. A comparable and informative website for EE lighting products can be found on the sister UNDP-GEF Project on “Transforming Market for Efficient Lighting” (GEF ID 3658)<sup>81</sup>. For Output 4.3, the Project has made progress with such campaigns since 2015 under the 3<sup>rd</sup> project manager. These campaigns were aimed towards raising household consumer awareness. Notwithstanding the lack of any information on strategic approaches to raising awareness of S&L Programmes on this Project (similar to other components where there was an absence of a strategic approach until 2015), the Project had approached the raising of household consumer awareness through popular platforms such as Facebook, Instagram and Yandex after 2014. Mobile apps were developed including an "Energy Keeper" game, and "Virus" videos that were developed and posted on YouTube. Special events were setup in Moscow (around Sokolniki and Kuzminki) related to a campaign named "A class - standard of living". Awareness raising activities were also conducted with the existing Kidburg Kids City programme in Moscow Central Kids Store. An all-Russia contest was conducted on the best innovative EE technology for household appliances with the first winners announced in November 2016. While these campaigns do inform potential consumers of the benefits of energy efficiency of appliances, these campaigns are implemented in the absence of any information that should have been generated by the Project on energy savings resulting from the purchase of an EE appliance. Notwithstanding, there are moderate benefits realized from these information campaigns to inform the general public of EE benefits.

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<sup>80</sup> With the exception that the data came from GfK

<sup>81</sup> [www.energourok.ru](http://www.energourok.ru) and [www.undp-light.ru](http://www.undp-light.ru)

116. For Output 4.4, some progress has also been achieved under the third project manager on raising awareness of commercial buyers on EE equipment. In 2013, an information campaign for large commercial buyers was conducted but with limited effectiveness given the lack of information on the campaign and feedback surveys. ABOK (HVAC engineers Association, more than 300 companies-participants) and NOSTROY (National Association of NGOs in the area of construction engineering) were engaged with the Project in 2013. However, after 2015, the Project fostered partnerships with entities representing manufacturers of household appliances and building equipment including AEB (Association of European Business representing more than 600 companies) and the "Regional Energetics" magazine. An "Energy Efficiency Guide 2015" was published in cooperation with AEB, attendance of the Project in 2015 and 2016 with the ABOK annual "Moscow - Energy Efficient City" conference complete with a special exhibition on EE engineering equipment and appliances, at the ENES Conferences in Moscow in 2015 and 2016.
117. For Output 4.5, the Project signed cooperation agreements with major distribution networks MVideo, Eldorado and MediaMarkt to train their retail staff in the promotion of EE for household appliances and technical building equipment. The level of ambition of the indicator is low, however, with the Project reportedly having delivered its target for the number of trained sales staff who have viewed the on-line training course. While this target may have been achieved, the true measure of effectiveness for this indicator and target would be the increase in sales of EE appliances at these retail outlets. This information would have to be obtained from a research company such as GFK since the obtaining of retail sales data of each competing company would be difficult if not impossible. Furthermore, the Project has not solicited feedback surveys to gauge the effectiveness of the retail training.
118. In conclusion, the results of Outcome 4 is rated **unsatisfactory** with the following rationale:
- No improvements on the availability of impartial information on EE appliances including surveys on consumer attitudes to EE appliances, market data on EE appliances from market monitoring mechanisms, and an internet-based information clearing house for EE information;
  - Information campaigns targeting regional consumers and large commercial buyers on EE equipment but with an absence of any information generated by the Project on demonstrated energy savings from pilot S&L schemes from Outputs 3.3 and 3.4; and
  - The training of retail sales personnel on EE issues related to appliances and building equipment that has not yet had an impact on increased sales of these items.

### 3.3.6 Relevance

119. The S&L Project is **relevant** to the development priorities of the Russian Federation, notably with regards to the implementation of Federal Law № 261-FZ of November 23, 2009 (and the new amended Law No. 426 of 12 December 2011 (para. 1, Art. 10)), that stipulates that Russian Federation goods must contain information in the documentation about their energy efficiency class.

### 3.3.7 Effectiveness and Efficiency

120. The effectiveness of the S&L Project is **unsatisfactory** in achieving GHG emission reductions through facilitating market transformation towards more energy efficient building equipment and appliances. Several of the Project's intended outcomes have contributed to this rating including:

- the failure to establish an institutional, legal and regulatory framework for EE S&L schemes, including drafting of mandatory MEPS and the lack of a completed pilot S&L scheme during Project implementation;
- failure of the Project to affect draft any secondary legislation in the implementation of Federal Law No. 261;
- lack of any effective engagement of local manufacturing stakeholders and engaging them in planning to supply of new EE building equipment and household appliances at competitive prices for the majority of the population;
- marginal improvements in the availability of impartial information on energy efficiency of targeted appliances for the purposes of enhancing the awareness of residential and commercial clients and altering their purchasing behaviour;
- a failure to set up an effective mechanism for monitoring EE household appliance and building equipment sales;
- the commencement of effective engagement of Rosstandart after 2015 in the setup of testing laboratories for 6 regional labs in Russia and on agreements to standardize the testing of selected appliances and equipment; and
- more than USD 4.0 million of Project funds spent with no useful outputs or outcomes.

121. The efficiency of the S&L Project is **unsatisfactory** in consideration of the poor results emanating from this Project over a 7-year period and the lack of explanation of how the funds were used for many of the outputs, many which were deemed to be irrelevant and not useful towards achieving the objectives of the project. Cost efficiencies of the S&L Project, however, did improve after 2015 with the engagement of Rosstandart to improve their test laboratory capabilities to conduct standardized tests for energy efficiencies of selected appliances and equipment. Details of the cost effectiveness of this Project are provided in Section 3.2.4.

### 3.3.8 Country Ownership and Drivenness

122. Ownership of the S&L Project by the Russian Federation is adequately covered in the ProDoc (Paras 118 to 123), including the conventions and legislation promulgated by the Government of the Russian Federation that are all still in force at the time of writing of this evaluation. After implementation of the Project commenced in April 2010, the Government of the Russian Federation also promulgated the following legislation designed to facilitate and accelerate implementation of EE Law № 261:

- Order of MoIT № 357 of April 29, 2010 on "approval of rules determining the producers and importers of energy efficiency class of the goods and other information on its energy efficiency";
- Order of MoIT № 768 of September 7, 2010 on "approval of rules of inclusion of information about the energy efficiency class of goods in the technical documentation supplied with the product, its labeling and application of this information on its label" (Registered in the Ministry of Justice of the Russian Federation November 24, 2010 N 19030); and
- Russian Federation Government Resolution № 1243 on December 30, 2011 on "amendments to the list of goods that are subject to the requirement of the content of information on the energy efficiency class in the documentation supplied with these products in their labeling on their labels" (changes to Decrees 1222 and 1009).

123. However, country ownership of the S&L Project is weak due to the weakness of the implementing partner, MoES, to enforce and strengthen its position as a coordinator to the full development and

adoption of the S&L schemes and involving more relevant ministries such as MoIT (along with its Rosstandart) on the Project. A proper review of the Project implementing partner (as requested by GEF in its STAP review of this Project) would have likely resulted in Rosstandart (under MoIT) as a more relevant Project partner. This would have resulted in stronger country ownership of the S&L Project, additional financial investments, and access to MoIT to initiate legislation towards mandatory MEPS and approval of modified regulatory frameworks supportive of improved S&L schemes.

124. Moreover, this Project did not make effective attempts to integrate the energy saving and energy efficiency mandates of the ECU. The EE framework of the ECU is regarded as a priority of the Russian Government to ensure the sustainability of development, increase industrial competitiveness of ECU member countries that includes Russia, and reduce the final energy consumption and adverse environmental impacts of inefficient electricity consumption. Given the importance of measures to increase the efficiency of energy resources consumption of ECU member countries through elimination of energy inefficient technologies, the Commission of the Customs Union placed in force Decision № 492 of October 8, 2010 intended to develop the technical regulations of the ECU (otherwise referred to as TR CU or EAEC Commission for Technical Regulations) on “the requirements of energy in 2011, the effectiveness of domestic and other energy consuming devices and their labeling”.

125. Development of the TR CU has not received support from the Project, possibly due to the presence among the S&L Project stakeholders, organizations such as RATEK that have long been known for obstructing the Technical Regulations approval process. The Russian side developed another set of draft regulations on "informing the consumer about the energy efficiency of electrical power consuming devices" in 2014. This has generated numerous discussions and comments through public forums in 2014, and internal meetings in 2015 on finalizing the TR CU to date without resolution<sup>82</sup>.

### **3.3.9 Mainstreaming**

126. The S&L Project conforms to the development goals and priorities of the Russian Federation as captured in the report “Russia in 2015: Development Goals and Policy Priorities”<sup>83</sup>. In particular, this Project is mainstreaming the development priorities in the context of MDG Goals, with Goal 7 (Ensuring Environmental Sustainability) being addressed. On page 115 of this report, a priority of the Government of Russia is to reduce its energy intensity as a means of meeting goals of economic growth and GHG emission reductions targets.

### **3.3.10 Sustainability of Project Outcomes**

127. In assessing sustainability of the S&L Project, the evaluators asked “how likely will the Project outcomes be sustained beyond Project termination?” Sustainability of these objectives was

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<sup>82</sup> The draft regulations "On requirements to energy efficiency of electric power consuming devices," developed by Russia in 2014 consists of a 350 page report that has generated numerous comments in public forums including calls for radical changes to the conceptual draft regulation. According to those close to the review process, the lack of an agreed position of all concerned parties during this public review makes it difficult, and in fact, impossible to pass internal rules of procedure of discussion. Currently, information of this work carried out under the rules of the official website of the Eurasian Economic Commission has been deleted from the <http://www.eurasiancommission.org/ru> website.

<sup>83</sup> Accessible on: [http://hdr.undp.org/sites/default/files/russian\\_federation\\_2005\\_en.pdf](http://hdr.undp.org/sites/default/files/russian_federation_2005_en.pdf)

evaluated in the dimensions of financial resources, socio-political risks, institutional framework and governance, and environmental factors, using a simple ranking scheme:

- 4 = *Likely (L)*: negligible risks to sustainability;
- 3 = *Moderately Likely (ML)*: moderate risks to sustainability;
- 2 = *Moderately Unlikely (MU)*: significant risks to sustainability; and
- 1 = *Unlikely (U)*: severe risks to sustainability; and
- U/A = *unable to assess*.

Overall rating is equivalent to the lowest sustainability ranking score of the 4 dimensions.

128. The overall S&L Project sustainability rating is unlikely (U). This is primarily due to:

- No future of the NICB due to its lack of outreach to appropriate stakeholders such as MoIT, Rosstandart and ECU, constraining NICB ability to effectively promote S&L schemes;
- Uncertainty over which jurisdiction will preside over EE S&L oversight, the Russian MoIT or ECU. There is a higher likelihood of adoption of “interim” Russian national standards while the process of harmonizing supra-national standards takes place over the next 2 to 4 years<sup>84</sup>;
- Local manufacturers (despite the fact they have a very small share of the appliance and building equipment market in Russia according to GfK) consider the investment into energy efficiency to be high risk in that they are not sure how the production and sales of EE equipment will erode their share of the market. Furthermore, they do not have the financial resources to upgrade their production lines to manufacture EE equipment. As such, they are not taking any interest in EE as noted by RATEK’s public opposition to EE regulation by the Russian Government;
- The weakness of MoES as an implementing partner and co-financer constrains the upgrading of the Project website to an information clearinghouse due to their lack of working relationships with more relevant stakeholders such as MoIT, Rosstandart and the ECU.

Details of sustainability ratings for the S&L Project are provided on Table 8.

### 3.3.11 Impacts

129. The Project has had a **negligible** impact in its efforts to facilitate market transformation towards more energy efficient household appliances and building equipment:

- There is only currently an agreement to conduct a pilot enforcement of MEPS and EE S&L scheme for public procurement that has not yet started implementation. As such, no GHG emission reductions can be attributed from this Project;
- The National Inter-agency Coordination Body (NICB) does not include entities that are most appropriate to further advance EE S&L schemes in Russia. Excluded entities comprises MoIT (and its standards agency, Rosstandart) and the Eurasian Customs Union who set EE standards to be used and S&L schemes at the supra-national level;
- Despite the investment made by the Project in upgrading 6 Rostest testing labs, they are not able to generate revenue from equipment and appliance testing until a Government Ministry such as MoIT adopts mandatory MEPS;

<sup>84</sup> Consensus estimate by NICB members and Rosstandart on the estimated time for the Customs Union harmonization process

**Table 8: Assessment of Sustainability of Outcomes**

Actual Outcomes (as of December 2016)	Assessment of Sustainability	Dimensions of Sustainability
<p><b>Actual Outcome 1:</b> To date, the NICB does not have the appropriate constitution of members with the required outreach to effectively coordinate and promote EE S&amp;L schemes in Russia. This has resulted in poor progress in establishing legal and regulatory framework and the widespread application of EE S&amp;L schemes throughout Russia.</p>	<ul style="list-style-type: none"> <li>• <u>Financial Resources:</u> The plan to implement a pilot EE S&amp;L scheme for public procurement appears to have financial resources to facilitate purchase of EE equipment for public assets from the Ministry of Economy;</li> <li>• <u>Socio-Political Risks:</u> Ministry of Economy have political will to implement a pilot enforcement of MEPS and EE S&amp;L scheme, and Rosstandart have recently embraced the assistance it requires to undertake a lead role in the formulation of new testing standards (based on EU testing standards) and the upgrading of testing laboratory facilities;</li> <li>• <u>Institutional Framework and Governance:</u> The involvement of MoES as the Chair of the NICB and their inability for effective engagement of appropriate stakeholders such as Rosstandart and EAEU constrains their ability to effectively promote S&amp;L schemes;</li> <li>• <u>Environmental Factors:</u> There are no environmental factors that would hinder development of supportive legislation for advancing EE S&amp;L schemes, and its promotion by NICB.</li> </ul> <p style="text-align: right;"><b><u>Overall Rating</u></b></p>	<p style="text-align: center;">3</p> <p style="text-align: center;">4</p> <p style="text-align: center;">1</p> <p style="text-align: center;">4</p> <p style="text-align: center;"><b>1</b></p>
<p><b>Actual Outcome 2:</b> A pilot S&amp;L scheme for public procurement has been partially designed against a background of regulatory uncertainty involving “interim” national mandatory MEPS for public procurement only. The Russian Government drafted national MEPS in 2014 for all market participants (see Para 126) that have not yet been adopted as mandatory. Mandatory MEPS at the ECU level are not likely to be approved for several more years.</p>	<ul style="list-style-type: none"> <li>• <u>Financial Resources:</u> Financial sustainability of Rostest testing labs will depend on when Government adopts mandatory EE standards for the target appliances (likely national standards while ECU standards are being developed over the next 2 to 4 years. Translations of EU-EE testing standards have been completed for conversion into GOST standards when MEPS is adopted (either from the Russian Government or the ECU);</li> <li>• <u>Socio-Political Risks:</u> These are low considering the strong support of ROSTEST for the willingness to upgrade their testing labs for testing equipment under a new EE regime;</li> <li>• <u>Institutional Framework and Governance:</u> There are MEPS for public procurement. However, MEPS for all other market participants has not yet been developed though there are draft MEPS and technical regulations drafted by the Russian Government in 2014 (without Project assistance - see Para 126) which are currently under review and discussion. As such, there is uncertainty over when mandatory MEPS will be adopted. This will depend on which set of MEPS will be adopted;</li> <li>• <u>Environmental Factors:</u> There are no environmental factors that would impede implementation of a pilot S&amp;L scheme for appliances and building equipment.</li> </ul> <p style="text-align: right;"><b><u>Overall Rating</u></b></p>	<p style="text-align: center;">2</p> <p style="text-align: center;">4</p> <p style="text-align: center;">2</p> <p style="text-align: center;">4</p> <p style="text-align: center;"><b>2</b></p>

**Table 8: Assessment of Sustainability of Outcomes**

Actual Outcomes (as of December 2016)	Assessment of Sustainability	Dimensions of Sustainability
<p><b>Actual Outcome 3:</b> With no new EE standards from this Project, the interest of local manufacturers has not been enhanced nor has their capacity been strengthened for compliance with any new EE standards. Moreover, no progress was made to bring EE models onto the market at more competitive prices for the majority of the population.</p>	<ul style="list-style-type: none"> <li>• <u>Financial Resources:</u> Local manufacturers do not have the financial resources to bring new EE appliance and equipment models onto the market, either through investment in new production lines or through retail sales of these appliances that could be affordable to the Russian population at large;</li> <li>• <u>Socio-Political Risks:</u> Local manufacturers still consider investment into energy efficiency to be high risk in that they are not sure how the production and sales of EE equipment will erode their share of the market. As such, interest in EE has not been raised as noted by RATEK’s public opposition to EE regulation by the Russian Government;</li> <li>• <u>Institutional Framework and Governance:</u> MoES is not the appropriate implementing partner to be leading efforts to upgrading local production lines to manufacture EE appliances and equipment, and adopting mandatory MEPS legislation;</li> <li>• <u>Environmental Factors:</u> There are no environmental factors that would discourage local manufacturers from production of more EE appliances and equipment.</li> </ul> <p style="text-align: right;"><b><u>Overall Rating</u></b></p>	<p style="text-align: center;">1</p> <p style="text-align: center;">1</p> <p style="text-align: center;">1</p> <p style="text-align: center;">4</p> <p style="text-align: center;"><b>1</b></p>
<p><b>Actual Outcome 4:</b> Access to impartial EE information for residential and commercial clients has been slightly enhanced with the availability of booklets and guidelines from project partners such as the AEB and ABOK. However, there are currently no available websites in Russia that serve as information clearing houses for EE information. In addition, no market monitoring mechanisms have been set up to provide reports on the sales of targeted appliances by energy classes, in part because the Project did not complete and implement any pilot S&amp;L schemes during the project.</p>	<ul style="list-style-type: none"> <li>• <u>Financial Resources:</u> There has been no financial commitment from MoES to improve the project website to serve as an information clearinghouse or a market monitoring mechanism;</li> <li>• <u>Socio-Political Risks:</u> Despite the willingness of certain partners (such as AEB and ABOK) to continue support for increasing availability of information on energy efficiency of their products, the continued presence of RATEK on this Project who are in opposition to any further regulation on sales of their appliances to new energy efficiency standards only increase the risks that information to promote S&amp;L schemes will be somehow obstructed;</li> <li>• <u>Institutional Framework and Governance:</u> The weakness of MoES as an implementing partner will constrain the upgrading of the website to an information clearinghouse due to their lack of working relationships with more relevant stakeholders such as Rosstandart and the CU;</li> <li>• <u>Environmental Factors:</u> There are no environmental factors that would hinder support for enhancing availability of EE information for residential and commercial clients.</li> </ul> <p style="text-align: right;"><b><u>Overall Rating</u></b></p>	<p style="text-align: center;">1</p> <p style="text-align: center;">2</p> <p style="text-align: center;">1</p> <p style="text-align: center;">4</p> <p style="text-align: center;"><b>1</b></p>
	<p><b><u>Overall Rating of Project Sustainability:</u></b></p>	<p style="text-align: center;"><b>1</b></p>

- Availability of impartial EE information is only slightly enhanced as of 2016 through organizations such as AEB and ABOK who have partnerships with foreign manufacturers and with exposure to best international practices to facilitate market transformation of EE appliances and equipment;
- A network of websites that provide information on energy efficient appliances for household consumers which the Project has not monitored for the number of website “hits”. Monitoring this indicator could serve as a measure of the popularity and impact of the website, as well as serve as a market monitoring mechanism for the sale trends in EE appliances.

## 4. CONCLUSIONS, RECOMMENDATIONS AND LESSONS

130. The S&L Project has not achieved its intended outcomes and objectives for a number of reasons ranging from poor project design, the slow and inappropriate adaptive management, lack of a strategic approach to meeting the Project objectives, and finally, to the late commencement of meaningful activities that were initiated in 2015 by a qualified project manager and an international CTA with strong and relevant experience in S&L programmes in Turkey.
131. The Project was not led by an appropriate implementing agency. Although there were personnel within MoES who claimed experience in energy efficiency from a previous project on district heating in Vladimir between 1997 and 2004<sup>73</sup>, the mandate of the Ministry of Education and Science (MoES) does not have relevance to transforming markets towards the use of energy efficient appliances and equipment<sup>74</sup>. As a result, the Project performed very poorly in developing S&L schemes for the Russian Federation.
132. The Project design placed considerable emphasis on voluntary adoption of minimum energy performance standards (MEPS) as its desired level of ambition. This was based on uncertainties by the designers on the length of time for the Government of Russia to adopt mandatory MEPS. However, global experience indicates that voluntary adoption of MEPS would only occur on the basis of environmental and energy savings arguments alone; this would be insufficient to facilitate market transformation, especially with the availability of cheaper less efficient appliances and equipment in Russia. *Mandatory MEPS should have been the level of ambition for the Project.*
133. The Project design also placed significant emphasis on building the capacity of local manufacturers on adapting their production facilities to producing more EE products. This was to be done, according to the ProDoc, based on a survey of these manufacturers on their needs and to upgrade their facilities. Since this baseline survey was never conducted, all Project activities in Outcome 3 were dropped in 2014 but not after the Project had expended just under USD 1.2 million.
134. In its partnership arrangements, the Project did not properly engage appropriate stakeholders at the NICB meetings to advance S&L schemes in Russia. Instead, NICB members and attendees were chosen in a process not disclosed to the evaluation team. Oddly, RATEK was also included in the NICB as a partner for designing the legislative reform for promoting EE S&L schemes for the Project; RATEK was also an entity representing local equipment manufacturers known to be a lobbyist against any EE regulations. In addition, there were a number of other entities in the NICB without appropriate backgrounds for energy efficiency initiatives. Relevant stakeholders such as MoIT and its subsidiary Rosstandart were not a part of the NICB.
135. Furthermore, the Project did not seek any independent channels for policy dialogue with the Eurasian Customs Union, an initiative of the Governments of Russia, Kazakhstan and Belarus to harmonize, amongst other issues, the energy efficiency standards of electronic products allowing these items to freely move amongst member countries. As such, the Project did not provide any timely assistance to the Government of Russia on strategies to formulate energy efficiency standards and S&L schemes at the national level as well as those at the supra-national level of the ECU.

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<sup>73</sup> Ibid 38

<sup>74</sup> Currently, MoES has oversight of scientific institutions, education and school accreditation in the Russian Federation

136. The S&L Project was not adaptively managed in an appropriate manner between 2010 and 2014. This was highlighted by:

- PSO resistance to the long-term involvement of an international CTA to bring best international practices and strategic approach to S&L development in the Russian Federation;
- Poor personnel recruitment decisions by the PSO and Implementing Agency between 2010 and 2015 that included the hiring of under-qualified personnel including two national Project Managers and two national Chief Technical Advisors, all of whom were fired for what the PSO termed was poor performance;
- Slow and unacceptable management responses by the UNDP PSO to the recommendations made by the MTE in 2013. Delays in management responses to the MTE were damaging to the progress of the Project that further eroded the availability of the S&L Project budget.

137. Management of the S&L Project improved significantly after 2015 with the recruitment of the qualified third Project manager as well as the third international CTA with strong experience in GEF S&L projects in energy efficiency. While this has resulted in progress with regards to EE S&L schemes in public procurement, translation of relevant EU standards into Russian, and Project investments into upgrading testing laboratories at Rostest, there was insufficient time and resources remaining on this Project to achieve any of the intended outcomes and objectives prior to the Project termination date of June 30, 2017. This is extremely unfortunate leading to a number of recommendations provided in the following sections.

#### **4.1 Corrective actions for the design, implementation, monitoring and evaluation of the project**

138. Action 1 (to UNDP): Project preparations should be better resourced to allow for proper assessment of baseline conditions and design of appropriate actions for market transformation, in this case for energy efficient appliances and building equipment. The Russian S&L Project design had 2 basic flaws:

- An overemphasis on assisting local manufacturers to upgrade their production lines to manufacture energy efficient equipment. This Project activity should not have been approved at the design phase without first conducting the baseline surveys of local manufacturing capacities during Project preparations. With this baseline survey as part of the Project activity, there was a risk that the size of the local manufacturing sector for appliances would have been insignificant and not worthy of the project support. The PMU, however, did not conduct this baseline survey and dropped all activities within Outcome 3 to assist the local manufacturing sector in 2014 but not before the Project had wasted more than US\$1.1 million on efforts to build local manufacturing capacity through RATEK; and
- An under-ambitious target of “submitting legislative reform to initiate voluntary S&L regulations for government consideration”, instead of aiming to have mandatory standards for energy efficient household appliances and building equipment. While it is true and acknowledged in the ProDoc that adoption of these S&L schemes was going to take an unknown amount of time (possibly longer than the Project duration), the Project needed to have a target of some form of mandatory standards. Without mandatory standards, local manufacturers would never have an understanding of the quality of appliances and equipment that would meet compliance. As such, local manufacturers would never agree to any “voluntary standards” since these could change and force local manufacturers to provide additional investments to their production lines. In

hindsight, the Project should have raised its ambition level to having mandatory standards and force local manufacturers to adjust their strategic development plans to become producers of more energy efficient products.

139. *Action 2 (to UNDP): UNDP-GEF projects implemented by country offices need strong oversight by regional technical advisors who are qualified experts in the subject matters of the projects they are advising.* In the case of the Russian S&L Project, there was a disconnect between the Russian PSO and the RTA of the UNDP Istanbul Regional Center and HQ on implementation and monitoring of the Project. Directives of the RTA are results-based (which was the case on this Project based on the RTA's determination of the poor Project progress). To overcome deliberate delays of a country office (as was deemed the case with the Russia PSO despite the poor progress of the Project between 2010 and 2015) to act on implementation directives from the RTA, and to create more urgency for a country office to act on these directives, approval of Project AWP of a country office need to be made conditional to meeting directives of an RTA that would force a country office to act on these directives. This "leverage tactic" clearly worked in early 2014 and 2015 on the S&L Project when the PSO urgently sought a no-cost extension from the end of 2015 to 2017.

## 4.2 Actions to follow up or reinforce initial benefits from the project

140. *Action 3 (to the Government of the Russian Federation): With an estimated 1 to 3 years before there is full agreement of harmonized EE technical regulations for the Customs Union, the Government of Russia should agree to develop its own national EE technical regulations as an interim measure for adoption of S&L schemes for household appliances and building equipment.* This would permit the development of appropriate market surveillance plans, eco-design and energy labelling, a strengthened S&L regulatory framework, and product testing, all of which will need further support after closure of the S&L Project.
141. *Action 4 (to UNDP PSO): The PSO should monitor adoption of the regulatory S&L framework (patterned after EU MEPS regulations) by the Ministry of Industry and Trade (MoIT) as a mandatory S&L programme. This will provide some indications of the timetable for adoption of harmonized EE technical regulations for the Customs Union as applied to all manufacturers of electronic equipment and household appliances on the Russian market of the "performance threshold for products to enter the Russian market" especially pertaining to energy performance.* The adoption of the S&L regulatory framework for "eco-design" and "energy labeling requirements" as well as enforcement of these requirements is the first major and indispensable step towards sustaining the testing lab investment, and possibly other Project results. For local manufacturers and suppliers of EE appliances and building equipment, they can comply through voluntary or mandatory S&L programmes as long as the definitions of voluntary and mandatory are clear. Mandatory programmes have requirements that are set out by mandatory laws and regulations that only apply to those particular electronic products (including public procurement that would define laws and regulations for specific electronic products). For voluntary programmes, a voluntary agreement would be entered into by and between relevant industry and the government agencies (MoIT and Rosstadnart) where the energy efficiency and other eco-design targets are set out. Manufacturers of products covered by these EE and eco-design targets can voluntarily participate in this programme; however, once the manufacturer participates, these targets become mandatory for them to achieve. A good example of a "voluntary" actions by local manufacturers can be found on the Russian UNDP-GEF project "Transforming the Market for Efficient Lighting" (GEF ID: 3658); this is a recently completed project in Russia where local lighting manufacturers set their own MEPS for lighting devices (based on EU directives) and

worked with test labs and the Government to achieve compliant products followed by investments to upgrade their manufacturing capacities.

142. Action 5 (to UNDP PSO): Continue negotiations with Rosstandart to ensure implementation of the demo product testing programme (extended or limited scenario) during the remaining implementation period and even after official closure of the Project to obtain the initial compliance profile of the marketplace, produce data for further market surveillance strategies and programmes, and to build testing experience among the testing centers where new laboratories are being developed. This recommendation is made since Rosstandart has agreed to take the ownership of the enforcement process.
143. Action 6 (to the Government of the Russian Federation): In parallel to laboratory investment and testing staff training programme, immediately proceed with establishing a market surveillance organization (such as with ROSPOTREBNADZOR, Rosstandart or any other governmental authority) and developing market surveillance knowledge and skills within this designated organization.

### 4.3 Proposals for future directions underlining main objectives

144. Action 7 (to UNDP PSO): Assist Rosstandart in contacting other global manufacturers operating in Russia for possible cooperation in training testing staff of other testing centres outside of St. Petersburg. On March 1, 2017, the Project supported the training of Rostest testing staff for Test-St. Petersburg in cooperation with BSH. Due to the success of this event, building the testing skills of the remaining 6 testing centers where new testing laboratories are being developed is a high priority. Such training will ensure effective operation of these laboratories by well trained and skilled staff. Such training of all the laboratories can lead to ROSTEST evolving into a Centre of Excellence and participating in ongoing programs with other test laboratories, both nationally and internationally. Current model of cooperation with global manufacturers consists of:
- Search of manufacturers with appropriate experience and ready to share their experience;
  - Organization of transfer of the experience within the Rosstandart system within the premises of this manufacturer;
  - Sharing of experience using the Rosstandart system with regional testing centers;
  - Further cooperation with the manufacturer.
145. Action 8 (to the Government of the Russian Federation): Assist ROSTEST and all CSMs in obtaining accreditation to EN-ISO/IEC17025 or national accreditation from national Accreditation Body (ROSACREDITATION) for each of the relevant test procedures in all its testing laboratories.
146. Action 9 (to UNDP PSO): With the remaining resources of the S&L Project, find external sources to ensure wider dissemination of the S&L awareness raising messages, possibly through the broadcasting of the videos produced under the Project's campaign on national TV channels or national websites with high ratings with viewers. This recommendation is made as a follow-up to the successful public awareness campaign that has already been launched by the S&L Project.

#### 4.4 Best and worst practices in addressing issues relating to relevance, performance and success

147. *Worst practice: UNDP project designs should stay away from actions designed to assist local enterprises in upgrading their capacities to produce or sell EE green products unless there is a strong understanding of the business of these local enterprises, and the efforts required to upgrade these enterprises.* The S&L Project had proposed such actions on Outcome 3 to assist local manufacturers in upgrading their production lines to manufacture EE compliant products. The issue for the evaluation team is the lack of baseline information of local appliance and building equipment manufacturing, no discussion with the actual manufacturing industry on what improvements could be made, no reasoning on why such investments have not yet been made, and no understanding or estimates on the effort and financing required for upgrading a production line. If a project design proposes improved local manufacturing capacities, it should have the required baseline information to justify these project actions.
148. *Worst practice: Project designs with significant standards and labelling components need to incorporate mandatory minimum energy performance standards as an objective towards facilitating market push of energy efficient appliances. Failure to do so will not result in market transformation of an energy efficient appliance and equipment market.* On the Russia S&L Project, the Project design did mention the risk of not being able to achieve mandatory MEPS, and using the Project to first develop “voluntary” MEPS and S&L schemes as a means towards market transformation and the adoption of mandatory MEPS. The problem for this Project, however, was an overreliance on local manufacturers to assist the Government in the development of MEPS and S&L schemes when, in fact, they had little if any incentives to develop such schemes for fear of losing their market share to imported EE equipment. As such, it is imperative for such any market transformation Project to assist the Government on being clear on the performance thresholds (energy, safety, etc.) of an electronic product before it is allowed on the market, and to raise the ambition of any such market transformation project to aim for mandatory MEPS and other relevant regulations with its government counterparts.
149. *Worst practice: Project partnership arrangements should not be developed with partners who do not fully have mutual interests in achieving project objectives.* In the case of the Russian S&L Project, the reliance of the Project on local manufacturers to develop Russian legislation aimed at adoption of MEPS for household appliances and building equipment was an extremely poor strategy. In this case, RATEK was the organization representing local manufacturers in Russia as well as the Project’s main agent in preparing legislation for S&L adoption in Russia. A serious issue, however, of the presence of RATEK on the Project was its open opposition to any additional regulation including imposing MEPS on the sale of its products; this would be understandable considering the major investments some of its members would be required to make into new production lines to manufacture EE compliant equipment. It is more than likely that smaller local appliance and equipment manufacturers in Russia do not have the access to such finance nor is there a good business case for them to make such an investment. As such, the imposition of MEPS on their businesses would likely erode their market share to those businesses that are able to comply with MEPS, most of whom are larger companies partnered with international manufacturers and who have the capacity for the manufacture of MEPS compliant appliances and equipment.
150. *Worst practice: This Project was designed to develop S&L schemes for the Russian Federation for household appliances and building equipment. However, it did not achieve this objective due to the*

*lack of consistent inputs from qualified professionals with international experience in the development of S&L schemes.* All GEF projects provide opportunities for beneficiary countries to benefit from international experience on its subject matter. Unfortunately for the Russian S&L Project, this opportunity was not properly utilized. With the utilization of 4 international consultants over a 7-year period (between 2010 and 2015, 2 ICTAs and one midterm evaluation consultant all on short term contracts), the Project never really fully adopted the advice of any of these consultants. It was not until late 2015 when the Project finally recognized the need for qualified international inputs, and had accessed the experience from an international consultant who had recently and successfully managed an S&L project in Turkey. During his tenure on the Project along with a qualified (third) Project manager, meaningful progress was made on the S&L Project from 2015 to the present. However, this occurred too late in the Project at a time when Project resources were insufficient to meet any of the intended outcomes and objectives. Even worse, the insufficient Project funds were caused by poor decisions being made by personnel on the Project team and PSO, none of whom had qualified expertise in energy efficiency.

## APPENDIX A – MISSION TERMS OF REFERENCE FOR S&L PROJECT FINAL EVALUATION

<b>Location :</b>	Home-based with 1 mission to Moscow, RUSSIAN FEDERATION
<b>Application Deadline :</b>	23-Oct-16 ( <b>Midnight New York, USA</b> )
<b>Additional Category :</b>	Resilience and Climate Change
<b>Type of Contract :</b>	Individual Contract
<b>Post Level :</b>	International Consultant
<b>Languages Required :</b>	English
<b>Starting Date :</b> (date when the selected candidate is expected to start)	01-Nov-2016
<b>Duration of Initial Contract :</b>	November 2016 - February 2017
<b>Expected Duration of Assignment :</b>	25 working days (15 days home-based and 10 days on missions)

### Background

The full-size UNDP/GEF project “Standards and labels for promoting energy efficiency in Russia” aims to mitigate greenhouse gas emissions in the Russian Federation through the facilitation of wide-scale market transformation towards energy efficient technical building equipment and household appliances. In the scale of Russia this target had to be approached through a phased introduction of energy efficiency standards and labeling.

The project has been in implementation since 2010, and is in the position to produce concrete outputs including mandatory adoption and enforcement of minimum energy performance standards (MEPS) and energy labeling regulations, establishment of market surveillance (MV&E) system in the country and upgrading the conformity assessment infrastructure in Russian Federation for the selected product categories.

In accordance with UNDP and GEF M&E policies and procedures, all full and medium-sized UNDP-GEF projects are required to undergo a terminal evaluation upon completion of implementation. These terms of reference set out the expectations for a terminal evaluation of the project “Standard and labels for promoting energy-efficiency in Russia” (PIMS 3550).

### Duties and Responsibilities

This terminal evaluation will be conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP evaluation guidance for GEF financed projects.

The objectives of the evaluation are to assess the achievement of project results, and to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming.

The terminal evaluation will be carried out by an international consultant supported by a national consultant.

The project started in June 2010 and was scheduled to finish in June 2015. However, the project was extended by two years and is now scheduled to finish no later than June 2017. The total project budget is \$7.81 million USD.

**Project goal:** The project objective is to reduce greenhouse gas (GHG) emissions from the residential, commercial and public sector in the Russian Federation through the implementation of energy efficiency standards and labeling for key household appliances and technical building equipment, along with complementary measures. The stated targets of the project are expected to contribute to the reduction of CO<sub>2</sub> emissions by 29.9 Mt until 2020 and by 123.6 Mt until 2030.

**Project objective:** Market transformation in Russia towards energy efficient household appliances and engineering equipment of buildings.

The project was designed with four outcomes, as follows:

**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.

**Outcome 2:** 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 practices.

**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.

**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.

### **Evaluation approach and method**

An overall approach and method for conducting project terminal evaluations of UNDP supported GEF financed projects has developed over time (<http://web.undp.org/evaluation/evaluations/handbook/english/documents/pme-handbook.pdf>).

According to the project document, tasks to be performed by the terminal evaluator are:

- 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 evaluation [report](#), discuss the draft with the project team, government and UNDP, and as necessary participate in discussions to extract lessons for UNDP and GEF.

The evaluation should include a mixed methodology of document review, interviews, and observations from project site visits, at minimum, and the evaluators should make an effort to triangulate information. The evaluator will be in contact with all project staff, contractors, UNDP project support office, UNDP Istanbul regional hub regional technical advisor, government counterparts, mid-term review consultant as well as the consultant who designed and wrote the project document.

The evaluator is expected to frame the evaluation effort using the criteria of relevance, effectiveness, efficiency, sustainability, and impact, as defined and explained in the UNDP guidance for conducting terminal evaluations of UNDP-supported, GEF-financed projects. A set of questions covering each of these criteria have been drafted and are included with this TOR ( [Annex C](#)) The evaluator is expected to amend, complete and submit this matrix as part of an evaluation inception report, and shall include it as an annex to the final report.

The evaluation must provide evidence-based information that is credible, reliable and useful. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with government counterparts, in particular the GEF operational focal point, UNDP project support office, project team, UNDP GEF technical adviser based in the region and key stakeholders. The evaluator is expected to conduct a field mission to Russian Federation to visit the project sites jointly identified with the project manager. Interviews will be held with the following organizations at a minimum: UNDP Istanbul regional hub, UNDP project support office, ministry of education and science of the Russian Federation, ministry of energy of the Russian Federation, ministry of economic development of the Russian Federation, federal agency for technical regulation and metrology of the ministry of industry and trade of the Russian Federation, government office of the Russian Federation, Russian energy agency of ministry of energy of the Russian Federation, independent test laboratories (Rostest-Moscow, Test-S.Peterburg, CSM (center of standardization and metrology) of Bashkortostan Republic, CSM of Krasnoyarsk region, CSM of Samara region, CSM of Nizhny Novgorod region, association of manufacturers of electric appliances (RATEK), Russian association of energy service companies (RAESCO), association of European business (AEB), technical committee TK39 «Energy saving, energy efficiency and energy management» of Rosstandard, etc.), non-commercial partnership - association of engineers for heat supply, HVAC and building thermophysics (AVOK), Ernst&Young company (E&Y Russia), GFK company, UNDP supported projects on S&L in Kazakhstan and Turkey.

The evaluator will review all relevant sources of information, such as the project document, project reports – including annual APR/PIR, project budget revisions, midterm review, progress reports, GEF focal area tracking tools, national strategic and legal documents, letters of support of national ministries, project files and any other materials that the evaluator considers useful for this evidence-based assessment. A list of documents that the project team will provide to the evaluator for review is included in [Annex B](#).

### **Evaluation criteria & ratings**

An assessment of project performance will be carried out, based on expectations set out in the project logical framework/results framework (see [Annex A](#)), which provides performance and impact indicators for project implementation along with their corresponding means of verification. The evaluation will at a minimum cover the criteria of: relevance, effectiveness, efficiency, sustainability and impact. Ratings must be provided on the following performance criteria:

- Monitoring and evaluation, M&E design at entry, M&E plan implementation, overall quality of M&E;
- IA& EA execution, quality of UNDP implementation, quality of execution - executing agency, overall quality of implementation / execution;
- Assessment of outcomes, relevance, effectiveness, efficiency, overall project outcome rating;
- Sustainability, financial resources, socio-political, institutional framework and governance, environmental, overall likelihood of sustainability.

The completed table must be included in the evaluation executive summary. The obligatory rating scales are included in [Annex D](#).

### **Project finance/co-finance**

The evaluation will assess the key financial aspects of the project, including the extent of co-financing planned and realized. Project cost and funding data will be required, including annual expenditures. Variances between planned and actual expenditures will need to be assessed and explained. Results from recent financial audits, as available, should be taken into consideration. The evaluator will receive assistance from the project support office and project team to obtain financial data in order to complete the co-financing table, which will be included in the terminal evaluation report.

### **Impact**

The evaluators will assess the extent to which the project is achieving impacts or progressing towards the achievement of impacts.

Key findings that should be brought out in the evaluations include whether the project has demonstrated: a) verifiable improvements in ecological status, b) verifiable reductions in stress on ecological systems, and/or c) demonstrated progress towards these impact achievements.

## Conclusions, recommendations & lessons

The evaluation report must include a chapter providing a set of conclusions, recommendations and lessons. Conclusions should build on findings and be based in evidence. Recommendations should be prioritized, specific, relevant, and targeted, with suggested implementers of the recommendations. Lessons should have wider applicability to other initiatives across the region, the area of intervention, and for the future.

## Evaluation timeframe

The total duration of the evaluation will be 25 days during the calendar period over a period of 4 months (November – February 2017). The following tentative timetable is recommended for the evaluation, however, the final schedule will be agreed upon in the beginning of the assignment:

- Preparation - 3 days (beginning of November 2016);
- Evaluation Mission - 10 days (by the end of November 2016);
- Draft Evaluation Report - 7 days (by the end of December 2016);
- Final Report - 5 days (by the end of February 2017).

## Evaluation deliverables

The evaluation team is expected to deliver the following:

- Inception Report – the evaluator provides clarifications on timing and method no later than 2 weeks before the evaluation mission and submits the report to the UNDP PSO;
- Presentation - initial findings at the end of the evaluation mission presented to the project management, UNDP PSO and UNDP regional technical advisor;
- Draft final report - full report (per annexed template) with annexes within 3 weeks of the evaluation mission sent to UNDP PSO, reviewed by RTA, PSO and Project team;
- Final report - revised report within 1 week of receiving UNDP comments on draft sent to PSO for uploading to UNDP ERC. When submitting the final evaluation report, the evaluator is required also to provide an 'audit trail', detailing how all received comments have (and have not) been addressed in the final evaluation report.

## Evaluator Ethics

Evaluation consultant will be held to the highest ethical standards and is required to sign a Code of Conduct ([Annex E](#)) upon acceptance of the assignment. UNDP evaluations are conducted in accordance with the principles outlined in the [UNEG 'Ethical guidelines for evaluations'](#).

## Evaluation Report Outline

- i. Opening page:
  - Title of UNDP supported GEF financed project
  - UNDP and GEF project ID#s.
  - Evaluation time frame and date of evaluation report

- Region and countries included in the project
- GEF Operational Program/Strategic Program
- Implementing Partner and other project partners
- Evaluation team members
- Acknowledgements
- ii.** Executive Summary
- Project Summary Table
- Project Description (brief)
- Evaluation Rating Table
- Summary of conclusions, recommendations and lessons
- iii.** Acronyms and Abbreviations  
(See: UNDP Editorial Manual<sup>87</sup>)
- 1.** Introduction
- Purpose of the evaluation
- Scope & Methodology
- Structure of the evaluation report
- 2.** Project description and development context
- Project start and duration
- Problems that the project sought to address
- Immediate and development objectives of the project
- Baseline Indicators established
- Main stakeholders
- Expected Results
- 3.** Findings  
(In addition to a descriptive assessment, all criteria marked with (\*) must be rated<sup>88</sup>)
- 3.1** Project Design / Formulation
- Analysis of LFA/Results Framework (Project logic /strategy; Indicators)
- Assumptions and Risks
- Lessons from other relevant projects (e.g., same focal area) incorporated into project design
- Planned stakeholder participation
- Replication approach
- UNDP comparative advantage
- Linkages between project and other interventions within the sector
- Management arrangements
- 3.2** Project Implementation
- Adaptive management (changes to the project design and project outputs during implementation)
- Partnership arrangements (with relevant stakeholders involved in the country/region)
- Feedback from M&E activities used for adaptive management
- Project Finance:

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<sup>87</sup> UNDP Style Manual, Office of Communications, Partnerships Bureau, updated November 2008

<sup>88</sup> Using a six-point rating scale: 6: Highly Satisfactory, 5: Satisfactory, 4: Marginally Satisfactory, 3: Marginally Unsatisfactory, 2: Unsatisfactory and 1: Highly Unsatisfactory, see section 3.5, page 37 for ratings explanations.

- Monitoring and evaluation: design at entry and implementation (\*)  
UNDP and Implementing Partner implementation / execution (\*) coordination, and operational issues
- 3.3** Project Results  
Overall results (attainment of objectives) (\*)  
Relevance(\*)  
Effectiveness & Efficiency (\*)  
Country ownership  
Mainstreaming  
Sustainability (\*)  
Impact
- 4.** Conclusions, Recommendations & Lessons  
Corrective actions for the design, implementation, monitoring and evaluation of the project  
Actions to follow up or reinforce initial benefits from the project  
Proposals for future directions underlining main objectives  
Best and worst practices in addressing issues relating to relevance, performance and success
- 5.** Annexes  
ToR  
Itinerary  
List of persons interviewed  
Summary of field visits  
List of documents reviewed  
Evaluation Question Matrix  
Questionnaire used and summary of results  
Evaluation Consultant Agreement Form

## APPENDIX B – MISSION ITINERARY (FOR NOVEMBER-DECEMBER 2016, MARCH 2017)

#	Activity	Stakeholder involved	Place
<b>November 23, 2016 (Wednesday)</b>			
	Arrival of Mr. Roland Wong in Moscow		
<b>November 24, 2016 (Thursday)</b>			
	Attendance at ENES Conference		Moscow
1	Meeting with Mr. Sergey Antipov, Project Manager	UNDP Project personnel	Moscow
<b>November 25, 2016 (Friday)</b>			
	Attendance at ENES Conference		
<b>November 26-27 (Saturday-Sunday)</b>			
	Preparation of Terminal Evaluation report		
<b>November 28, 2016 (Monday)</b>			
2	Skype call with CSM (test laboratory) in St. Petersburg	CSM Testing laboratory	Moscow
3	Meeting with Mr. Gennady Smaga, former Project Manager and National CTA	UNDP Project personnel	Moscow
4	Mission briefing with UNDP including Ms. Nataly Olofinskaya, Ms. Irena Bredneva, Head of Russia PSO, Mr. Sergey Antipov, S&L Project Manager, Mr. John O'Brien, RTA of Istanbul Regional Center	UNDP PSO	Moscow
<b>November 29, 2016 (Tuesday)</b>			
5	Meeting with Mr. Vladimir Chendev, Head of Testing Center, and Mr. Melikhov Alexei, Deputy General Director, Rostest Manager at Moscow Laboratories	Rostest	Moscow
6	Meeting with Mr. Dmitri Ershov, former Project Manager of S&L Project	UNDP Project personnel	Moscow
7	Meeting with Mr. Alexey Soldatov, Tech Regulation Manager, of BSH and AEB	B/S/H and AEB	Moscow
<b>November 30, 2016 (Wednesday)</b>			
8	Meeting with Mr. Sergey Antipov, S&L Project Manager	UNDP Project personnel	Moscow
9	Meeting with Mr. Alexei Tulikov, Project Legal Expert	UNDP Project personnel	Moscow
10	Meeting with Mr. Alexei Antropov, National Project Director of S&L Project	Ministry of Education and Science	Moscow

#	Activity	Stakeholder involved	Place
11	Meeting with Ms. Nataly Olofinskaya, and Ms. Irena Bredneva, Head of Russia PSO	UNDP PSO	Moscow
12	Meeting with Mr. Georgiy Adgienko, Assurance, and Dr. Sergey Dayman, Senior Manager, Cleantech and Sustainability Services, Ernst & Young	UNDP Project consultants	Moscow
<b>December 1, 2016 (Thursday)</b>			
13	Meeting with Mr. Alexander Onischuk, President, and Mr. Anton Guskov, PR Director, RATEK	Project stakeholder	Moscow
14	Meeting with Ms. Ekaterina Novikova	Project subcontractor	Moscow
15	Meeting with Mr. Alexander Zazhigalkin, Head of Center of Development and Innovations, Russian Railways	Russian Railways	Moscow
<b>December 2, 2016 (Friday)</b>			
16	Meeting with Mr. Vladimir Maximov, Ministry of Economy	Ministry of Economy	Moscow
17	Meeting with Mr. Necmettin Tokur, 3 <sup>rd</sup> International CTA	UNDP Project personnel	Moscow
18	Meeting with Mr. Sergey Antipov, S&L Project Manager	UNDP Project personnel	Moscow
<b>December 3, 2016 (Saturday)</b>			
19	Skype call with Dr. Yuri Pashyk (2 <sup>nd</sup> Int'l CTA) and Mr. Aleksandr Petrushevich of BELLIS Institute in Minsk, Belarus	UNDP Project personnel	Moscow
20	Phone call with Mr. Jeroen Ketting	UNDP Mid-Term Evaluator	Moscow
<b>December 11, 2016 (Sunday)</b>			
21	Skype call with Mr. Sergey Borovkov, former national CTA	UNDP Project personnel	
<b>March 13, 2017 (Monday)</b>			
22	Meeting with Ms. Natalia Morzhova of GFK Russia at UNDP offices	GFK Russia	Moscow
23	Meeting with Mr. Anton Shalaev, Deputy Head of Rosstandart at UNDP Offices	Rosstandart (under MoIT)	Moscow
<b>March 14, 2017 (Tuesday)</b>			
24	Meeting with Ms. Olga Oleynik, UNDP-Russia Communications Analyst	UNDP	Moscow

Total number of meetings conducted: 24

## APPENDIX C – LIST OF PERSONS INTERVIEWED

This is a listing of persons contacted in Moscow, and Istanbul (unless otherwise noted) during the Terminal Evaluation Period only. The Evaluator regrets any omissions to this list.

1. Mr. John O'Brien, Regional Technical Advisor on Climate Change Mitigation, Istanbul Regional Hub;
2. Ms. Natalia Olofinskaya, Regional Technical Specialist - Adaptation to Climate Change, Istanbul Regional Hub, Head of UNDP Russia PSO;
3. Ms. Irena Bredneva, Head of Russia, PSO;
4. Mr. Sergey Antipov, S&L, Project Manager;
5. Mr. Necmettin Tokur, 3<sup>rd</sup> International CTA;
6. Ms. Olga Martynenko, TRAMEL Project Associate;
7. Ms. Olga Oleynik, UNDP-Russia Communications Analyst;
8. Mr. Gennady Smaga, 1<sup>st</sup> Project Manager and National CTA of S&L Project;
9. Mr. Dmitri Ershov, 2<sup>nd</sup> Project Manager of S&L Project;
10. Mr. Sergey Borovkov, former national CTA;
11. Mr. Alexei Antropov, National Project Director of S&L Project, MoES;
12. Mr. Anton Shalaev, Deputy Head of Rosstandard;
13. Mr. Vladimir Maximov, Ministry of Economy;
14. Mr. Vladimir Chendev, Head of Testing Center, Rostest Manager at Moscow Laboratories;
15. Mr. Melikhov Alexei, Deputy General Director, Rostest Manager at Moscow Laboratories;
16. Mr. Alexey Soldatov, Tech Regulation Manager, of BSH and AEB;
17. Mr. Alexei Tulikov, Project Legal Expert;
18. Mr. Georgiy Adgienko, Assurance, Cleantech and Sustainability Services, Ernst & Young;
19. Dr. Sergey Dayman, Senior Manager, Cleantech and Sustainability Services, Ernst & Young;
20. Mr. Alexander Onischuk, President, RATEK;

21. Mr. Anton Guskov, PR Director, RATEK;
22. Ms. Ekaterina Novikova, Moscow;
23. Mr. Alexander Zazhigalkin, Head of Center of Development and Innovations, Russian Railways;
24. Dr. Yuri Pashyk (2<sup>nd</sup> Int'l CTA) of BELLIS Institute in Minsk, Belarus;
25. Mr. Aleksandr Petrusevich of BELLIS Institute in Minsk, Belarus;
26. Mr. Jeroen Ketting, Mid-Term Evaluator for S&L Project;
27. Ms. Natalia Morzhova, Deputy Country Manager, Consumer Choices, GFK, Moscow.

## APPENDIX D – LIST OF DOCUMENTS REVIEWED

1. UNDP Project Document for the “Standards and Labels for Promoting Energy Efficiency in Russia” (S&L Project);
2. UNDP-GEF Mid-Term Review Report for the Standards and Labels for Promoting Energy Efficiency in Russia by J.N. Ketting, October 2013;
3. UNDP Management Response on S&L Project, April 2014;
4. S&L Project Implementation Reports from 2011 to 2016;
5. NICB meeting minutes from 2010 to 2015;
6. November 10, 2011 letter from Frank Klinckenburg to Nataly Olofinskaya and John O’Brien;
7. Reports from Dr. Yuri Pashyk in 2014 on S&L Project including “A brief overview of the requirements in the Russian Federation in the field of energy efficiency and energy labeling of products”, “Inventory of Project Activity Implementation Reports Including an Assessment of Their Pertinence, Relevance, Efficiency and Impact;”, and “Recommendations to Revise the Project Strategy and Activities”;
8. Reports from S. Borovkov in 2014 including “Progress Report, Chief Technical Advisor UNDP / GEF / Ministry of Education of the Russian Federation “Standards and Labels to promote energy efficiency In Russian federation” for the period September 2013 - March 2014, and a “Lottery System to motivate buyers of EE appliances”;
9. Mission report from Necmettin Tokur, 3<sup>rd</sup> CTA for S&L Project including 11 Mission reports plus annexures from 2015 to December 2016;
10. Financial Audit Reports for S&L Project from 2011 to 2015;
11. S&L Project website: [www.label-ee.ru](http://www.label-ee.ru) (which is no longer in operation).

## APPENDIX E – COMPLETED TRACKING TOOL



### Tracking Tool for Climate Change Mitigation Projects (For Terminal Evaluation)

#### Special Notes: reporting on lifetime emissions avoided

**Lifetime direct GHG emissions avoided:** Lifetime direct GHG emissions avoided are the emissions reductions attributable to the investments made **during the project's supervised implementation period**, totaled over the respective lifetime of the investments.

**Lifetime direct post-project emissions avoided:** Lifetime direct post-project emissions avoided are the emissions reductions attributable to the investments made outside the project's supervised implementation period, but supported by financial facilities put in place by the GEF project, totaled over the respective lifetime of the investments. These financial facilities will still be operational after the project ends, such as partial credit guarantee facilities, risk mitigation facilities, or revolving funds.

**Lifetime indirect GHG emissions avoided (top-down and bottom-up):** indirect emissions reductions are those attributable to the long-term outcomes of the GEF activities that remove barriers, such as capacity building, innovation, catalytic action for replication.

Please refer to the Manual for Calculating GHG Benefits of GEF Projects.

[Manual for Energy Efficiency and Renewable Energy Projects](#)

[Manual for Transportation Projects](#)

For LULUCF projects, the definitions of "lifetime direct and indirect" apply. Lifetime length is defined to be 20 years, unless a different number of years is deemed appropriate. For emission or removal factors (tonnes of CO<sub>2</sub>eq per hectare per year), use IPCC defaults or country specific factors.

General Data	Results at Terminal Evaluation	Notes
Project Title	Standards and Labels for Promoting Energy Efficiency in the Russian Federation	
GEF ID		
Agency Project ID	70781	
Country	The Russian Federation	
Region	ECA	
GEF Agency	UNDP	
Date of Council/CEO Approval		Month DD, YYYY (e.g., May 12, 2010)
GEF Grant (US\$)	7,810,000	
Date of submission of the tracking tool		Month DD, YYYY (e.g., May 12, 2010)
Is the project consistent with the priorities identified in National Communications, Technology Needs Assessment, or other Enabling Activities under the UNFCCC?	0	Yes = 1, No = 0
Is the project linked to carbon finance?	0	Yes = 1, No = 0
Cumulative cofinancing realized (US\$)	4,520,000	
Cumulative additional resources mobilized (US\$)	-	additional resources means beyond the cofinancing committed at CEO endorsement

<b>Objective 2: Energy Efficiency</b>		
<b>Please specify if the project targets any of the following areas</b>		
Lighting	0	Yes = 1, No = 0
Appliances (white goods)	1	Yes = 1, No = 0
Equipment	1	Yes = 1, No = 0
Cook stoves	0	Yes = 1, No = 0
Existing building	0	Yes = 1, No = 0
New building	0	Yes = 1, No = 0
Industrial processes	0	Yes = 1, No = 0
Synergy with phase-out of ozone depleting substances	0	Yes = 1, No = 0
Other (please specify)		
Policy and regulatory framework	4	0: not an objective/component 1: no policy/regulation/strategy in place 2: policy/regulation/strategy discussed and proposed 3: policy/regulation/strategy proposed but not adopted 4: policy/regulation/strategy adopted but not enforced 5: policy/regulation/strategy enforced
Establishment of financial facilities (e.g., credit lines, risk guarantees, revolving funds)	0	0: not an objective/component 1: no facility in place 2: facilities discussed and proposed 3: facilities proposed but not operationalized/funded 4: facilities operationalized/funded but have no demand 5: facilities operationalized/funded and have sufficient demand
Capacity building	4	0: not an objective/component 1: no capacity built 2: information disseminated/awareness raised 3: training delivered 4: institutional/human capacity strengthened 5: institutional/human capacity utilized and sustained
Lifetime energy saved	-	MJ (Million Joule, IEA unit converter: <a href="http://www.iea.org/stats/unit.asp">http://www.iea.org/stats/unit.asp</a> ) Fuel savings should be converted to energy savings by using the net calorific value of the specific fuel. End-use electricity savings should be converted to energy savings by using the conversion factor for the specific supply and distribution system. These energy savings are then totaled over the respective lifetime of the investments.
Lifetime direct GHG emissions avoided	-	tonnes CO2eq (see Special Notes above)
Lifetime direct post-project GHG emissions avoided	-	tonnes CO2eq (see Special Notes above)
Lifetime indirect GHG emissions avoided (bottom-up)	-	tonnes CO2eq (see Special Notes above)
Lifetime indirect GHG emissions avoided (top-down)	-	tonnes CO2eq (see Special Notes above)

## APPENDIX F – PROJECT LOGFRAME MATRIX FOR RUSSIAN S&L PROJECT (FROM APRIL 2010)

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
<p><b>OBJECTIVE:</b> Reduction of GHG emissions by facilitating market transformation towards more energy efficient building equipment and appliances.</p>	<p>The amount of GHG emissions reduced compared to the expected baseline development</p>	<p>No incremental CO<sub>2</sub> reduction compared to the projected baseline (see ProDoc section IV, part V).</p>	<p><u>National level:</u> Cumulative, incremental CO<sub>2</sub> emission reduction (with a causality factor 4) of 7.8 Mt of CO<sub>2eq</sub> by 2015 and 29.9 Mt by 2020.</p> <p><u>Pilot region (Moscow):</u> Cumulative, incremental CO<sub>2</sub> emission reduction of 1.89 Mt of CO<sub>2eq</sub> by 2015 and 6.86 Mt by 2020.</p>	<p>The GHG emission reduction and market monitoring reports prepared under the M&amp;E component of the project.</p>	<p>Continuing interest of key stakeholders to co-operate and contribute to reaching the set targets.</p> <p>The price of EE appliances vs. electricity costs justify their purchase</p>
<p><b>OUTCOME 1:</b> 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&amp;L schemes and their testing at least in one pilot region during the implementation of the project.</p>	<p>Availability of specific organisational arrangements to promote the introduction of the S&amp;L schemes</p> <p>Status of the proposed legal and regulatory amendments and voluntary agreements at the federal and city government (regional) level.</p>	<p>At the Federal Government level no responsibilities are defined or organisational structures established for the development of EE S&amp;L schemes.</p> <p>Inadequate legal and regulatory framework to effectively promote S&amp;L schemes and lack of awareness of key policy makers (together with other institutional barriers) to adopt the required amendments at the Federal level.</p>	<p>A National Inter-Agency Coordination Body (NICB) has been established</p> <p>The required legal and regulatory amendments have been adopted at the regional (city government) level for the implementation of a full scale (voluntary) S&amp;L program in line of what can be later expanded to a mandatory scheme at the Federal level.</p> <p>Proposals for the required amendments in federal laws to facilitate introduction of mandatory S&amp;L at the national level have been submitted for Government consideration.</p>	<p>Certificate of constitution of the NICB.</p> <p>Administrative orders of the Moscow City Government</p> <p>Voluntary agreements between the Moscow City Government and stakeholders</p> <p>Project progress reports</p>	<p>The members of NICB will allocate sufficient human and financial resources to effectively work on the proposed S&amp;L schemes</p> <p>Continuing commitment of the Moscow city government to support the implementation of a full scale S&amp;L program in Moscow.</p>

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
			Implementation of EE S&L started in at least one additional Russian region beyond Moscow City.		
<i>Output 1.1:</i> 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 Ministry of Education and Science	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
<i>Output 1.2:</i> A proposal for the suggested amendments in federal legislation to facilitate mandatory EE S&L submitted to federal authorities	Status of the proposal(s) for the amendment of the Federal Law on Technical Regulation and of secondary legislation to implement the new Law on Energy Conservation and Energy Efficiency Improvement	The Federal Law on Technical Regulation of 2002 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.  Institutional barriers of amending federal legislation.	Proposals for the amendment of the Federal Law on Technical Regulation to allow mandatory EE S&L, including MEPS, are prepared and submitted to the authorities.  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.	Official communication to the authorities in charge (Minpromtorg, State Duma, Expert Committee for Technical Regulation of the Federal Government)	Due to complex institutional procedures to 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.
<i>Output 1.3:</i> Adoption of all required legal and regulatory changes by Moscow city govt to facilitate implementation of a full scale S&L pilot program in the Moscow region	Status of the suggested legal and regulatory amendments and administrative orders.  Status of implementation of the voluntary EE S&L programme in Moscow	A fully supportive legal and regulatory framework to facilitate the implementation of a full scale S&L program in Moscow region is not established yet	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: <ul style="list-style-type: none"><li>Administrative orders of the Moscow City Government defining the voluntary EE S&amp;L programme, its scope and criteria;</li></ul>	Administrative orders issued  Progress reports on the implementation of the voluntary EE S&L programme	Continuing commitment of the Moscow City Government to support the implementation of a full scale S&L program in Moscow. The initial analysis conducted during the project preparatory phase concluded that the suggested measures should not be in

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
			<ul style="list-style-type: none"> <li>Voluntary agreements to implement the program signed by the Moscow City Gov't and key supply side stakeholders;</li> <li>Administrative orders for minimum energy performance standards of building equipment for public procurement</li> </ul>		conflict with any federal laws, so this remains as an assumption
<p><b>OUTCOME 2:</b> National S&amp;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 practices</p>	<p>Content of official GOST- standards for EE testing and labelling of targeted appliances and equipment</p> <p>Availability of a fully operational system of compliance testing, including test procedures and accredited test laboratories for full product and regional coverage.</p> <p>Availability of technical EE guidelines for public procurement</p>	See outputs 2.1 – 2.3	<p>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> <p>A fully elaborated, capacitated and transparent compliance checking and enforcement system in place meaning that the required EE testing and labelling 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.</p> <p>Finalized guidelines and suggested criteria for promoting energy efficient building equipment in public procurement</p>	<p>Published GOST-standards</p> <p>Independent international expert evaluation of the established compliance checking system and facilities.</p> <p>Project progress reports</p>	Review of existing and elaboration of new EE testing and labelling standards and adaptation of existing testing system and facilities, including ROSTEST test laboratories, for specific requirements of compliance checking of selected appliances and equipment is expected to proceed smoothly without facing significant administrative or other similar barriers
<p><i>Output 2.1:</i> New and/or updated energy efficiency</p>	Status and content of the GOST-standards for targeted appliances	Various GOST- standards for energy consuming appliances and equipment were elaborated during 1995-2001,	New and updated GOST-standards for energy efficiency test procedures and for EE labelling of selected appliances	Published GOST-standards	Efficient management of the process by national standardization

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
testing and labelling standards developed.		<p>but cannot be implemented as mandatory because of the restrictions due to the Federal Law on Technical Regulation.</p> <p>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</p>	<p>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.</p> <p>Additional appliances and equipment subject to EE S&amp;L identified.</p>		institute avoiding undue delays and productive consultations with stakeholders to reach consensus
<u>Output 2.2:</u> 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 organizations is in place, but requires an evaluation and possible upgrading	<p>Voluntary certification schemes for energy efficiency compliance testing, compatible with the federal system of compliance certification have been implemented.</p> <p>The existing compliance testing, certification and enforcement system has been evaluated by independent international expert(s) and the recommendations implemented.</p> <p>A fully capacitated laboratory for testing of household appliances has been established by OJSC Mosenergosbyt</p>	Project progress reports	Taking into consideration the high level of expertise available in the Russian organizations for standardization, certification and accreditation, and the existing network of test laboratories (ROSTEST), it is assumed that this system can easily be adapted to the requirements of EE testing
<u>Output 2.3:</u> 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	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	Project progress reports	Continuing commitment of the Moscow city government to support this subcomponent

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
		available to promote the purchase of energy efficient equipment and appliances in public procurement	applicable, for other appliances have been developed and published.		.
<b>OUTCOME 3:</b> 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
<u>Output 3.1:</u> 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	The number and market share of local manufacturers that have benefitted from technical support provided by the project	While foreign companies (incl. those with production facilities in Russia) supplying appliances and technical building equipment to the Russian market are familiar with the EE S&L schemes of their countries of origin and world-wide, Russian manufacturers still lack this experience	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, 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	Project progress reports  Survey of training and technical assistance needs of local manufacturers.  Agendas and reports of training courses realized.  Terms of reference and reports of technical assistance provided	See above
<u>Output 3.2:</u> A working group of private sector stakeholders, members	Status of working group operation	No established forums between (local) authorities and private sector stakeholders (such as	A working group of private sector stakeholders, members of the Inter-agency Coordination Body and other interested parties	Project progress reports	The feasibility and foreseen mutual benefits and interest of the targeted

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
of the Inter-agency Coordination Body and other interested parties to elaborate the possible public-private partnerships		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	established to elaborate the possible public-private partnerships in promoting the adoption of the EE S&L schemes and the sale of EE appliances	Minutes of the working group	stakeholders to consider public-private partnerships as the preferred modus operandi to influence the market (risk medium)
<u>Output 3.3:</u> Voluntary agreements with the interested manufacturers and other supply chain stakeholders on product labelling and incorporation of EE aspects into their marketing strategy	Number and market share of the manufacturers that have signed a voluntary agreement.	No product labelling 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 labelling 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 labelling scheme
<u>Output 3.4:</u> 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	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 marketing strategy of the local supply chain and used by the consumers.  As applicable, development and implementation of corporate procurement programmes - using certified and labelled technical building equipment	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 agreed market enhancement mechanisms as a public-private partnership
OUTCOME 4: Enhanced awareness and improved access to non-partial information	Level of awareness of residential and commercial customers on the purpose of the	Lack of visible and non-partial information on energy performance of different products and relatively low	In the selected target region over 80% of the interviewed group of customers that are currently considering or have purchased	Consumer surveys and interviews at the sales points.	The electricity costs or environmental considerations are at the high enough

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
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	suggested EE S&L schemes and access to non- partial information on the economic and environmental benefits of energy efficient equipment, when comparing different products in the market.  The share of customers who have considered energy efficiency aspects in their last purchasing decision	attention on energy efficiency aspects by household consumers and commercial Buyers	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	Project reports.	level to awake and sustain the interest of the targeted customers to obtain information on energy efficiency performance of products considered for purchase
<u>Output 4.1:</u> 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
<u>Output 4.2:</u> Internet-based information clearinghouse	Status and usefulness of the web-site	Information on energy efficiency and related performance characteristics of household appliances and technical building equipment is not readily available. 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	An internet-based energy efficiency information clearinghouse on energy consuming products established and updated regularly with EE information and its impact on 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	User statistics and feedback.  Number of websites linked to information clearinghouse  Regular review of the information placed on the website	Assignment of adequate resources for active collection, processing and updating of the information.  Availability of the certified testing information.  Sustainability of the website after the end of the project

PROJECT STRATEGY (objectives, outcomes, outputs)	Indicator description	Baseline	Final value (target)	Sources of verification	Assumptions/risks
			the importance of energy efficiency considerations		
<i>Output 4.3:</i> Regional awareness campaign for household consumers	Status of the planned activities	Household consumers lack reliable information on energy efficiency characteristics and options of household appliances	A regional awareness campaign has been developed and implemented in the Moscow region, in cooperation with the Moscow City Government and OJSC Mosenergosbyt, including: - 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	Project progress reports	Continuing interest of the Moscow City Government, OJSC Mosenergosbyt and other key stakeholders to cooperate in the realisation of the campaign (low risk)
<i>Output 4.4:</i> Information campaign for large commercial buyers	Status of the planned activities	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	A regional information campaign on energy efficiency building equipment implemented, focusing primarily - but not exclusively - on the region of Moscow, including: - 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 events for large commercial buyers and their purchasing officers	Project progress reports	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

<b>PROJECT STRATEGY (objectives, outcomes, outputs)</b>	<b>Indicator description</b>	<b>Baseline</b>	<b>Final value (target)</b>	<b>Sources of verification</b>	<b>Assumptions/risks</b>
<i>Output 4.5:</i> 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.

## APPENDIX G - FRAMEWORK FOR EVALUATION QUESTIONS

Evaluation Criteria	Questions	Indicators	Sources	Methodology
<b>Relevance: How does the Project relate to the main objectives of the GEF focal area, and to the environment and development priorities at the local, regional and national levels?</b>				
Is the project relevant to national priorities and commitments under international conventions?	How did the project support the GEF focal area and strategic priorities? Please, fill out the GEF Climate Change Mitigation Tracking Tool below.	Existence of national legislation related to sustainable development, climate change and development of energy efficiency	National and regional strategy and policy documents	Desk review, interviews with Russian government representatives (GEF operational focal point, MoES NPD)
	How did the project support the energy efficiency/energy saving and climate objectives of the Russian Federation?	Existence of national legislation related to sustainable development, climate change and development of energy efficiency	National and regional strategy and policy documents	Desk review, interviews with Russian government representatives (GEF operational focal point, MoES NPD)
Is the project internally coherent in its design?	Are there logical linkages between expected results of the project (log frame) and the project design (in terms of project components, choice of partners, structure, delivery mechanism, scope, budget, use of resources)?	Quality of outcomes and indicators on log frame	Project document	Desk review
	Even after several extensions, does the project achieve its expected outcomes?	Log frame outcome and output targets	PIRs Report on log-frame review	Desk review, interviews with PMU and stakeholders
	Did the project make satisfactory accomplishments in achieving project outputs vis-à-vis the targets and related delivery of inputs and activities?	Log frame output targets	PIRs Report on log-frame review	Desk review, interviews with PMU and stakeholders
Does the project provide relevant lessons and experiences for other similar projects in the future?	Has the experience of the project provided relevant lessons for other future projects targeted at similar objectives?	Effectiveness and efficiency ratings of the project by the evaluation	PIRs Stakeholders (investors and government personnel)	Desk review, interviews with PMU and stakeholders

Evaluation Criteria	Questions	Indicators	Sources	Methodology
<b>Effectiveness: The extent to which an objective has been achieved or how likely it is to be achieved?</b>				
Has the project been effective in achieving the expected outcomes and objectives?	<ul style="list-style-type: none"> <li>• <b>Outcome 1:</b> Improved efficient appliances and engineering equipment standards and policy framework;</li> <li>• <b>Outcome 2:</b> National S&amp;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 practices;</li> <li>• <b>Outcome 3:</b> 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;</li> <li>• <b>Outcome 4:</b> 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.</li> </ul>	Effectiveness ratings of the project by the evaluation	PIRs	Desk review, interviews with PMU and stakeholders
How is risk and risk mitigation being managed?	How well are risks, assumptions and impact drivers being managed?	Content of risk management in PIRs	PIRs and information from PMU personnel	Desk review, interviews with PMU and stakeholders
	What was the quality of risk mitigation strategies developed? Were these sufficient?	Content of risk management in PIRs	PIRs and information from PMU personnel	Desk review, interviews with PMU and stakeholders
	Are there clear strategies for risk mitigation related with long-term sustainability of the project?	Content of risk management in PIRs	PIRs and information from PMU personnel	Desk review, interviews with PMU and stakeholders

Evaluation Criteria	Questions	Indicators	Sources	Methodology
Consideration of recommendations and reporting of information	Did the project consider midterm review and recommendations conducted on time and reflected in subsequent project activities?	Content of management responses to MTR	PIRs and information from PMU personnel	Desk review, interviews with PMU and stakeholders
What lessons can be drawn regarding effectiveness for other similar projects in the future?	What lessons have been learned from the project regarding achievement of outcomes?	Evaluation assessment of Project effectiveness and efficiency	PIRs	Desk review, interviews with PMU and training participants
	What changes could have been made (if any) to the project design to improve the achievement of the project's expected results?	Evaluation assessment of Project effectiveness and efficiency	PIRs and information from PMU and training participants	Desk review, interviews with PMU and training participants
<b>Efficiency: Was the project implemented efficiently, in-line with international and national norms and standards and delivered results with the least costly resources possible?</b>				
Was project support provided in an efficient way?	How does the project management systems, including progress reporting, administrative and financial systems in monitoring and evaluation systems were operating as effective management tools, aid in effective implementation and provide sufficient basis for evaluating performance and decision-making?	Evaluation assessment of M&E design and implementation, and quality of feedback from M&E activities	PIRs and information from PMU personnel	Desk review, interviews with PMU
	How effective was adaptive management practised under the Project and lessons learned?	Adaptive management reporting in PIRs	PIRs and information from PMU personnel	Desk review, interviews with PMU
	Did the project logical framework and work plans and any changes made to them used as management tools during implementation?	Adaptive management reporting in PIRs	PIRs and information from PMU personnel	Desk review, interviews with PMU
	Utilization of resources (including human and financial) towards producing the outputs and adjustments made to the project strategies and scope	Annual financial disbursements against each component	PIRs, CDRs and information from PMU personnel	Desk review, interviews with PMU

Evaluation Criteria	Questions	Indicators	Sources	Methodology
	Details of co-funding provided (MoES, ROSSTANDART) and its impact on the activities	Cofinancing of each stakeholder	PIRs, CDRs and information from PMU personnel	Desk review, interviews with PMU
	How does the APR/PIR process help in monitoring and evaluating the project implementation and achievement of results?	APR/PIR qualitative assessments	PIRs and information from PMU personnel	Desk review, interviews with PMU
How efficient were partnership arrangements for the project?	Appropriateness of the institutional arrangement and whether there was adequate commitment to the project	Institutional arrangements of the project	PIRs and information from PMU and MoES personnel	Desk review, interviews with PMU and MoES personnel
	Was there an effective collaboration between institutions responsible for implementing the Project?	Institutional arrangements of the project	PIRs and information from PMU and MNRE personnel	Desk review, interviews with PMU and MoES personnel
	Is technical assistance and support received from project partners and stakeholders appropriate, adequate and timely specifically for the project PMU?	Institutional arrangements of the project	PIRs and information from PMU and MoES personnel	Desk review, interviews with PMU and MoES personnel
<b>Sustainability: To what extent are there financial, institutional, social-economic, and/or environmental risks to sustaining long-term project results?</b>				
Will the Project be sustainable on its conclusion and stimulate replications and its potential?	How effective is the project in terms of strengthening government professionals?	Opinions of training participants	Survey of feedback of training sessions, and testimonial evidence from participants	Desk review, interviews with participants
	Was an exit strategy prepared and implemented by the project? What the “Expected situation at the end of the Project” is as envisioned at the time of terminal evaluation?	Existence of exit strategy prepared by the project	Report on exit strategy, and information from PMU and MoES personnel	Desk review, interviews with PMU and MoES personnel
	Appropriateness of the institutional arrangement and whether there was adequate commitment to the project	Number of institutions and government agencies that are developing and managing S&L programmes	Progress reports, PIRs, and information from PMU and personnel from MoES and other relevant government agencies	Desk review, interviews with PMU and personnel from MoES and other relevant government agencies

Evaluation Criteria	Questions	Indicators	Sources	Methodology
<b>Impact: Are there indications that the project has contributed to, or enabled progress toward maximizing environmental benefits?</b>				
What was the project impact under different components?	Has the project adequately taken into account the national/international realities, both in terms of institutional and policy framework towards the transformation of the Russian appliances and engineering equipment market?	Indicator targets of MoES strengthening  Indicator targets of number of policies and standards promulgated for various equipment and appliances	Progress reports, PIRs, and information from PMU and MoES personnel	Desk review, interviews with PMU and MoES personnel
Impacts due to information dissemination under the Project	Are there any indicators that the project has contributed towards the transformation of the Russian appliances and engineering equipment market and improving energy efficiency in the sector?	Number of knowledge products created by Project  Number of stakeholders who are more aware or have more knowledge of S&L schemes for equipment and appliances	Survey of feedback of training sessions, testimonial evidence from training participants, and information from PMU and MoES personnel	Desk review, interviews with training participants, PMU and MoES personnel

## APPENDIX H - PRESS RELEASES INVOLVING RATEK LOBBYING

From <https://www.eg-online.ru/article/108213/>:

Association of Trading Companies and Manufacturers of Consumer Electronic and Computer Equipment (RATEK) appealed to the Ministry of Industry and Russia with a letter "about the threat to the production, importation and sale of goods to be examined on the subject of energy efficiency." It warned the professional association of industrial and commercial department that provided by law on energy saving and the Order of the Ministry of new work rules that will take effect on January 1, 2011, could cause the collapse of the market of household appliances. To avoid it, market participants are offered to officials to take a number of measures, in particular to allow the goods to determine the energy efficiency class is based on the manufacturer's data.

Federal Law of 23.11.2009 number 261-FZ "On energy saving and increasing energy efficiency" states that from 1 January 2011, the technical documentation, marking and labeling of household appliances sold must display information about a class of its energy efficiency. If these data are missing, refrigerators, washing machines, dishwashers, air conditioners, electric stoves, microwave ovens, televisions, and water heaters Electro devices and lights cannot be produced, imported and marketed in the territory of Russia. On January 1, 2012, this rule will extend to computer monitors, printers, photocopiers and elevators.

Pursuant to this law the Ministry of Industry has prepared an order of 29.04.2010 number 357, containing the rules for determining the class of energy efficiency of home appliances products, harmonized, according to the agency, to the European standards. However, market participants are confident that the Russian Government announced vector harmonization with European standards in the sphere of energy saving in the rules approved by the industrial and commercial department, was not reflected. In a letter from RATEK, in particular, it states that energy efficiency class in the world is determined on the basis of their own research producers, while the Ministry of Industry approved, that this figure is to be output on the basis of calculations of special accredited laboratories.

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From <http://normel.ru/get-news-1715.html>:

Order of Ministry of Industry impracticable

Responsibility for violation of legislation on energy saving and energy efficiency provided article. 9.16 of the Code of Administrative Offences. In particular, the issue of the manufacturer, into the territory of the Russian importer, as well as sale of goods by the seller without the inclusion of a class of its energy information shall be sanctioned by an administrative fine on officials in the amount of 10 000 to 15 000 rubles. The same penalty with confiscation of goods is provided for persons engaged in entrepreneurial activities without forming a legal entity. Legal persons waiting for an administrative penalty in the amount of 100 000 to 150 000 rubles (\$1,600-2,500) with confiscation of goods.

Members of household appliances market stressed that follow the rules approved by the Ministry of Industry, is impossible, since to date no definition of the class of energy efficiency techniques, or specialized laboratories. Therefore, if the document is not changed, then January 1, 2011 appliances will disappear from store shelves.

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From <http://www.nv-online.info/by/748/printed/128839/> and <https://charter97.org/ru/news/2016/12/13/234208/>:

The dates of mandatory labeling class energy efficiency of TVs, electric stoves, electric ovens and passenger elevators in Russia was delayed from December 1, 2012 to January 1, 2014, with a corresponding resolution published in the federal bank regulatory and administrative acts. The delays stem from the lack of labeling standards and energy efficiency measurement methods for these types of equipment, said Mr. Anton Guskov, Director of Public Relations for RATEK. However, from the list of mandatory labeling of energy efficiency of goods excluded group copiers. "At no copiers energy efficiency labeling standards, not only in Russia, but in Europe they are removed, and this means that the standards they will not be developed.", - Said Andrei.

In accordance with the Law "On energy saving and increasing energy efficiency" from 1 January 2011 in respect of a number of home appliances products, supplied to the Russian market, mandatory labeling of energy efficiency class was introduced.

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From <https://news.tut.by/economics/527030.html>:

As recently as in December 2016, RATEK vehemently opposed the actions of Belarus in its delays of entry into force of the ECU's Tech EE S&L Regulations and introducing mandatory national EE S&L certification scheme from Feb 1, 2017. RATEK presented the same arguments to the media in 2010 to subvert the introduction of mandatory Russian EE S&L, claiming the product shelves will be empty if the legislation is enforced.

## APPENDIX I - EVALUATION CONSULTANT AGREEMENT FORM

### Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

### Evaluation Consultant Agreement Form<sup>89</sup>

#### Agreement to abide by the Code of Conduct for Evaluation in the UN System

Name of Consultant: Roland Wong

Name of Consultancy Organization (where relevant): \_\_\_\_\_

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at Surrey, BC, Canada on September 26, 2017

<sup>89</sup> [www.unevaluation.org/unegcodeofconduct](http://www.unevaluation.org/unegcodeofconduct)

**Evaluators:**

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
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6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

**Evaluation Consultant Agreement Form<sup>90</sup>****Agreement to abide by the Code of Conduct for Evaluation in the UN System**

**Name of Consultant:** Alexei Zakharov

**Name of Consultancy Organization** (where relevant): \_\_\_\_\_

**I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.**

Signed at Moscow, Russia on September 26, 2017



<sup>90</sup> [www.unevaluation.org/unegcodeofconduct](http://www.unevaluation.org/unegcodeofconduct)