# Management Response template

UNDP Management Response Template
[Final Evaluation] Date: 01-06-2013
UNDP/GEF "Removing Barriers to Energy Efficiency in Municipal Heat and Hot Water Supply"

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**Evaluation Recommendation or Issue 1.** LogFrame is used for rating of overall project achievements, and needs to be backed up by a clear project strategy and a work plan of individual project activities.

LogFrame indicators should reflect overall project objectives, outcomes and outputs, but not detailed and specific project activities. In addition to the LogFrame a clear project strategy and a work plan including all relevant key projected activities and time-bound milestones, indicators and targets should be developed for the whole project implementation period to reflect in detail the project strategy. These detailed activities and targets are subject to regular updates in annual work plans. LogFrame matrix on the other hand should remain unchanged during the implementation period if possible, with potential updates at the inception period and after MTE only. For operational management of project progress the LogFrame is not detailed enough. Thus annual work plans, including time bound targets and activity specific budgets are used for this purpose.

**Management Response:** The recommendation was taken by the project.

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking* | |
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| | | | Comments | Status |
| 1.1 Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 r | EE Department of CO | | Finished |

**Evaluation Recommendation or Issue 2:** Financial health of partnering commercial entities (utilities) should be screened during project development phase

When designing pilot projects to be implemented jointly with a commercial entity (municipal utility, private company), in addition to a feasibility analysis of proposed technical solutions and their cost-benefit analysis a long-term financial viability of a commercial entity should be assessed as well to minimize a risk of its potential bankruptcy.

**Management Response:** The recommendation was taken by the project.

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
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| | | | Comments | Status |
| 2.1. Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 r | EE Department of CO | | Finished |

**Evaluation Recommendation or Issue 3:** Building level DH substations and metering should ideally be utility responsibility

Building level substations, regulation and metering should ideally be owned and operated by the DH utility. This arrangement is typical in most countries because then the investment, operation and maintenance is typically less costly. In its future activities, UNDP should support governments to include this responsibility of DH utilities into national regulations or at least to perspective policies in case DH utilities are not financial capable to invest into installation of building level heat substations and metering in a short-term.

**Management Response:** The recommendation was taken by the project.

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
|---|---|---|---|---|
| | | | Comments | Status |
| 3.1 Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 r | EE Department of CO | | Finished |
| 3.2 The matter of installation of heat metering at the building level was reflected at the Resolution of Regional conference, «Improving of energy efficiency of municipal heating as a contribution to "green" economy, Astana, The Resolution was distributed between participants of the conference and sent to key project partners and Govt. | May-June 2013 r | Project Staff | | Finished |
| 3.3 The recommendation has been transferred for the further discussion to the Kazakhstan Association of the Heating Companies (KATO) and to the Kazakhstan Association hi-tech energy effective and innovative Companies (KAVEIK) for the account at work on new Kazakhstan Law «About heating system». | June 2013 r | Project Staff | | Finished |

**Evaluation Recommendation or Issue 4:** Building level heat metering and regulation is the necessary first energy efficiency step in multiapartment buildings served by DH that should be followed by installation of apartment level heat cost allocators and thermostatic valves

Installation of building level heat metering and regulation, together with building heat substations is ideally responsibility of heat utility and it typically generates significant savings with relatively low investment. However, this still does not provide sufficient financial motivation for individual apartment owners to use their energy efficiently, especially in large multiapartment buildings. Installation of radiator level heat costs allocators (HCA) and thermostatic radiator valves (TRV) in existing systems, even when this requires reconstruction of heat piping in apartments, gives apartment owners full control of the indoor temperature comfort and heating costs and motivates them to use heat regulation instead of window opening. In newly built apartments apartment level heat metering is often preferred to installation of heat costs allocators that need in addition to annual reading of HCAs also annual calculation of individual heating bills. After demonstrated benefits of *building* level metering and regulation, UNDP should in its future activities focus on demonstration of *apartment* level heat metering and regulation as well (installation of HCA and TRV).

**Management Response:** The recommendation was taken by the project.

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
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| | | | Comments | Status |
| 4.1 Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 г | EE Department of CO | | Finished |
| 4.2. Discussion of the recommendation with the UNDP CO and the UNDP/GEF project Design and Construction of Residential Buildings in ordrer to take into consideration in the project implementation | June 2013 г | Project Staff | | Finished |
| 4.3 The recommendation has been transferred for the further discussion in the Kazakhstan Association of the Heating Companies (KATO) and the Kazakhstan Association hi-tech energy effective and innovative Companies (KAVEIK) for the account at work on the new Kazakhstan Law «About heating system» and also at work on new law acts and supervising documents on perfection of payment for heating energy and creation of stimulus for heating energy savings. | June 2013 г | Project Staff | | Finished |

**Evaluation Recommendation or Issue 5:** Major changes in project management and even replacement of Executing Agency should be implemented if it strengthens the project implementation.

Frequent changes in project management cause loss of gained knowledge and expertise. However, if the project focus or its underperformance requires changes in project management arrangements, such changes should be implemented immediately. This applies also in case of changes in governmental structures. If new specialized state agencies with a proper mandate are created (such as the case of establishment of the Agency of the Republic of Kazakhstan on Construction and Housing and Municipal Infrastructure) it provides a legitimate reason to change the Executing Agency. An important aspect of adaptive management is also adaptation to new structures of Government which better suits the purpose and mandate of the project

**Management Response: The recommendation was taken by the project.**

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
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| 5.1. Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC | May-June 2013 г | EE Department of CO | | Finished |

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| meeting | | | | |

**Evaluation Recommendation or Issue 6:** Time period between ProDoc submission/approval and ProDoc signature should be minimized and co-financing commitments should cover relevant project implementation period

In order to avoid expiration of co-financing commitments, the commitments should cover relevant period of project implementation and should take into account the period until the project document is signed and actual project implementation starts.

**Management Response: The recommendation was taken by the project.**

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
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| | | | Comments | Status |
| 6.1 Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 r | EE Department of CO | | Finished |

**Evaluation Recommendation or Issue 7:** Process of hiring project staff should be initiated immediately after GEF CEO approval

Project implementation period officially starts with a signature of a project document. Lengthy process of competitive hiring project manager and project staff causes often delays in effective start of project implementation by several months. These delays should be minimized in order to be able to effectively utilize whole project implementation period. Initiation of project staff hiring immediately after GEF CEO approval of ProDoc enables the project implementation to effectively start within few weeks after ProDoc signature.

**Management Response: The recommendation was taken by the project.**

| Key Action(s) | Time Frame | Responsible Unit(s) | Tracking | |
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| | | | Comments | Status |
| 7.1 Discussion of the recommendation with the UNDP CO, Govt. implementing agency and key partners at the Final SC meeting | May-June 2013 r | EE Department of CO | | Finished |