

Mid Term Review and Evaluation Management Response and action plan

UNDP Management Response

[UNDP/GEF “Policy Reforms and Market Transformation of the Energy Efficient Buildings Sector of the I.R. Iran”

(EEEEB Project)

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Recommendation 1: Addressing Implementation Delays and Project Revision

Management Response: Project team accepts delays and impact resulting from project personnel changes, immaturity of ESCO market and changing economic situation in Iran and is now actively responding to implementation concerns raised in the MTR. It has developed an operational plan to deliver the project within the revised timeline. A full workplan has been developed by and (will be) shared with Project steering committee and UNDP.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status
Building implementation approaches via a revised plan that is operationally viable, with revised timelines and budget allocations to meet fully project objectives	December 2019	EEEB/ Committee	Revised plan developed and shared with UNDP.	ongoing

Recommendation 2: Coordination and Engagement with Relevant Stakeholders

Management Response: The EEEB Project focus is on enhancing coordination across steering committee representatives and strengthening the institutional framework. A number of institutional relationships are identified to fulfill the market mechanism (market maker/ trader/ legislative changes).

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status
Establishment of Technical Advisory Teams (TAT) of stakeholders for implementation consisting of “an influential advisory body”, Subgroup of steering committee, including: <ul style="list-style-type: none">• Committee for EE polices and building codes• Committee for pilot implementation including ESCOs• Committee for EEE market establishment	December 2020	EEEB/ Committee	Concept to be raised at EEEB Steering Committee.	ongoing
Formal Stakeholder coordination to formalize trading market aspects and determine designated market maker	December 2020	BPO/ EEEB/ Designated Market Maker (NIGC, Tavanir, NIORDC)	Input into revision of bylaw on energy efficiency and environment market developed. Amendments to existing legislation Input into Designated market maker: clarity to be provided on role National Iranian Gas Company, Tavanir. National Iranian oil refining and distribution company.	ongoing

Formal Stakeholder consultation on specification of energy savings obligation (bylaw amendment with penalties)		BPO and EEEB Project	Proposal to be made to BPO to join working group	ongoing
Exit strategy/ reducing financial incentives				

Recommendation 3: Pilots Initiatives and Market Mechanism

Management Response: Evaluation of contract offers and issuance of contracting (by end 2019). Building type developed.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status
Pilot-2nd batch within residential sector <ul style="list-style-type: none"> - Preparatory activities, tender, issue of contracts for 150 building blocks (500sqm per block) - A hands-on manner actual planning processes demonstrated to deploy auditing component 	Q4 2019	EEEB/MOURD / BHRC/ INSO/ SATBA/ IFCO	Focus remains on identification of companies involved in the auditing component of the project and issuing of contracts. Clear definition and indicator for one unit of pilot building in an evidence-based manner. Budget identified (\$5,000) by building block. Feedback mechanisms established where learnings from shallow measures inform into implementation. Preparatory activities aimed at improving the policies, guidelines and procedures for conducting investment grade audits (Feasible technologies will be identified through Investment Grade Energy Audits. Investment Grade Energy Audit (IGTA) guidebook drafted and expected to finalize in Q1 2020). Preparatory activities include development of baselines Building owners will update service contracts to consider EE issues identified.	ongoing
Pilot-2nd batch within residential sector <ul style="list-style-type: none"> - Implementation and execution of work 	Q4 2020	EEEB/MOURD / BHRC/ INSO/ SATBA/ IFCO	Residential buildings have been approached and a list of measures determined by the team to enable tracking of what performance can be achieved. ESCO business model-designed and engineered and will be implemented through 1-2 batches of pilots in 2020.	

			Mixed use of residential buildings identified to highlight savings across building types	
Pilot-3rd batch - Preparatory activities, tender, issue of contracts - Implementation and execution of work	Q4 2019 Q4 2020		Mixed batch of residential and public buildings. Exit strategy identified where subsidy reduces across batches 3 and 4. Preparatory analysis identification of performance criteria associated with available technologies to deploy.	ongoing
Pilot-4th batch - Preparatory activities, tender, issue of contracts - Implementation and execution of work	Q1 2020 Q4 2020		Preparatory activities include attempts to connect the 4 th Batch to Article 12	planned
Demo near zero energy building - Preparatory activities, tender, issue of contracts - Implementation and execution of work	Q1 2020 Q4 2020			Planned
Renovated EC, EC+ and EC++ demo building - Preparatory activities, tender, issue of contracts - Implementation and execution of work	Q1 2020 Q4 2020		Exemplar retrofit building commenced.	Planned
Identification of financial instruments required for market deployment	Q2 2020 to December 2020	EEEB/ BPO	Regulatory process of listing securities, such as white certificates, on the market developed. Development of a specific financial system for ESCO business and or other incentives Market signals and dissemination on future entrants to market, ranking of ESCOs, daily trading.	ongoing

Recommendation 4: Energy Management Information System (EMIS)

Management Response: The EEEB project 12-month work plan has been prepared by the project team and shared with UNDP. Inputs from the team and consultancy personnel responsible for delivering the EMIS component of the project have been integrated into the plan and clear timeline are in place for EMIS deliver and alignment with auditing components to achieve full project objectives. Institutional frameworks are also recommended to overcome challenges with implementation.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status

Building energy ID <ul style="list-style-type: none"> - Establishment of the code and ID - Beta Testing 	Q4 2019	EEEB/MOURD / BHRC INSO/ SATBA/ IFCO ASIA Watt	Ownership of the EMIS/ location of data to be decided by the Steering Committee as per MTR Recommendation. (The authority of VPST (in liaison with relevant ministries and entities) could be tasked with finalizing this responsibility.	ongoing
Building energy ID <ul style="list-style-type: none"> - Implementation of associated activities, including training and capacity building 	Q3 2020	ICEO/ Municipality/ EEEB	Establishment of an implementation framework and development of training context to enhance capacity building across professionals (architects, engineers).	ongoing
Standardization <ul style="list-style-type: none"> - Of auditing and establishment of building typologies 	Q2 2020		Project will rely on the standard auditing methodology that has been developed by ASHRAE (aligning EMIS and Pilot initiatives) Public building typologies to be agreed, including hotels, hospital. Institutional building)	ongoing
EEE market <ul style="list-style-type: none"> - Establishment of committees - Implementation of associated activities 	Q4 2019 Q4 2020		Proposal to be made to Steering Committee to enable project stakeholders to define and agree from the outset the workflow, processes, procedures and roles and responsibilities for EMIS as per MTR Recommendation. (A new committee could be recommended for expediting and finalizing the workflow and procedures).	ongoing

Recommendation 5: Sequencing of Activities

Management Response: The revised action plan is connecting all 3 components of the project. It is connecting the outputs, outcomes and critical paths across 3 specific areas of project Code-EMIS, Audits and pilots implementation and, Market makers.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status
Revised action plan with critical path of activities, sequencing, responsible actors and risk register. To adjust and widen the project scope (Objectives and Targets) to include thermal energy as well as electricity Project stakeholders to define and agree from the outset the workflow, processes, procedures and roles and responsibilities for EMIS.	Q1 2020	EEEB/ Committee	Proposal to be made to Steering Committee. Integrate electricity into project activities under auditing.	ongoing

Recommendation 6: M&E System and Project Finance**Management Response:** The project team is revising the methodology for setting, measurement and monitoring of project deliverables as per MTR project design commentary.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status
M&E Validation across EMIS and Pilots - Preparatory work - Implementation	Q4 2020	EEEB EEEB/ ICEO / Municipality	Piloting of projects will validate how the EMIS system performs as per MTR Recommendation. Practical case presented for both new and existing builds (Identifying Practical and possible actions and interventions and introducing new concepts of integrated design) Training campaigns developed on how to conduct specific training programs.	ongoing
Project Finance	Q1 2020	EEEB/UNDP	EEEB Team to liaise with UNDP on alternations to project finance allocations as per MTR and to enhance the sustainability of the project. A clear market maker is required and a strategy of existing from public investment is required. The project will find such as designated market maker, establish a fund and present the model as the deliverable. Require revision and reallocation of project budget especially in the equipment/ miscellaneous lines and inclusion of in-kind.	ongoing
Risk register	Each Quarter by end of project	EEEB	Quarterly update as per MTR recommendations	Every quarter

Recommendation 7: Sustainability and Capacity Building**Management Response:** The project team is strengthening the capacity building component of the project (especially in terms of building professionals and ESCO companies), energy companies and professionals. Responses to the sustainability of the project are captured in recommendation 6 under project finance. A training of the trainer component will be included.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Comments	Status

<p>Training and communication activities</p> <ul style="list-style-type: none"> - Developing and implementing regular training courses for related key stakeholders at provincial and local level. 	<p>Q4 2019 to Q4 2020</p>	<p>BHRC/ EEEB / ICEO</p>	<p>Development of capacity building actions plans aligned to investment grade audits (including training of trainers).</p> <p>Stimulate more ESCOs through the design and delivery of required training courses and events</p> <p>Establishment of an implementation framework and development of training context to enhance capacity building across professionals (architects, engineers) for Building energy codes and standards and, EMIS.</p> <p>Basic training needs assessment and advanced training (simulations to identify real energy saving potential)</p> <p>The project team decided not to establish a new training center, but to cooperate with an existing and effective one. The project has identified the Technical and Vocational Training Organization for this. Practical training for installers, mechanical, electrical and civil operators and technician will be organized through this center.</p> <p>The project has signed three MoUs with BHRC, Sharif Energy Research Institute and Technical and Vocational Training Organization (TVTO).</p>	<p>ongoing</p>
<p>Study tour and conferences</p> <ul style="list-style-type: none"> - Preparatory work - Implementation 	<p>Q1 to Q2 2020</p>	<p>EEEB/ UNDP</p>	<p>Study tour planned Q1 to Serbia, collaboration with UNDP Office in Serbia to facilitate learning and sharing of experiences as per MTR Recommendation.</p>	<p>ongoing</p>

Project Schedule (Draft) for the planned activities

Activity	2019 10	2019 11	2019 12	2020 1	2020 2	2020 3	2020 4	2020 5	2020 6	2020 7	2020 8	2020 9	2020 10	2020 11	2020 12	Financial resources required (USD)	Responsible	Supervisor	Consultant
Building energy ID - Establishment of the code and ID - Implementation of associated activities																-	Adel	Nasim Mahdi Matthew	Kanagaraj
Pilot-2nd batch - Preparatory activities, tender, issue of contracts - Implementation and execution of work																700,000	Navid New PC	Nasim Mahdi Matthew	Dirk
Pilot-3rd batch - Preparatory activities, tender, issue of contracts - Implementation and execution of work																500,000	Navid New PC	Nasim Mahdi Matthew	Dirk
Pilot-4th batch - Preparatory activities, tender, issue of contracts - Implementation and execution of work																350,000	Navid New PC	Nasim Mahdi Matthew	Dirk
Demo near zear energy building - Preparatory activities, tender, issue of contracts																220,000	Mahdi Adel	Nasim Matthew	Kanagaraj

Activity	2019 10	2019 11	2019 12	2020 1	2020 2	2020 3	2020 4	2020 5	2020 6	2020 7	2020 8	2020 9	2020 10	2020 11	2020 12	Financial resources required (USD)	Responsible	Supervisor	Consultant
- Implementation and execution of work																			
Renovated EC, EC+ and EC++ demo building																50,000	Mahdi	Nasim	Dirk
- Preparatory activities, tender, issue of contracts																	Navid	Matthew	
- Implementation and execution of work																			
EEE market																-	Mohammad	Nasim	Drazen
- Preparatory activities																		Mahdi	
- Implementation of associated activities																		Matthew	
Training and communication activities																360,000	TE and CNE	Nasim Mahdi Matthew	Rut
Study tour and conferences																80,000	TE and CNE	Nasim	-
- Preparatory work																		Mahdi	
- Implementation																		Matthew	
M&E terminal																20,000	Nasim	-	-
- Preparatory work																			
- Implementation																			
Final event																20,000	CNE	Nasim	-
- Preparatory work																		Mahdi	
- Implementation																		Matthew	