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# Finalizing the GEF-MENR-UNIDO project: what remains to do

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## Finalizing the GEF-MENR-UNIDO project: what remains to do

### Presentation outline

1. Incrementality, baseline and co-financing
2. GHG emission reductions – How much?
3. What has been done so far
4. What remains to do
  - Role and importance of stakeholders participation & contribution
5. Timelines for project preparation completion



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 1. Incrementality, baseline and co-financing

- GEF funds are meant to generate reductions of GHG emissions that would be not otherwise generated in the absence of the project
- The principle of incrementality is satisfied when the project produces “additional” reduction of GHG emissions compared to the actual evolvement of a country/sector emission patterns
- In the case of industry for example, the incrementality principle is satisfied if the project is able to **accelerate the reduction of GHG emissions** compared to the “actual” level and trend, **through increased energy efficiency and improved energy performance**

**GHG emission reductions generated by the GEF funds and project MUST BE QUANTIFIED.**



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 1. Incrementality, **baseline** and co-financing

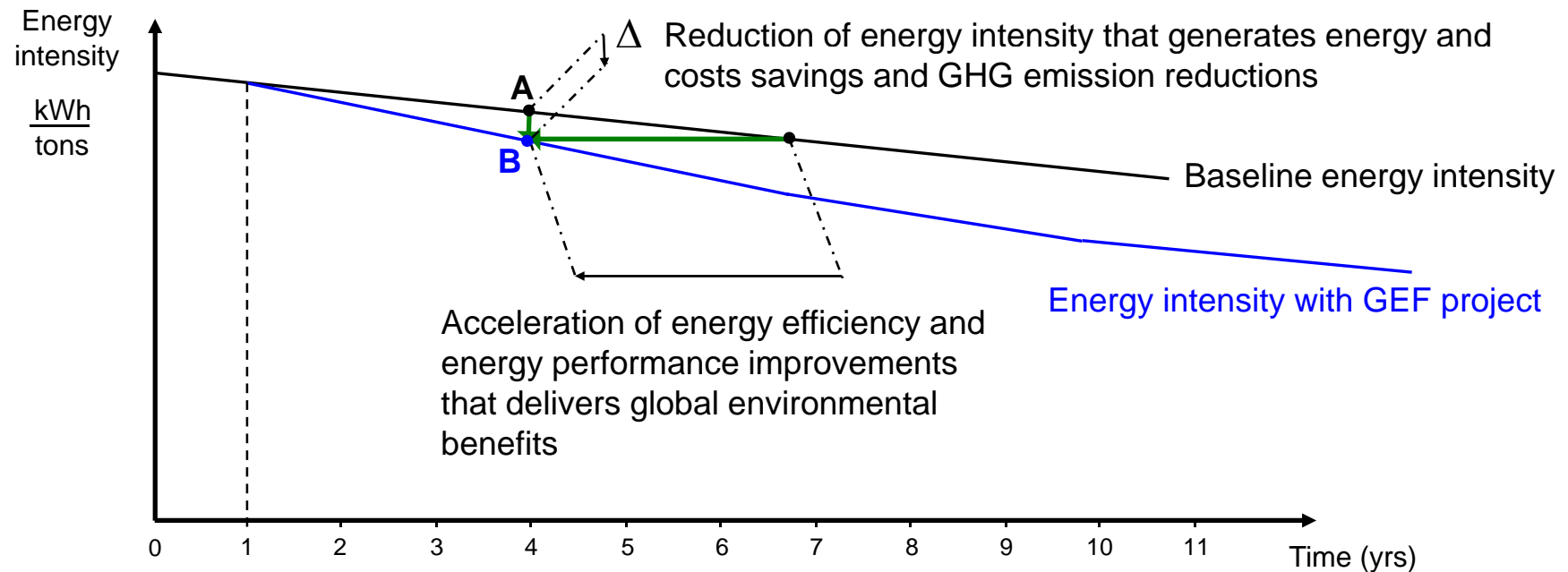
- The baseline is the existing situation and how it evolves in the absence of the GEF project
- The baseline is defined by the existing level of GHG emissions (i.e. level of energy consumption, energy efficiency and energy intensity) and by the existing policy, regulatory and market environment that determine and affect such level of emissions
- The baseline is not static but it moves over time

**The GEF REQUIRES TO DEFINE THE BASELINE of the PROJECT**



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### 1. Incrementality, baseline and co-financing

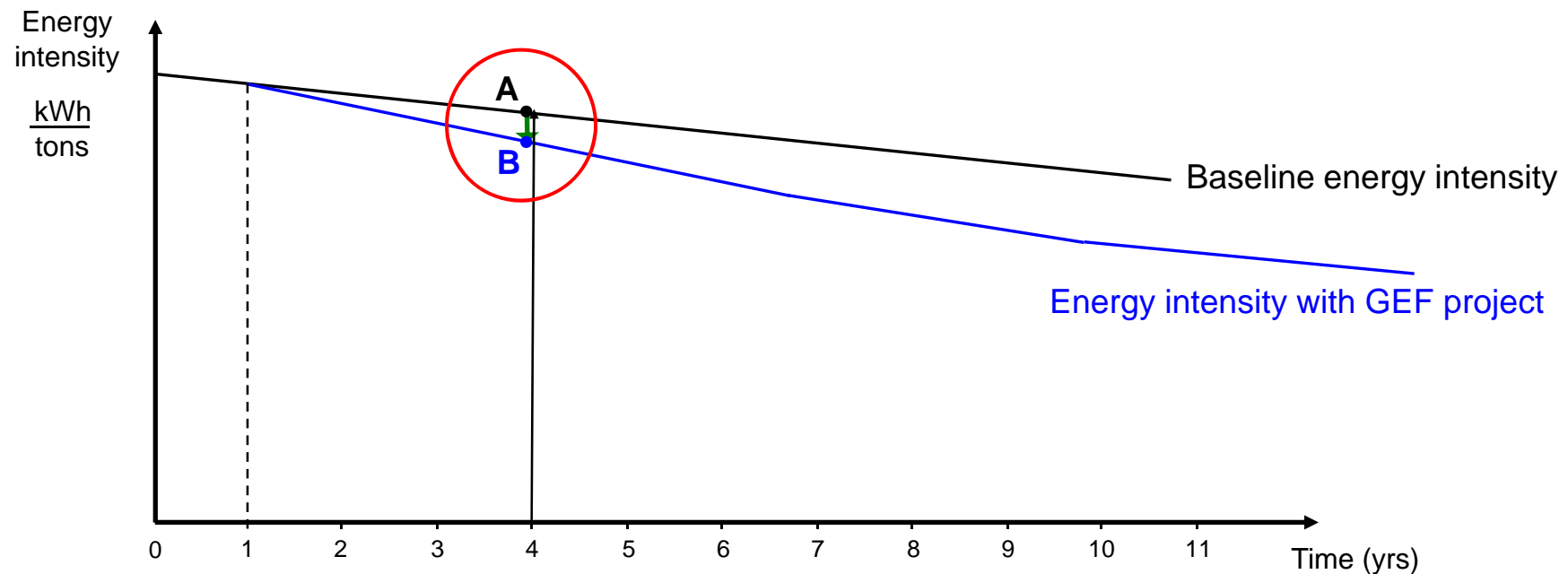


The GEF is interested in and prepared to pay for producing the transition A → B



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 1. Incrementality, baseline and co-financing



Transition A → B is not the result of GEF funds only, but of the synergies between GEF funds and resources available locally: policies, programs, human capacity, Govt. and enterprises investments, etc.



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 1. Incrementality, baseline and co-financing

- Transition A → B is NOT the result of GEF funds only, but of the synergies between GEF funds and resources made available locally (i.e. human capacity, facilities, Govt. and enterprises investments, etc.)
- Resources (cash and in-kind) made available and contributed to project implementation is what GEF consider co-financing
- The GEF requires ALWAYS co-financing and some evidence of it (i.e. letter of commitment)
- Cash co-financing CAN STAY WITH the project partner



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 1. Incrementality, baseline and co-financing

#### Examples of co-financing

- Government makes staff available to work with Project national and international experts to develop, establish and operate an energy benchmarking program for the manufacturing sector
- Enterprise makes staff available to attend the Project system optimization training program and to implement economically advantageous energy efficiency measures
- Enterprise makes funds available to invest in energy efficiency projects developed and supported by the Project
- Industrial association makes staff available to attend the project training program and then hold seminars for its constituent members





## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 2. GHG emission reductions – How much?

- The GEF **REQUIRES** that the energy savings and GHG emission reductions to be generated by the project **ARE QUANTIFIED**.
- This brings the need to define the baseline and estimate the impact of the project
  - Data collection
  - Energy audits
  - Expert assumption and modeling



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 3. What has been done so far

- i. Review policy, legal and regulatory framework
- ii. Collect data on Moldova energy sector
- iii. Collect data and conduct studies on manufacturing sub-sectors
- iv. Meet and discuss with key stakeholders
- v. Meet and discuss with other international organizations that implement programs relevant to industrial energy efficiency
- vi. Develop and formulate the project concept to support increased energy efficiency and productivity in Moldova industry
- vii. Get the project concept approved by the GEF



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 4. What remains to do

#### a) Complete baseline study

- Survey on energy efficiency and energy management practices in Moldova manufacturing sector - [Ongoing](#)
- Walk-through energy audits in a number of enterprises - [Ongoing](#)

#### b) Identify energy efficiency pilot projects to be supported by the project

- Detailed energy audits in a limited number of enterprises
- Techno-economic pre-feasibility studies



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### 4. What remains to do

#### c) Detail project activities in consultation with project partners

- Meetings between MENR, project experts and partners (Govt., public and private institutions, enterprises, etc.) - [Ongoing](#)
- Definition of roles and responsibilities - [Ongoing](#)

#### d) Agree with project partners on co-financing

- Define in-kind and/or cash contributions to the implementation of the project activities - [Ongoing](#)
- Prepare and sign letters of commitment



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### 4. What remains to do

- f) Estimate of energy savings and GHG emission reductions to be generated by the project
- g) Formulation of full project document
- h) Submission of project document to the GEF Secretariat by:

**19 December 2009**



## Finalizing the GEF-MENR-UNIDO project: what remains to do

### 5. Timelines for project preparation completion

Tasks	Timelines
a Complete baseline study )	31 Oct 09
b Identify pilot EE projects )	15 Sep - 31 Oct
c Detail project activities with ) partners	15 Sep - 31 Oct
d Agree with partners on co-financing )	15 Sep - 30 Nov
e Estimate of energy savings and GHG ) emission reductions	1 Nov - 5 Dec
f Formulation of project document ) (Prodoc)	15 Oct - 15 Dec



## Reducing Greenhouse Gas Emissions through Improved Energy Efficiency in the Industrial Sector in Moldova

### Project success factors

**Relevance.** High potential for energy conservation. Full compliance with Moldova's promulgated energy efficiency policy and strategy.

**Design.** Well-structured & highly synergetic with other EE initiatives (i.e. MoSEFF). International best practices. Complementary inputs from industry & government. Verifiable indicators, monitoring and evaluation.

**Ownership.** Recognition & support by national authorities & targeted beneficiaries. Commitment from industry, Govt. and IEE market players is critical.

**Measurable results.** Reductions in energy use and greenhouse gas emissions.



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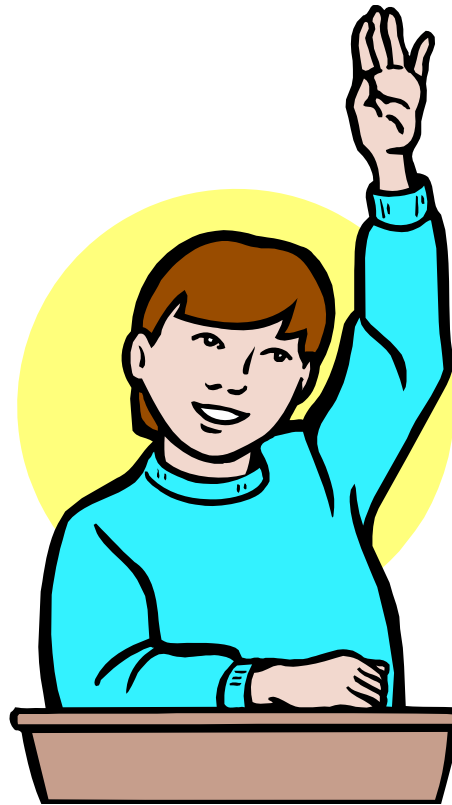
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# Questions and Answers





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# Thank you for your attention!

## For more information

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