

2019

Project Implementation Review (PIR)

**Energy Efficient Buildings**

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# Basic Data

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| **Project Information** | |
| UNDP PIMS ID | 4018 |
| GEF ID | 3800 |
| Title | Policy Reforms and Market Transformation of the Energy Efficient Buildings |
| Country(ies) | Iran, Iran |
| UNDP-GEF Technical Team | Energy, Infrastructure, Transport and Technology |
| Project Implementing Partner | Government |
| Joint Agencies | *(not set or not applicable)* |
| Project Type | Full Size |

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| **Project Description** |
| The objective of this project is to transform the energy efficiency of heating systems in buildings in Iran, resulting in an invigorated sector in which skilled and well trained engineers fit and retrofit efficient and low carbon heating systems in residences and other buildings, as required by demanding, well enforced building codes - thereby reducing heating bills for residents and national GHG emissions It is envisaged that this will be achieved by (i) reviewing the legislative, policy and regulatory frameworks that impact building efficiency in Iran; revisiting the building code and products standards and labels and developing a supportive cross-sectoral energy efficiency strategy; (ii) piloting installations of energy efficient and renewable energy measures in existing buildings; and (iii) transforming the market by: training manufacturers and building professionals to produce and install energy efficient heating systems; developing a stakeholder awareness-raising campaign and developing proposals for financing mechanisms for households. |

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| **Project Contacts** | |
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| Project Implementing Partner | Mr. Ali Vatani (avatani@ut.ac.ir) |
| Other Partners | *(not set or not applicable)* |

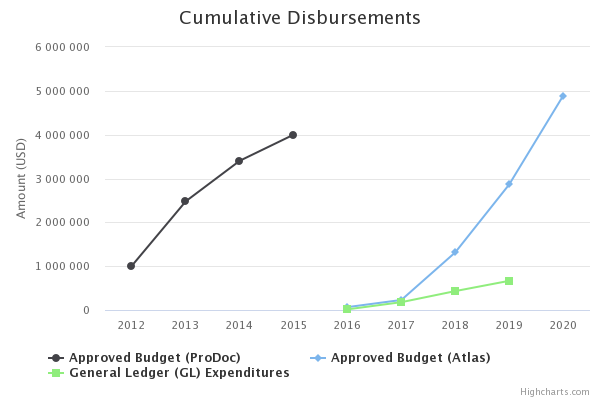
# Overall Ratings

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| Overall DO Rating | Moderately Satisfactory |
| Overall IP Rating | Moderately Unsatisfactory |
| Overall Risk Rating | High |

# Development Progress

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| **Description** | | | | | | |
| **Objective** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| Cumulative CO2 emission reductions by 2029 from new buildings to be built during project lifetime (2016-2020), Mtons CO2 | 0 | 0 | 153 | [In progress]    The implementation of policies on energy efficiency and developing appropriate means of applying building energy codes are among the interventions of the project that would lead to reduced GHG emissions.  In particular the project will develop an implementation system to support enforcement of new Energy Conservation Building Code (ECBC) once developed by the Building and Housing Research Center (BHRC). This will be based on Building Energy Passport (BEP) or energy performance certificates of buildings. Appropriate tools will be developed and provided to local and national bodies responsible for issuing construction permits for buildings in order to help them establish compliance of an application with minimum technical requirements as will be defined in ECBC.  The project will also provide training and on the job support for selected offices dealing with construction permits and ECBC enforcement.    The national building regulation (especially chapter 19 for new and existing buildings) and Energy Conversation Building Code (ECBC) are in the progress under the Contract between the project and the Road, Housing and Development Research Center (or BHRC) which is affiliated to the Ministry of Roads & Urban Development.  The project will develop implementation mechanisms for ECBC enforcement by end of June 2019.    The project will use existing UNFCCC and IPCC mechanisms, other available information sources and sector specific estimation tools to help with the development of a functional system for “Monitoring, Reporting and Verification (MRV)” of Emissions by end of 2019.  The project will develop the strategic plan by end of 2019 which will present how the project goals and activities will continue till 2029 and lead to CO2 emission target. | [In progress]  The Cumulative CO2 reduction from new buildings is expected to be realized through the following actions:  - Enforcement of Building energy code 19 (ECBC). A contract with the Building Housing and Research Centre (BHRC) (under the Ministry of Roads and Urbanisation), aimed at enforcing ECBC, is under development and expected to be finalized by September 2019.    - A contract for development of Energy Monitoring Information System (EMIS) platform was issued in July 2019.  The EMIS contractor is also developing the Building Energy Passport (BEP) section in the EMIS tool for new buildings – following the requirements of the Building Code 19 - and is under development and expected to be launched in November 2019.    - The project will develop a cross-sectoral strategy and action plan for the introduction and implementation of the Energy Efficiency and Environment (EEE) Market scheme as well as finalization of stakeholders’ map by end of 2019.    - Broad public awareness campaign was organized and training on climate change, environment, energy efficiency and renewable energy sources in buildings was conducted among 6700 students from 112 schools (elementary, intermediate and high schools) and 400 women staff of project stakeholders.    - An ESCO-based business model and associated working instructions was developed to be used in upcoming contracts on using ESCO models in public building EE retrofits by introducing energy performance based payments/energy performance contracts in the ESCO contracts.    - The concept for an Energy Efficiency and Environment (EEE) market model (using principles of White Certificate scheme) has been developed and after confirmation by stakeholders and receiving the results of pilot, an Energy Efficiency Certificate (for existing buildings) will be generated using a market model. |
| Average thermal energy consumption for space and water heating in pilot buildings reduced kWh/m2-yr | 277 | 208 | 208 | [In progress]    The Project has not implemented the pilots due to some delays and obstacles in 2017 as explained later in the report.  As this issue continued till April 2018, the project team reviewed the obstacles with RTA during the RTA’ mission. The applicable solutions and technologies will be implemented and starting from January 2019. The planned activities will be lead to the reducing the Average thermal energy consumption for space and water heating in pilot buildings according to the targets. | [In progress]    The average of thermal specific energy consumption is expected to reduce between 20 to 25% from the baseline amount, 277 kWh/m2-yr (on average) by implementing pilot projects as guaranteed by Energy Services Companies (ESCOs).  Implementation of EE measures in the first batch of pilot (41 non-residential buildings) is being conducted since May 2019 with average energy performance of 380 kWh/m2-yr (higher than baseline SEC because high energy saving potential was sought after) that can be reduced between 20 and 25 percent.  Two contracts with nominated ESCOs have been issued during July 2019 while remaining contacts will follow soon and EE measures will be implemented in maximum 6 months after awarding the contracts (by December 2019).  The 2nd batch of pilot project will be implemented in 130 residential buildings started in Aug. 2019.  Revision of national standard of Energy Performance Certificate/ labeling (EPC), #14253 and #14254 for existing residential and non-residential buildings can support improvement of energy performance.  The revision of #14254 (non-residential buildings) has been contracted first of July 2019 and will be performed by October 2019.  Inquiry for #14253 (residential buildings) will be performed by end of July 2019. |
| Average thermal energy consumption for space and water heating in new and existing buildings in Iran by 2029 (residential & nonresidential), kWh/m2- yr | 277 | 160 | 160 | [In progress]    The project will implement energy audits and Improving Energy Efficiency in 10 demo buildings by Energy Service Companies (ESCOs) by end of 2019.  For the new buildings, the project will develop implementation mechanisms for ECBC enforcement by end of June 2019. | [In progress]    By full enforcement of new version of ECBC building code 19th (new buildings), the Specific Energy Consumption indicator will reduce from 277 to 160, around 57% improvement through:  - Having more advanced and comprehensive building compliance check in force  - Integrated approach on all effective energy factors for designers and assessors (standardized method and agreement on all energy factors for third party assessors and inspectors)  - Conducting smooth enforcement process by third party assessors    Implementation of energy labeling/energy certificate system for existing buildings in cooperation with INSO as well as revising national standards of #14253 and #14254 for residential and non-residential buildings as policy drivers will support energy performance improvement as well. |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 1**  **COMPONENT 1: LEGISLATIVE, POLICY AND REGULATORY FRAMEWORKS Outcome 1: Key laws, policies, strategies, regulatory documents, frameworks and studies are approved by Iran supreme energy council and in place to provide overall national direction for the cost effective CO2 mitigation/building EE measures and facilitation of crosssectoral coordination and coherence for improved enforcement under the MEEE framework** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| No of MEEE policy document prepared | 0 | 1 | 1 | [1]    The Market for Energy Efficiency and Environment (MEEE) policy document was approved by Iran Supreme Energy Council on 31 January 2018 and It was announced to the public on 10 March 2018.  This Market is developed based on the Article 12 of the “Law on Elimination of Barriers to Competitiveness and Promoting Financial System”, and the “Law on Energy Consumption Pattern Reform”.  The project will develop the implementing regulation for MEEE in the building sector and facilitate the promoting MEEE by coordination of national stakeholders in building sector. The project will create a committee for MEEE in building sector under supervision of Energy Saving Commission from August 2018 in order to develop implementing mechanisms of MEEE in building sector. | [1]  As reported last year, by-law of Market for Energy Efficiency and Environment (MEEE) has been prepared and approved by Iran Supreme Energy Council on 31 January 2018 and it was announced publicly on 10 March 2018. For its implementation, working instructions must be developed. In this respect, following works has been performed by project.  - Preparation of legal and regulatory instructions of EEE Market by-law has been contracted and work expected to start in September.  - The conceptual model for EEE market has been prepared and exists in draft format based on stakeholders inputs.  - Energy efficiency certificate (white certificate) prototype has been developed.  -The ESCO business model, energy performance contracting (EPC), has been developed.  - The energy monitoring and information system (EMIS) platform is under development  - Providing inputs to MEEE committee which is directed by deputy of Vice Presidency of Science and Technology (VPST). |
| Number and scope of policies and innovative models on reducing air pollution on all populations, formulated, adopted, implemented | 0 | 1 | 2 | [0]    The project will adopt the Innovative model on reducing Air Pollution on all the populations by the end of 2019. The `white certificates` will be formulated by June 2019.  The White Certificate is the key trade-able papers which would be traded on the Market for Energy Efficiency and Environment. | [0]  EE and energy saving has an evident relation to reduction of air pollution through reducing fuel combustion.  Through the project, the following policies and models are being formulated to support this aim:  The ESCO business model, EEE market model and M&V and MRV methodologies are three models that support reducing air pollution.  ESCO business models is implementing through 1st batch of pilots.  M&V, MRV methodologies have not been started but are in our 2019 plan.  EEE market model is expected to be run in March 2020 |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 2**  **COMPONENT 2: PILOT INSTALLATIONS OF EE AND RE MEASURES IN EXISTING BUILDING STOCK Outcome 2: Improved heating systems and integration of SWH systems in privately owned residential buildings and government-owned buildings.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| CO2 emission reduction from implemented EE pilot projects at demo buildings | Some CO2 emission reductions (not attributed to the project) | 330 Kton CO2 emission reductions cumulatively from pilots in existing buildings (Up to 10 years after project completion) | 1 Mton CO2 emission reductions cumulatively from pilots in existing buildings (Up to 10 years after project completion) | [In progress]    The project will implement energy audits and Improving Energy Efficiency in 10 demo buildings by Energy Service Companies (ESCOs) by end of 2019.  For the new buildings, the project will develop implementation mechanisms for ECBC enforcement by end of June 2019. | [In progress]  Energy audit in 10 nominated buildings conducted. The aim of energy audit was to identify and calculate cost-benefit of applicable EE measures and technologies with focus on deeper and more innovative measures.  Implementation of EE pilot projects is in progress since March 2019.  The 1st batch of pilots (41 non-residential buildings) has already started and 2nd batch (130 residential buildings) will be launched in August 2019. The pilots are expected to contribute to 90 Kton cumulative (10 years) CO2 reduced by end of 2029. |
| Number of new technologies adopted and scaled up that support more efficient energy use | 0 | 3 | 6 | [In progress]    The project has reviewed the new technologies (Smart maintenance and operation of energy systems; Heat Pumps; Solar systems) which are applicable in the situation of Iran and will be adopted during the implementation of 10 pilot projects by the end of 2019. | [In progress]  Most of the following EE technologies are expected to be adopted throughout the numerous pilot projects. Some of them have not been scaled up so far due to lack of financial feasibility.  By implementing EE pilot projects, it is targeted to facilitate scaling up of following identified technologies:  1) Energy demand reduction (e.g. balance valves, canopy on the DX condensers, thermostat and canopy for evaporative cooler)  2) Building energy management system (e.g. smart control for heating and cooling, building management system (BMS), thermostats for fan coils, proportional solenoid valves on heating and cooling risers, variable speed pumps and drive for cooling towers fan, etc.)  3) Building energy performance improvement (e.g. Application of double shell tanks with coil tanks, utilization of economizers and recuperators, high efficient lighting, etc.)  4) Energy optimization in supply side (e.g. burners, condensing boilers, high efficient electro motors, heat regeneration from the combined cooling, heating and power, Gas heat pumps)  5) Building envelope technologies (e.g. double glazed windows, window films and double facades)  6) Renewable energy (e.g. solar collectors, photovoltaics for power generation, solar thermal collectors) |
| Amount of CO2 equivalent mitigated and energy efficiency/ achieved with a focus on residential sector | 0 | 50 kt CO2 | 100 kt CO2 | [In progress]    The project will start energy audits and Improving Energy Efficiency in the selected residential buildings from January 2019. | [In progress]  The pilot of residential building will start with 130 building since August 2019 by doing it, 13 Kton cumulative (over 10 years) CO2 emission reduction will achieve.  Based on estimation made by the project, assuming 85% of 400 pilots as residential buildings, the total cumulative (10 years) CO2 emission mitigated will be over 32 Kton. Therefore, the amount of 100 Kton is high.  Public awareness program and general training courses to building owners and other practitioners will accelerate achieving this goal. |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 3**  **COMPONENT 3: IMPLEMENTATION OF MARKET TRANSFORMATION STRATEGIES Outcome 3: MEEE promoting ESCOS to nationwide transformation of construction techniques for a thermally insulated building shell and reduced heating loads as well as improved behaviour and attitude of building owners and administrators toward building use.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| No. of Training centers for EEEB practitioners established. | 0 | 1 | 1 | [0]    The training center will be established with cooperation of Iran Technical and Vocational Training Organization (TVTO) which if affiliated to the Ministry of Labour. The MoU with TVTO is in the processing and the primary needs or plans of training center is being prepared and will be finalized by the end of 2018. | 0  For developing a training center (with cooperation of Iran Technical and Vocational Training Organization (TVTO)), following activities have been conducted:  1- Identification of specifications required for a standard training center;  2- First draft and integrated training program;  General training events were held from March to June 2019 as follow:  1- Five seminars for 400 women staff of governmental stakeholders on climate change and energy efficiency in building;  2- One seminar for 16 journalists on environment and climate change issues;  3- Awareness raising of more than 6000 students through a campaign for building energy efficiency and environment in 112 schools in Tehran. |
| Number of new partnerships for EE policy implementation | 0 | 1 | 2 | [0]    The Iran Technical and Vocational Training Organization (TVTO) will be the project partner by end of June 2019. | In progress    The project has intensive collaboration with 1) IFCO and INSO and 2) BHRC, the main partners in this project in:  1) revising national standards of building energy performance of existing buildings, #14253 and #14254 and,  2) Implementing mechanisms for enforcement of ECBC for new buildings (Code 19).    The project has three MoU signed with BHRC, Sharif Energy Research Institute and TVTO. |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 4**  **COMPONENT 4: PROJECT MANAGEMENT UNIT OUTCOME 4: Project strategy undertaking planned outputs and activities and financial resources fully achieved.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| Project implementation progress percentage | 0% | 40% | 100% | [10%]    Due to the delays and challenges which were occurred in 2016 and 2017 and consequent managerial changes at the beginning of 2018, most of the 2017 activities were not implemented as planned.  Therefore, the overall project progress has been limited as reported above.  However, in April 2018 the new project management team has been appointed, and is accelerating project planning and implementation since then. There is a clear plan in place how to mobilize necessary expertise, strengthen the project team capacity and engage closely the government stakeholders in the project activities. We are therefore confident that achievement of targets will improve significantly over the coming period. | 16.4% (Delivery Rate)  Despite delays, the project is on track.  Effective engagement of key stakeholders is a key activity to meet expected outputs in work plan 2019. |
| Government Budget allocation percentage achieved | 0% | 30% | 100% | [In progress]    In order to complete the Basic Research on “Pilot Project of Optimization and Improving Energy Efficiency of Central Heating Systems for Residential and Non-Residential Buildings”, 1 Million US$ was considered as the In-Kind. | 18%  Total value of USD 5.12 million have been co-financed:  - EE program in 200 boiler houses: USD 728,355  - Direct support of VPST from EE and RE technologies through MOUs with non-governmental organizations and universities: USD 1,688,373  - Macro programs on EE and RE technologies: USD 2,312,500 |
| **The progress of the objective can be described as:** | | **On track** | | | | |

# Implementation Progress



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| Cumulative GL delivery against total approved amount (in prodoc): | 16.64% |
| Cumulative GL delivery against expected delivery as of this year: | 16.64% |
| Cumulative disbursement as of 30 June (note: amount to be updated in late August): | 665,644 |

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| **Key Financing Amounts** | |
| PPG Amount | 100,000 |
| GEF Grant Amount | 4,000,000 |
| Co-financing | 28,516,760 |

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| **Key Project Dates** | |
| PIF Approval Date | Jun 8, 2010 |
| CEO Endorsement Date | Jun 11, 2012 |
| Project Document Signature Date (project start date): | Aug 18, 2016 |
| Date of Inception Workshop | Feb 27, 2017 |
| Expected Date of Mid-term Review | Jan 31, 2019 |
| Actual Date of Mid-term Review | *(not set or not applicable)* |
| Expected Date of Terminal Evaluation | May 18, 2020 |
| Original Planned Closing Date | Aug 18, 2020 |
| Revised Planned Closing Date | *(not set or not applicable)* |

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| **Dates of Project Steering Committee/Board Meetings during reporting period (30 June 2018 to 1 July 2019)** |
| 2018-11-14 |

# Critical Risk Management

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| Current Types of Critical Risks | Critical risk management measures undertaken this reporting period |
| Regulatory | - Lack of regulatory arrangements and inter-sectoral coordination among all project key stakeholders  - Establishing and managing specific committees for regular and due coordination and decisions  - Probability of delayed policy implementation and lack of enforcement of energy efficient building codes and MEEE |
| Financial | - Lack of sustainable financial scheme to support ESCO business and developing energy efficiency and environment market  - Establishing a specific fund for ESCO business can be an option.  - Capacity and conditions of existing local funds can provide inputs to establishing ESCO fund. |
| Operational | - Lack of sufficient technological and technical capacity for scaling up the pilots to national level (the need for more ESCOs, suppliers, technology providers and other corresponding actors)    - ESCOs technical capacity: limited capacity of ESCOs in the country (from the project assessment, less than 25 companies are known as ESCOs from which only 10 companies can implement ESCO projects.)    - Lack of interest and engagement of energy professionals and engineers to train new skills and knowledge on energy efficiency policies, policy enforcement, energy efficiency building design and operations. |

# Adjustments

**Comments on delays in key project milestones**

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| **Project Manager: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| Mid-term Review has been delayed by one year due to the project management changes and delays in the formation of project team both national and international. |

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| **Country Office: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| There has been delay in Mid-term review in the project due to slow progress in early stages of the project and number of change management within project team including NPM and NPD. But now all project team members are completely on board and project is now on the right track to achieve its goals. |

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| **UNDP-GEF Technical Adviser: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| The project has had to face several challenges starting before implementation in identifying the appropriate Implementing Partner, followed by challenges during implementation created by inexperience, different expectations and project staff turnover. This also contributed to a delay in conducting the Mid Term Review. In the past year reporting period, the project manager changed (for the 2nd time) however this time being replaced by an experienced project manager. The prospects for the next implementation period are therefore good, and Mid Term Review is currently underway. |

# Ratings and Overall Assessments

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| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Project Manager/Coordinator** | Moderately Satisfactory | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | The project is rated moderately satisfactory.  Although the project is behind the schedule according to the annual work plans 2018 and 2019, it is quite on track and all planned activities are ongoing and proceeding.  The risk of the project is that the EEE market scheme (based on principles of White Certificate Scheme) wouldn't be implemented and promoted in real situation and limited to the pilot scale.  The market of EEE is complex having many components and actors and requiring number of processes, procedures and coordination. For successful implementation of EEE market, first proposing an appropriate financial scheme is necessary since the low energy price makes this business currently not very cost-effective. Second, regulatory arrangements are entirely prominent in connecting all processes and actors within the context of Market. | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **UNDP Country Office Programme Officer** | Moderately Satisfactory | Moderately Unsatisfactory |
| Overall Assessment | After some management issues at the beginning stages of the project and considerable delay on financial and implementation progress , for the past 9 months the project has all the team member onboard including management team, technical staff and national and international consultants. Over all delivery of 2018 workplan was 23.27% which was not a good achievements while the delivery of 2019 workplan for the first six months is more than 25% considering the budget increase from 1 million in 2018 to 1.5 m in 2019. Several contracts have been finalized in the project now and prediction is the project delivery would be more than 80% in spite of exchange rate fluctuation. Project has a delivery plan for the remaining activities in 2019 workplan and there are positive signs stakeholders participation in project activities including their engagement in Steering committee meeting and participation in project results.  All the above signs shows the project is in the right track and project team has the adaptive management in place to compensate delays in the early years of project.  Low delivery of project is still a risk needs to be considered by project team as it may affect main achievement and over all performance of project and this will addressed by keeping the created momentum to deliver results.  Another main concern about the project is support establishing Energy Market in Iran which is still does not have a considerable progress and more efforts needs to ensure providing a best practice based on project results. . | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **GEF Operational Focal point** | Moderately Satisfactory | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | Despite the long intervals between approval and start of "the Policy Reforms and Market Transformation of the Energy Efficient Buildings project" (2012-2016), a work plan is delivered for 2019 while it is a positive sign about project progress. As new GEF Operational Focal Point, we consider the progress of establishing Energy Market in Iran and hope to meet related partnership in next steering committee meeting and discuss it.  OFP expects that the project manager and also international team take the facilitating measurements for compensating the lost times too. Since the project is important for the Iranian government, OFP would like to help it to achieve the Project's goals as much as possible. Hereby OFP acknowledges that the project implementation process has been at a moderately satisfactory rate during the last night months and look forward to hearing more positive news in continuing the path. | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Project Implementing Partner** | *(not set or not applicable)* | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | *(not set or not applicable)* | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Other Partners** | *(not set or not applicable)* | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | *(not set or not applicable)* | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **UNDP-GEF Technical Adviser** | Moderately Satisfactory | Moderately Unsatisfactory |
| Overall Assessment | Given the fact that a new project manager was introduced to the project over the reporting period and also taking into account the political turmoil over the past year, the new project manager has to be commended for considerable progress in making concrete results in policy development and identifying public building pilots for EE retrofitting whereby ESCOs will be involved. Given this progress under challenging circumstances, the progress in development objective progress is rated as Moderately Satisfactory.    The delivery rates of the project continue to be low which may be caused partially due to the fact that implementation of pilot building EE retrofits are only expected to happen in the next reporting period while also the currency challenges due to political turmoil might have contributed to some extent. Still, with an overall delivery rate of 16.6% after more than 2 years implementation and 15% delivery rate of the annual workplan after 6 months of implementation, the Implementation Progress is rated Moderately Unsatisfactory.    DEVELOPMENT OBJECTIVE PROGRESS    This project has had to face several challenges starting already before implementation in identifying the appropriate Implementing Partner, followed by challenges during implementation created by inexperience, different expectations and project staff turnover. In the reporting period, the project manager changed (for the 2nd time) however this time being replaced by an experienced project manager. The project results therefore show substantial progress, with support to several policies related to improving energy efficiency of new buildings and existing buildings.    With regard to new buildings, a most crucial element in realizing more energy efficient new building development is the actual enforcement and compliance checking of the Building Energy Code. In this respect, the project has now made steps in working with the Building Housing and Research Centre to develop a scheme to enforce the Building Energy Code (known as “Code 19”) by introducing enforcement process by third party assessors. Also, the requirements of the Building Energy Code are being translated into a Building Energy Passport, which new buildings can receive upon complying with the Energy Building Code.    With regard to existing buildings, the project is starting the Energy Monitoring Information System (EMIS) as well as a scheme with Energy Certificates for existing buildings that can assess the level of energy efficiency of a particular building. This is an important step in creating awareness on energy efficiency levels and tools that can help to undertake steps to improve energy efficiency of existing buildings.    In general, the project is putting efforts in supporting the government to realise the ambition of an Energy Efficiency and Environment Market, which is a scheme that is based on principles of the White Certificates as used in e.g. Europe. The government has taken this initiative several years back but is still slow in making concrete steps in the direction of an EEE Market, the project is trying to push to come to real results.    The project also identified pilot buildings where energy efficiency retrofits will be undertaken, thereby piloting ESCO (Energy Service Company) mechanisms. The first batch of 41 public buildings have been identified where energy audits concluded that energy consumption can be reduced by some 20 to 25%. As the ESCO market is only still to start from scratch in Iran, in the first pilot the energy investments are financed by the project while the contract with ESCOs foresees in an Energy Performance Contract. ESCOs will thereby receive payments on the basis of actual energy savings realized as guaranteed in the Energy Performance Contract. The project also set up a broad awareness raising campaign and conducted training on energy efficiency for government staff.    The project is currently undergoing a Mid Term Review which may help to clarify some indicators in the project that were added during the Inception Phase but which do not always seem to be consistent or are difficult to interpret. The MTR can also help the project to strategize in order to come to maximum sustainable results of the remaining implementation time. Sustainable results in the project can e.g. come from concrete steps in the EEE Market, government acceptance of an enforcement mechanism for the Building Energy Code 19 and ESCOs that are capable of pre-financing EE investments in public buildings with building owners repaying on the basis of energy savings.    So far, given the challenges the project has had in implementation due to a number of external factors, it is commendable that the new project manager has managed to get the project on the right track and has realized several substantial achievements over the reporting period. However, for several indicators the project has not yet been to report progress, e.g. in the absence of a monitoring mechanism (to be discussed with MTR team) or because activities are not yet showing sufficient progress.    Taking all these considerations together, it is deemed appropriate to rate the implementation progress as Moderately Satisfactory.    IMPLEMENTATION PROGRESS    The project is facing considerable challenges in realizing the delivery targets. With an overall delivery rate of 16.6% after more than 2 years implementation and 15% delivery rate of the annual workplan after 6 months of implementation, the project is underperforming in terms of delivery. However, the project manager is of the opinion that the implementation progress is more advanced than the delivery target due to the fact that a substantial part of the project budget is dedicated to implementation of EE investments in pilot buildings whereby this part of the project only just started. At the same time, Iran is facing particular constraints since the political turmoil surrounding the country has resulted in extreme currency fluctuations. The project delivery is however something that will have to be put under stronger scrutiny in the coming period. The implementation progress has therefore been rated as Moderately Unsatisfactory.    RECOMMENDATION    The project is commended for the new project manager to get the project implementation back on track. However, the project is underperforming in delivery rate and will have to put more efforts in showing results in project expenditures. It is therefore needed that the project team works closely with the Mid Term Review team in identifying bottlenecks for project delivery and follow these up with concrete actions. The Mid Term Review can also be used to discuss how the project can maximize outcomes in the remaining time in realizing sustainable results. Sustainable results in the project can e.g. come from concrete steps in the EEE Market, government acceptance of an enforcement mechanism for the Building Energy Code 19 and ESCOs that are capable of pre-financing EE investments in public buildings with building owners repaying on the basis of energy savings. It is recommended to discuss with the Mid Term Review team how such outcomes can be prioritized in the project given the relatively short remaining project implementation timeline. | |

# Gender

**Progress in Advancing Gender Equality and Women's Empowerment**

This information is used in the UNDP-GEF Annual Performance Report, UNDP-GEF Annual Gender Report, reporting to the UNDP Gender Steering and Implementation Committee and for other internal and external communications and learning.  The Project Manager and/or Project Gender Officer should complete this section with support from the UNDP Country Office.

|  |
| --- |
| **Gender Analysis and Action Plan:** *not available* |
| **Please review the project's Gender Analysis and Action Plan. If the document is not attached or an updated Gender Analysis and/or Gender Action Plan is available please upload the document below or send to the Regional Programme Associate to upload in PIMS+. Please note that all projects approved since 1 July 2014 are required to carry out a gender analysis and all projects approved since 1 July 2018 are required to have a gender analysis and action plan.** |
| *(not set or not applicable)* |

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| --- |
| **Please indicate in which results areas the project is contributing to gender equality (you may select more than one results area, or select not applicable):** |
| Contributing to closing gender gaps in access to and control over resources: Yes |
| Improving the participation and decision-making of women in natural resource governance: Yes |
| Targeting socio-economic benefits and services for women: No |
| Not applicable: No |

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| --- |
| **Atlas Gender Marker Rating** |
| **GEN1:** some contribution to gender equality |

|  |
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| **Please describe any experiences or linkages (direct or indirect) between project activities and gender-based violence (GBV). This information is for UNDP use only and will not be shared with GEF Secretariat.** |
| *(not set or not applicable)* |

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| --- |
| **Please specify results achieved this reporting period that focus on increasing gender equality and the empowerment of women.**    **Please explain how the results reported addressed the different needs of men or women, changed norms, values, and power structures, and/or contributed to transforming or challenging gender inequalities and discrimination.** |
| The project is focusing on women as managers at home (to reduce energy consumption on daily basis, educate the family about energy efficiency and to buy energy efficient home appliances). Over the past years, the female roles in energy industry has increased significantly.  The project designed specific workshops for women on energy efficiency and environment in buildings starting with women staff of government organizations from the project stakeholders. Through holding 5 workshops for about 400 women, the findings show that women are less resistant to change and more sensitive to environmental issues like air pollution. In one of the workshops, the effectiveness of the training was observed when many of the trainees returned training materials in order to save paper and preserve environment. |

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| **Please describe how work to advance gender equality and women's empowerment enhanced the project's environmental and/or resilience outcomes.** |
| EEEB project has special focus on empowering women.  One-third of project team are women including project manager.  In recruitment process, in equal qualification, women will be considered in the first priority in order to maintain gender balance even within the project team. |

# Social and Environmental Standards

**Social and Environmental Standards (Safeguards)**

The Project Manager and/or the project’s Safeguards Officer should complete this section of the PIR with support from the UNDP Country Office. The UNDP-GEF RTA should review to ensure it is complete and accurate.

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| --- |
| **1) Have any new social and/or environmental risks been identified during project implementation?** |
| No |

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| **If any new social and/or environmental risks have been identified during project implementation please describe the new risk(s) and the response to it.** |
| N/A |

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| **2) Have any existing social and/or environmental risks been escalated during the reporting period? For example, when a low risk increased to moderate, or a moderate risk increased to high.** |
| No |

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| **If any existing social and/or environmental risks have been escalated during implementation please describe the change(s) and the response to it.** |
| N/A |

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| **SESP:** *not available*  **Environmental and Social Management Plan/Framework:** *not available* |
| **For reference, please find below the project's safeguards screening (Social and Environmental Screening Procedure (SESP) or the old ESSP tool); management plans (if any); and its SESP categorization above. Please note that the SESP categorization might have been corrected during a centralized review.** |
| *(not set or not applicable)* |

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| **3) Have any required social and environmental assessments and/or management plans been prepared in the reporting period? For example, an updated Stakeholder Engagement Plan, Environmental and Social Impact Assessment (ESIA) or Indigenous Peoples Plan.** |
| Yes |

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| --- |
| **If yes, please upload the document(s) above. If no, please explain when the required documents will be prepared.** |
| Qualitative and Quantitative Market Study |

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| --- |
| **4) Has the project received complaints related to social and/or environmental impacts (actual or potential )?** |
| No |

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| **If yes, please describe the complaint(s) or grievance(s) in detail including the status, significance, who was involved and what action was taken.** |
| No |

# Communicating Impact

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| **Tell us the story of the project focusing on how the project has helped to improve people’s lives.**  **(This text will be used for UNDP corporate communications, the UNDP-GEF website, and/or other internal and external knowledge and learning efforts.)** |
| It is obvious that energy efficiency can protect environment and reduce air pollution leading healthier lifestyle and longer lives for people in addition to save costs on utility bills.  As an real example, in one of the awareness raising workshops for women, at the end of the workshop more than half of the trainees returned their training packages in order to save paper and help environment that presenting the effectiveness of the workshop. In addition, most of them have committed to do at least one action to save energy in their homes. Even one energy efficient action can contribute to have cleaner indoor and outdoor air improving people's lives. |

**Knowledge Management, Project Links and Social Media**

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| --- |
| **Please describe knowledge activities / products as outlined in knowledge management approved at CEO Endorsement /Approval.**    **Please also include: project's website, project page on the UNDP website, blogs, photos stories (e.g. Exposure), Facebook, Twitter, Flickr, YouTube, as well as hyperlinks to any media coverage of the project, for example, stories written by an outside source. Please upload any supporting files, including photos, videos, stories, and other documents using the 'file lirbary' button in the top right of the PIR.** |
| Project Website: www.eeeb.ir. All the news stories, training materials and biding calls have been published in project website.  The new design of website is on process in order to have more facilities for sharing project outputs and achievements in more informative manner.  www.linkedin.com/eeebproject  The linked-In page with more than 180 members who are the expert or consultant in energy efficiency and environment in building  Project page on the UNDP website: http://www.ir.undp.org/content/iran/en/home/operations/projects/environment\_and\_sustainable\_development/Policy-Reforms-and-Market-Transformation-of-the-Energy-Efficient-Buildings-Sector-of-Iran.html  Related Links:  Some news stories of the project were published in different media between 2018-2019 which can be read in the following links:  https://www.mojnews.com/  https://www.zistonline.com/article/80214/  https://www.rouydad24.ir/fa/news/179269/  http://tebna.ir/  https://www.jamehnews.com/  http://www.pana.ir/news/899008  https://www.mehrnews.com/news/4560070/  https://www.mehrnews.com/news/4562113/  https://www.mehrnews.com/news/4562115/  http://www.mygarden.ir/  https://www.barank.ir/  http://newspaper.hamshahri.org/id/60704/%D8%AC%D9%87%D8%A7%D9%86.html  http://www.imannews.com/social/916640/  https://www.akhlaghnews.com/  https://www.akhlaghnews.com/97692/  http://www.hseonline.ir/home/info/83191    https://khabarban.com/a/24173341  http://iscanews.ir/news/994866/  https://www.msrt.ir/fa/news/48251/  https://www.ghatreh.com/news/nn47667750/  http://ceee.isti.ir/index.aspx?siteid=22&fkeyid=&siteid=22&pageid=4562&newsview=30233  https://www.mehrnews.com/news/4458598/  http://iscanews.ir/news/976409/  https://www.bmn.ir/fa-IR/News/News/76075/  http://www.baharnews.ir/news/173889/  https://www.trt.net.tr/persian/mhyt-zyst/2019/03/09/msrf-nrjy-dr-yrn-3-brbr-myngyn-jhny-st-1160221  https://www.ilna.ir/ |

# Partnerships

**Partnerships & Stakeholder Engagment**

Please select yes or no whether the project is working with any of the following partners. Please also provide an update on stakeholder engagement. This information is used by the GEF and UNDP for reporting and is therefore very important!  All sections must be completed by the Project Manager and reviewed by the CO and RTA.

|  |
| --- |
| **Does the project work with any Civil Society Organisations and/or NGOs?** |
| Yes |

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| --- |
| **Does the project work with any Indigenous Peoples?** |
| No |

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| **Does the project work with the Private Sector?** |
| Yes |

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| **Does the project work with the GEF Small Grants Programme?** |
| No |

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| --- |
| **Does the project work with UN Volunteers?** |
| No |

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| --- |
| **Did the project support South-South Cooperation and/or Triangular Cooperation efforts in the reporting year?** |
| No |

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| --- |
| **CEO Endorsement Request:** [PIMS 4018 IRA EE Buildings Policy Reform CEO Endorsement 030512.docx](https://undpgefpims.org/attachments/4018/213009/1646145/1646430/PIMS%204018%20IRA%20EE%20Buildings%20Policy%20Reform%20CEO%20Endorsement%20030512.docx) |
| **Provide an update on progress, challenges and outcomes related to stakeholder engagement based on the description of the Stakeholder Engagement Plan as documented at CEO endorsement/approval (see document below). If any surveys have been conducted please upload all survey documents to the PIR file library.** |
| N/A |

# Annex - Ratings Definitions

**Development Objective Progress Ratings Definitions**

(HS) Highly Satisfactory: Project is on track to exceed its end-of-project targets, and is likely to achieve transformational change by project closure. The project can be presented as 'outstanding practice'.

(S) Satisfactory: Project is on track to fully achieve its end-of-project targets by project closure. The project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Project is on track to achieve its end-of-project targets by project closure with minor shortcomings only.

(MU) Moderately Unsatisfactory: Project is off track and is expected to partially achieve its end-of-project targets by project closure with significant shortcomings. Project results might be fully achieved by project closure if adaptive management is undertaken immediately.

(U) Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets by project closure. Project results might be partially achieved by project closure if major adaptive management is undertaken immediately.

(HU) Highly Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets without major restructuring.

**Implementation Progress Ratings Definitions**

(HS) Highly Satisfactory: Implementation is exceeding expectations. Cumulative financial delivery, timing of key implementation milestones, and risk management are fully on track. The project is managed extremely efficiently and effectively. The implementation of the project can be presented as 'outstanding practice'.

(S) Satisfactory: Implementation is proceeding as planned. Cumulative financial delivery, timing of key implementation milestones, and risk management are on track. The project is managed efficiently and effectively. The implementation of the project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Implementation is proceeding as planned with minor deviations. Cumulative financial delivery and management of risks are mostly on track, with minor delays. The project is managed well.

(MU) Moderately Unsatisfactory: Implementation is not proceeding as planned and faces significant implementation issues. Implementation progress could be improved if adaptive management is undertaken immediately. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are significantly off track. The project is not fully or well supported.

(U) Unsatisfactory: Implementation is not proceeding as planned and faces major implementation issues and restructuring may be necessary. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are off track with major issues and/or concerns. The project is not fully or well supported.

(HU) Highly Unsatisfactory: Implementation is seriously under performing and major restructuring is required. Cumulative financial delivery, timing of key implementation milestones (e.g. start of activities), and management of critical risks are severely off track with severe issues and/or concerns. The project is not effectively or efficiently supported.