

**United Nations Development Programme**  
**Country: Saudi Arabia**  
**Project Document**

**Project Title:** National Energy Efficiency Programme: Phase 2

**CCSF Outcomes:** Sustainable Use of Natural Resource and the Environment.

**Expected CP Outcomes:** Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.

**Expected Outputs:** Policies to mainstream energy efficiency into the national economy and development

**Executing Entity:** King Abdul-Aziz City for Science & Technology (KACST) – Saudi Energy Efficiency Centre (SEEC)

**Implementing:** UNDP Implementation Support Services

**Brief Description**

This is the second phase of a capacity development programme for the King Abdul-Aziz City for Science and Technology aimed at supporting the recently established Saudi Energy Efficiency Centre to achieve the Kingdom's increasingly important goals for energy conservation. As Saudi Arabia continues to diversify its economy beyond oil exports, energy intensity of the economy has grown in key sectors like housing and buildings, consumer appliances, heavy industry, water and transport. With electricity in Saudi Arabia predominantly from oil-burning power facilities, and in order to conserve oil resources for the future generation, a key focus of the Government and industry leaders is to reduce the energy intensity growth through policy, management and technology measures.

This project focuses on four major outcomes with the overall goal of capacity development for the new Saudi Energy Efficiency Centre: (i) Energy Efficiency Policy and Regulations: design of the first Energy Conservation Law and related actions plans and regulations at national and local levels to achieve targets; (ii) Energy Information System: design and establishment of a new national energy information system as a base of data on energy supply and demand, forecasting and monitoring/evaluation of targets. (iii) Capacity Development for Energy Efficiency Managers and Leaders: design and implementation of extensive training programmes for energy manager and leaders from public and private sectors focused on challenges and opportunities in key sectors like buildings, consumer appliances, heavy industry, transport, power supply and water; (iv) Awareness Raising on Energy Conservation: design and implementation of nation-wide campaign on energy conservation aimed at enhancing energy consumption patterns and behaviour for the public .To achieve all of its objectives as originally intended, this Project will most likely be extended and funds added to ensure all outcomes are reached.

Country Programme Period:	2011-2015
Key Result (Strategic Plan):	Energy & Env
Atlas Award ID:	00080559
Phase 2 (2012)	
Start date:	1 Jan 2012
End Date:	31 Dec 2012
PAC Meeting Date	Dec 2011
Management Arrangements	NIM, with ISS
Executing Agency:	KACST-SEEC
Implementation:	UNDP ISS

Total resources:	<b>\$2,373,586</b>
Total allocated resources:	<b>\$2,373,586</b>
• KACST-SEEC:	<b>\$2,373,586</b>

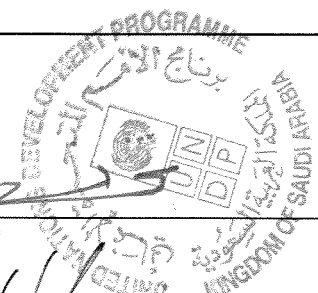
Partners: King Abdullah City for Atomic & Renewable Energy; Ministry Water & Electricity; Electricity Co-Generation Authority, Ministry Petroleum & Mineral Resources; Ministry Commerce & Industry; Ministry of Municipalities, Ministry Housing; Saudi Aramco, Saudi Basic Industries Corporation (Sabic), Saudi Electricity Company, National Water Company, Saudi Standards Organization.

Agreed by KACST/SEEC:

Dr. Mohammed I. Al-Suwaiyel, KACST President

Agreed by UNDP:

Dr. Kishan Khoday, UNDP Resident Representative ai



12-18-11

## I. SITUATION ANALYSIS

The 9<sup>th</sup> National Development Plan (NDP; 2010-14) has the overall theme of sustaining development with a record \$385 billion, 67% increase on 8<sup>th</sup> NDP, targeted at improving standards of living, regional development, economic diversification, knowledge-based economy and competitiveness, and human resources including youth and women. The NDP is based on the tenets of a Long-Term Strategy towards 2024 with the overarching target of having the Kingdom as, "a developed, thriving and prosperous economy, built on sustainable foundations." Saudi Arabia achieved positive growth over the last decades, and is planning to sustain such growth throughout the next five years at an annual average of 5.2%. Non-oil sectors are expected to contribute 81.3% of the GDP by 2014 with expected expansion of the private sector and diversification of growth beyond oil exports. Saudi Arabia's economy relies on the oil sector for 80% of public revenues, 45% of GDP, and 90% of export earnings, while also facing high unemployment of 14.4% (2005). KSA seeks to diversify the economy beyond oil exports and create future employment opportunities.

According to the 9<sup>th</sup> National Development Plan, in 2009, total domestic consumption of energy was about 2.97 million barrels of oil equivalent per day, compared with 2.06 million barrels per day in 2004, an average annual growth rate of 7.7 %. The high growth rates of consumption are attributed to the boom in the national economy, stability of domestic prices of energy products, and a continued trend of domestic investment, especially in industry, targeting energy-intensive activities. Domestic consumption of primary energy is expected to rise from about 3 million barrels per day in 2009 to about 4 million barrels per day in 2014, an average annual growth rate of 6.5%, compared with a forecast average annual growth of GDP of about 5.2% over the same period.

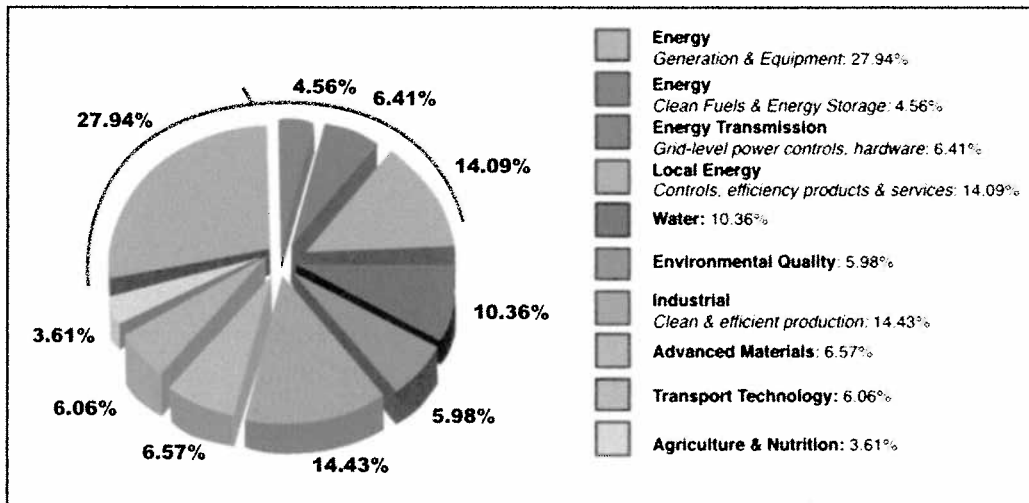
Year	Most Likely Case		High Growth Case		Low Growth Case	
	Peak Load (MW)	Energy (GWh)	Peak Load (MW)	Energy (GWh)	Peak Load (MW)	Energy (GWh)
2008	33.930	198.766	33.930	198.767	32.816	192.244
2013	41.940	248.930	45.253	268.589	39.468	234.254
2018	50.218	298.058	63.415	376.386	46.371	275.229
2023	57.808	343.110	93.779	556.607	52.588	312.127

*Electricity demand forecast in Saudi Arabia (NDP 2010)*

Type	Number of subscribers	Consumption (GWh)	Percent of total consumption
Residential	4,675,554	100,832	52%
Government	195,876	26,232	14%
Commercial	753,325	23,203	12%
Industrial	7,289	34,654	18%
Others	69,472	8,551	4%
<b>Total</b>	<b>5,701,516</b>	<b>193,472</b>	

*Distribution of electricity consumption (ECRA, 2009)*

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Allocation of \$386billion Clean Technology Investments in 2010 (Cleantech Group 2011)

After decades of relying heavily on the Kingdom's oil resources, policy makers are now focusing on **improving efficiency of energy use and harnessing the opportunities from green economy** concept to make best use of increasingly scarce energy resources for the goal of sustained economic growth while also achieving co-benefits from reduced greenhouse gas emissions. Indeed energy efficiency is now leading global clean technology investments with scope to engage global investment into Saudi Arabia. **In 2010 the world saw \$386billion investment into clean technology, highest ever.** A key source of energy intensity has been residential sector, 52% of overall energy use in KSA. A key challenge in achieving results in Saudi Arabia has been coordination of stakeholders involved in energy supply and demand and developing a hub of leadership on energy efficiency strategy and implementation support.

The issuance of a Royal Decree and **launch of the Saudi Energy Efficiency Centre (SEEC)** in 2010 under the King Abdul-Aziz City for Science and Technology is meant to address this, to support nation-wide activities on energy conservation across various sectors. SEEC is an independent institution that can support development of nation-wide programmes, mandatory and voluntary, in coordination with relevant agencies in the Kingdom. It is also mandated to provision of expert technical advice and recommendations, and to support effective implementation and compliance with national requirements. In line with the general objectives of the 9<sup>th</sup> Development Plans, this second phase (2011-2015) of cooperation between UNDP and KACST-SEEC constitutes a partnership to strengthen **institutional and human capacities of the SEEC** in achieving energy efficiency goals. It will bring to SEEC the best available experts in the UN global network of energy experts, including UNDPs Energy and Environment Group in UN Headquarters in New York and partner institutions and centres of excellence around the world.

## II. STRATEGY

This is the second phase of a **capacity development** programme for the King Abdul-Aziz City for Science and Technology aimed at supporting the recently established Saudi Energy Efficiency Centre to achieve the Kingdom's important goals for energy conservation. As Saudi Arabia continues to diversify its economy beyond oil exports, energy intensity of the economy has grown in key sectors like housing and buildings, consumer appliances like air conditioning, refrigeration; energy intensive industry like steel and aluminum, petrochemicals, etc; energy efficiency in public and private transport; power supply including supply transmission and efficiency of renewable energy options; and water including desalination facilities. With electricity in Saudi Arabia predominantly from oil-burning power facilities, and in order to conserve oil resources for the future generation, a key focus of the Government and industry leaders is to reduce the energy intensity of growth through policy, management and technology measures.

The midterm and terminal evaluation of Phase 1 of cooperation (2003-2011) raised several key findings which have been taken into account in design of Phase 2 of the cooperation. Phase 1 was the first national program on a large scale to address energy efficiency and addressed several

issues for the first time such as introduction of new variable electricity tariffs and new energy efficiency codes for consumer appliances and buildings. Phase 1 also resulted in key public-private partnerships, and creation of five Energy Service Companies (ESCOs). The evaluation found several items for future focus including: the need for a national energy efficiency law and national strategy, need for training of trainers programmes to transfer international expertise to local energy leaders, broader focus on generation and use of energy information database, the need to increase awareness raising across society, the need to have specific roles for partner organizations, and the need to develop comparative analysis and partnerships with energy efficiency centres in other countries. An overall recommendation was that a Phase 2 be designed to further support specific capacities in these areas and ensure sustainability of the energy efficiency trajectory of Government efforts through capacity development of the emerging National Energy Efficiency Centre.

Based on the evaluation and subsequent dialogues and the launch of the SEEC in late 2010, this project focuses on **four major outcomes** with the overall goal of capacity development for the new National Energy Efficiency Centre:

- (i) **Energy Conservation Law, Strategy and Action Plans:** support to completion of the first Energy Conservation Law, a National Energy Efficiency Strategy and sectoral actions plans in key sectors like housing and buildings, consumer appliances like air conditioning, refrigeration; energy intensive industry like steel and aluminum, petrochemicals, etc; energy efficiency in public and private transport; power supply including transmission and efficiency of renewable energy options; and water including desalination facilities;
- (ii) **Capacity Development for Energy Managers and Leaders:** design and implementation of extensive training of trainers (ToT) for energy manager and leaders from public and private sectors focused on challenges and opportunities in key sectors like housing and buildings, consumer appliances, heavy industry, transport, power supply, and water; and direct training to key energy managers and leaders in remote areas of KSA
- (iii) **Energy Efficiency Information Systems (EEIS):** design and establishment of a new national energy information system as a data base on energy supply and demand, forecasting and monitoring/evaluation of targets in key sectors like buildings, consumer appliances, heavy industry, transport, power supply, and water
- (iv) **Awareness Raising for Public and Industry:** design a nation-wide Energy Efficiency Campaign to enhance energy consumption and behavior, particularly energy conservation in residential sector and in high growth energy-intensive industries. Implement a number of awareness campaigns addressing residential sector.

**Strategic partnerships** will be central to the programme. In addition to KACST-SEEC as the Implementing Partner it also includes King Abdullah City for Atomic & Renewable Energy; Ministry of Water and Electricity; Electricity and Co-Generation Regulatory Authority, Ministry of Petroleum and Mineral Resources, Ministry of Municipalities and Rural Affairs, Ministry of Housing; Ministry of Commerce & Industry; Ministry of Transportation, Saudi Chambers of Commerce, Saudi Standards and Quality Organization, Saudi Aramco, Saudi Basic Industries Corporation (SABIC), Saudi Electricity Company, National Water Company. After project launch, specific role of each partner will be defined. UNDP will support SEEC and partners to participate in **international and regional forums to learn global best practices** in moving to an energy efficient economy by expanding the market for energy efficient technologies as a new factor in competitiveness and economic growth. Globally, the green economy is achieving all time highs led clean energy investments in emerging economies like China and India, with scope for new south-south cooperation with Saudi Arabia to engage in this trend for local energy efficiency gains.

### III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework: Outcome 2: Environmental Sustainability			
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:			
Applicable Key Result Area (from 2008-11 Strategic Plan): Key Result 3: Energy & Environment			
Partnership Strategy: KACST-SEEC to mobilize partners for various outcomes			
Project title and ID (ATLAS Award ID): National Energy Efficiency Programme: Phase 2			
INTENDED OUTPUTS	OUTPUT TARGETS FOR EACH YEAR	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES
INPUTS			
<b><u>Outcome 1: Energy Conservation Law, Strategy and Action Plans</u></b>			
<b>Output 1: Energy Conservation Law; National Energy Efficiency Strategy</b> Baseline: Law drafted Indicators: National Strategy submitted to SEEC board	Targets Year 1 - -	1.1 Provide expert support to review and completion of the Energy Conservation Law and National Energy Strategy. 1.2 Provide support to development of implementing regulations and policies with partners.	SEEC, UNDP, partners  International Experts/ National Experts/Travel  \$200,000
<b>Output 2: Energy Efficiency Action Plans - Key Sectors</b> Baseline: Labels for 3 appliances exists. Indicators: Standards improved by 30% and draft action plan ready for building and transport sectors	Targets Year 1 - -	2.1. Assessment of challenges and opportunities for efficiency gains in the buildings and transportation sectors.	SEEC, UNDP, partners  International Experts/ National Experts/Travel  \$100,000
			<b>Sub-Total</b> \$300,000
<b><u>Outcome 2: Capacity Development for Energy Managers and Leaders</u></b>			
<b>Output 4: Capacity needs assessment of training needs</b>	Targets Year 1 -	4.1. Analysis of training levels and needs of new SEEC staff member	SEEC, UNDP and partners  International Experts/

Key

<p><b>in SEEC and stakeholders</b>  Baseline: No assessment done  Indicators: Detailed plan for training needs in each sector prepared</p>	-	and energy managers in partner institutions.		National Experts/Travel  \$100,000
<p><b>Output 5: Training of Trainers in energy efficiency</b>  Baseline: No National trainers  Indicators: 20 national trainers available within partner institutions</p>	Targets Year 1 - -	5.1. Design of series of ToT sessions, including design of curriculum for specific sectors and identification of selected individuals from partner institutions for both men and women. 5.2. Conduct series of ToT sessions across the country for specific sectors and selected individuals from partner institutions to serve in future as training leaders in KSA targeting both men and women.	SEEC, UNDP and partners	Workshop Fees/ International Experts/ National Experts/Travel  \$250,000
<p><b>Output 6: Direct training for energy managers</b>  Baseline: No trained energy managers  Indicators: 20 managers trained</p>	Targets Year 1 - -	6.1. Conduct series of training sessions across the country for specific sectors directly by project experts	SEEC, UNDP and partners	Workshop Fees/ International Experts/ National Experts/Travel  \$200,000
<b>Sub-Total</b>				<b>\$550,000</b>

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<b><u>Outcome 3: Energy Efficiency Information Systems (EIS)</u></b>			
<b>Output 7: Comparative review of EEIS systems around the world.</b> Baseline: Initial information of systems and databases exist Indicators: Blueprint for EEIS prepared	Targets Year 1 - -	7.1. Analysis of comparative models and lessons learned in EEIS systems around the world and feasibility for the Saudi context. Design of blueprint for EEIS system for Saudi Arabia.	SEEC, UNDP, partners  International Experts/Travel  \$200,000
<b>Output 8: Establishment of EEIS for Saudi Arabia.</b> Baseline: No EEIS but some hardware and info available Indicators: System operational and used by partners	Targets Year 1 - -	8.1. Establishment of EEIS including technologies and institutional protocols for sustainability of its operations.	SEEC, UNDP, partners  Center Setup/ International and national experts  \$250,000
			<b>Sub-Total</b> <b>\$450,000</b>
<b><u>Outcome 4: Awareness Raising for Public and Industry</u></b>			
<b>Output 9: Baseline surveys and polling</b> Baseline: No survey done Indicators: Survey done for 5 cities	Targets Year 1 - -	9.1. Conduct surveys and polling for level of awareness among different stakeholders in five different cities across the country.	SEEC, UNDP, partners  International Experts/Travel  \$200,000
<b>Output 10: National campaign for energy conservation</b> Baseline: Campaigns targeting families and student done in 3 cities Indicators: Awareness campaigns plan for all sectors and for a period of 5 years drafted and approved	Targets Year 1 - -	10.1. Design of national campaign for energy conservation on TV, short films, public billboards, print media. Implement a number of campaigns addressing the residential sector.	SEEC, UNDP, partners  International Experts/Travel/ publications fees  \$250,000
			<b>Sub-Total</b> <b>\$450,000</b>

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Personnel Admin and Finance				25,200
Project Manager				64,000
Project Coordinator				80,000
Steering Committee				50,400
Working Groups				35,000
Monitoring and Evaluation				20,000
Audit				10,000
Miscellaneous				225,958
			<b>Subtotal</b>	<b>510,558</b>
UNDP GMS @ 5%				113,027
			<b>PROJECT TOTAL</b>	<b>\$2,373,586</b>

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#### IV. ANNUAL WORK PLAN

Year: 2012

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<b>Outcome 1:</b>									
<b>Output 1: Energy Conservation Law; National Energy Efficiency Strategy</b> <i>Baseline:</i> EC Law drafted <i>Indicators:</i> National Strategy submitted to SEEC board <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	1.1 Provide expert support to review and completion of the Energy Conservation Law and National Energy Strategy.	√	√	√	√	Government			\$200,000
	1.2 Provide support to development of implementing regulations and policies with partners.			√	√				
<b>Output 2: Energy Efficiency Action Plans - Key Sectors</b> <i>Baseline:</i> Labels for 3 appliances exists. <i>Indicators:</i> Standards improved by 30% and draft action plan ready for building and transport sectors <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	2.1 Assessment of challenges and opportunities for efficiency gains in the buildings and transport sectors.	√			√	Government			\$100,000

Outcome 2:									
<b>Output 3: Capacity needs assessment of training needs in SEEC and stakeholders</b> <i>Baseline:</i> No assessment done <i>Indicators:</i> Detailed plan for training needs in each sector prepared <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	3.1 Analysis of training levels and needs of new SEEC staff member and energy managers in partner institutions.	✓	✓					Government	\$100,000
		4.1 Design of series of ToT sessions, including design of curriculum for specific sectors and identification of selected individuals from partner institutions.	✓						Government
<b>Output 4: Training of Trainers in energy efficiency</b> <i>Baseline:</i> No National trainers available within partner institutions <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	4.2 Conduct series of ToT sessions across the country for specific sectors and selected individuals from partner institutions to serve in future as training leaders in KSA.	✓	✓	✓					

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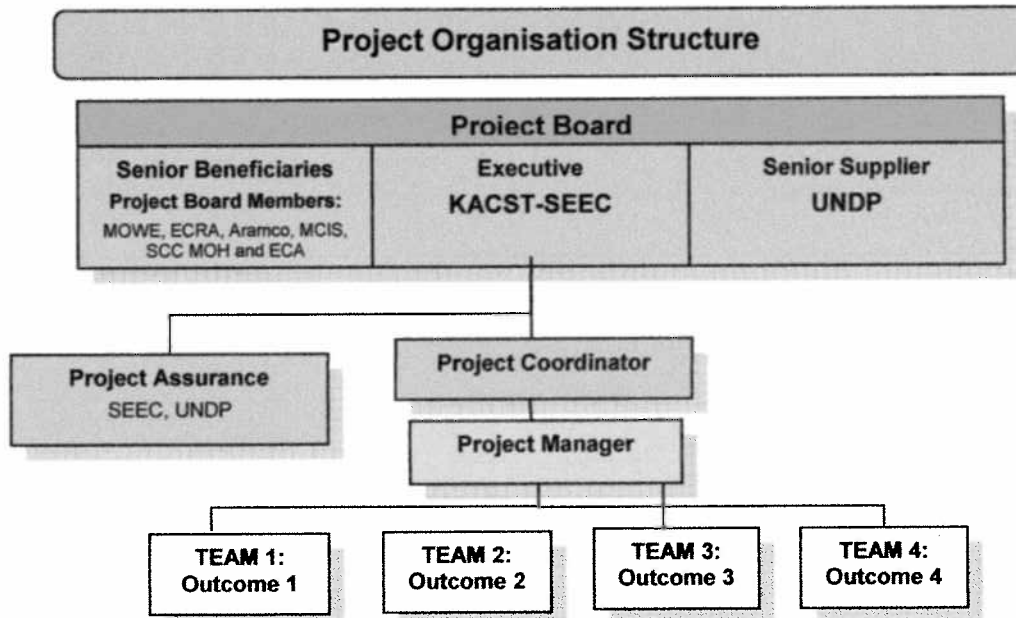
<p><b>Output 5: Direct training for energy managers</b></p> <p><i>Baseline:</i> No trained energy managers</p> <p><i>Indicators:</i> 20 managers trained</p> <p><i>Targets:</i></p> <p><i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.</p>	<p>5.1 Conduct series of training sessions across the country for specific sectors directly by project experts</p>	✓	✓	✓	✓		Government		\$200,000
<b>Outcome 3:</b>									
<p><b>Output 6: Comparative review of EEIS systems around the world.</b></p> <p><i>Baseline:</i> Initial information of systems and databases exist</p> <p><i>Indicators:</i> Blueprint for EEIS prepared.</p> <p><i>Targets:</i></p> <p><i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.</p>	<p>6.1 Analysis of comparative models and lessons learned in EEIS systems around the world and feasibility for the Saudi context.</p>	✓					Government		\$200,000
<p><b>Output 7: Establishment of EEIS for Saudi Arabia.</b></p> <p><i>Baseline:</i> No EEIS but some hardware and info available</p> <p><i>Indicators:</i> System operational and used by partners</p> <p><i>Targets:</i></p> <p><i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.</p>	<p>6.2 Design of blueprint for EEIS system for Saudi Arabia.</p>		✓	✓			Government		\$250,000
<p><b>Output 7: Establishment of EEIS for Saudi Arabia.</b></p> <p><i>Baseline:</i> No EEIS but some hardware and info available</p> <p><i>Indicators:</i> System operational and used by partners</p> <p><i>Targets:</i></p> <p><i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.</p>	<p>7.1 Establishment of EEIS including technologies and institutional protocols for sustainability of its operations.</p>		✓	✓			Government		\$250,000

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Outcome 4:									
<b>Output 8: Baseline surveys and polling</b> <i>Baseline:</i> No survey done <i>Indicators:</i> Survey done for 5 cities <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	8.1 Conduct surveys and polling for level of awareness among different stakeholders in five different cities across the country; focus on youth.	✓						Government	\$200,000
<b>Output 9: National campaign for energy conservation</b> <i>Baseline:</i> Campaigns targeting families and student done in 3 cities <i>Indicators:</i> Awareness campaigns plan for all sectors and for a period of 5 years drafted and approved <i>Targets:</i> <i>Related CP outcome:</i> Enhanced Policies and Strategies for Sustainable Use of Natural Resources and the Environment.	9.1 Design and implementation of national campaign for energy conservation on TV, short films, public billboards, print media	✓						Government	\$250,000
<b>TOTAL</b>									<b>\$1,750,000</b>

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## V. MANAGEMENT ARRANGEMENTS



### Execution Arrangements

This project will be implemented under the National Implementation (NIM) modality with activities implemented through UNDP NIM modality, whereby KACST-SEEC assumes implementation responsibility with UNDP Implementation Support Services for recruitment of international and national advisors and other activities as noted in the Annual Workplan. All activities under the project will be done through standard Project Board mechanism to serve as a steering committee between SEEC, UNDP and other partners to ensure coherence of all activities under the project. UNDP will provide technical advisory support to all activities through the UNDP Country Office in Riyadh and UNDP Energy and Environment Group in New York, as well as support for project management activities through ISS mechanism on cost-recovery basis.

### Project Board

The Project Board is the group responsible for making on a consensus basis management decisions for a project when guidance is required by the National Project Manager, including recommendation for approval of project revisions.

It may involve, in addition to UNDP and SEEC, the MOWE, ECRA, Aramco, MCIS, SCC (from SEEC Board) and MOH and ECA (outside SEEC Board) Headed by SEEC's Director General, who will also assume the project coordinator responsibilities.

Project reviews by this group are made on annual basis, or as necessary when raised by the National Project Manager. This group is consulted by the National Project Manager for decisions. This group contains three roles: executive representing the project ownership to chair the group, senior Supplier role to provide guidance regarding the technical assistance to the project, and senior Beneficiary role to ensure the realization of project benefits from the perspective of project beneficiaries.

### Project Assurance

Project Assurance is the responsibility of each Project Board member, but the role can be delegated to staff within each agency. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Deputy Resident Representative, UNDP Saudi Arabia will hold the Project Assurance role for the UNDP, and Coordinator of SEEC would undertake this role for KACST-SEEC. The National Project Manager and Project Assurance roles will never be held by the same individual in SEEC.

### **National Project Manager**

The National Project Manager will be appointed by KACST/SEEC and has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The National Project Manager is responsible for day-to-day management and decision-making for the project. The National Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The National Project Manager is appointed by KACST/SEEC through letter to UNDP. SEEC will also provide counterpart staff, offices facilities and necessary office equipment (including computers) for project staff, other project support facilities as required including for project related seminars, workshops and training facilities; other support in kind.

**Terms of Reference/job descriptions** for the respective long term advisers and short term experts/consultants will be set out upon commencement of the project.

### **Prior Obligations and Requisites**

There are no prior obligations and requisites attached to this document.

### **The schedule of payments (USD) and UNDP bank account details:**

Payment 1: December 2011 (\$1,067,000); Payment 2: July 2012 (\$1,306,586)

The value of the payment, in US\$ Dollar shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP. All financial accounts and statements shall be expressed in United States dollars. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.

If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP, a transfer of ownership of equipment to Project entity will be performed on an annual basis based on the inventory list, using UNDP standard transfer of Ownership letter format. Matters relating to the transfer of ownership by UNDP shall be determined

in accordance with the relevant policies and procedures of UNDP. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP." In accordance with the decisions and directives of UNDP's Executive Board, the contribution shall be charged: 5% cost recovery for general management support (GMS) by UNDP headquarters and country office, and Direct cost for implementation support services (ISS) provided by UNDP.

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## VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with UNDP Programme and Operations Policies and Procedures (POPP) outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot. Project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at end of project.

- Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

## Quality Management for Project Activity Results

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria.

<b>OUTPUT 1: Energy Conservation Law; National Energy Efficiency Strategy</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>EE Policies/Plans development</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Develop EE related policies and law for selected sectors.</i>	
<b>Description</b>	<i>Hire EE policy/Strategy expert. Review of existing laws and directives. Survey world best practices. Hold workshops to gather stakeholders' views. Propose new policies and plans to SEEC's board to pursue further approval process.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

<b>OUTPUT 1: Energy Conservation Law; National Energy Efficiency Strategy</b>		
<b>Activity Result 2 (Atlas Activity ID)</b>	<i>EE Policies/regulations implementation</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Review and assess the existed implementation plans for the available regulations.</i>	
<b>Description</b>	<i>Review international experience in implementing. Propose correction measures if needed.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

<b>OUTPUT 2: Energy Efficiency Action Plans - Key Sectors</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>EE Opportunities.</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Assess the challenges and opportunities for EE gains in Building and transportation sectors.</i>	
<b>Description</b>	<i>Raise the EE targets for AC. Develop new labels for other household appliances. Initiate the activities to develop an energy labels for cars.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>




OUTPUT 3: Capacity needs assessment of training needs in SEEC and stakeholders		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>Training needs</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Assessment of the training levels and needs in EE.</i>	
<b>Description</b>	<i>Hire an expert. Interviews/surveys addressed the stakeholders. Develop the training plan for energy auditors, energy managers and training of the trainers, ToT.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

OUTPUT 4: Training of Trainers in energy efficiency		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>ToT program Design.</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Develop the ToT training program.</i>	
<b>Description</b>	<i>Design the training curriculum. Select the individuals to become trainers.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

OUTPUT 4: Training of Trainers in energy efficiency		
<b>Activity Result 2 (Atlas Activity ID)</b>	<i>ToT program Execution.</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Conduct series of ToT sessions.</i>	
<b>Description</b>	<i>Develop the ToT session schedule. Hire training provider/contractor. Conduct three training sessions in Riyadh, Jeddah and Dhahran.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

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	been met?	

OUTPUT 5: Direct training for energy managers		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>E Manager Training</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	Develop energy managers.	
<b>Description</b>	<i>Hire training provider/contractor. Conduct two training programs targeting 10 E mangers/institutions in east cost (Dammam/Dhahran/Jubail) and 10 E mangers/institutions in Jeddah.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

OUTPUT 6: Comparative review of EEIS systems around the world		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>EE information assessment</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Develop the EEIS system.</i>	
<b>Description</b>	<i>Hire EEIS expert. Review the world best practice in providing the EE information service.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

OUTPUT 6: Comparative review of EEIS systems around the world		
<b>Activity Result 2 (Atlas Activity ID)</b>	<i>EEIS blueprint</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Design SEEC's EEIS system.</i>	
<b>Description</b>	<i>Assess the available SEEC EEIS infrastructure. Design the EEIS blueprint.</i>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>

<i>how/with what indicators the quality of the activity result will be measured?</i>	<i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<i>When will the assessment of quality be performed?</i>

<b>OUTPUT 7: Establishment of EEIS for Saudi Arabia</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>KSA EEIS</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Provide EE information to partners and others.</i>	
<b>Description</b>	<i>Acquire the required hardware and software tools.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

<b>OUTPUT 9: Baseline surveys and polling</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>EE Awareness Assessment</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Assess the effectiveness and impact of awareness campaigns.</i>	
<b>Description</b>	<i>Conduct surveys and polling for the level of awareness among the stakeholders. Review world best practice in EE awareness programs.</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>

<b>OUTPUT 10: National campaign for energy conservation</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<i>EE Campaign</i>	Start Date: 1 Jan 2012 End Date: 31 Dec 2012
<b>Purpose</b>	<i>Raise the public EE awareness</i>	
<b>Description</b>	<i>Design a 5 years EE awareness plan addressing different energy consuming sector. Implement a number of awareness campaigns addressing residential sector.</i>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>

<i>how/with what indicators the quality of the activity result will be measured?</i>	<i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<i>When will the assessment of quality be performed?</i>

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## VII. LEGAL CONTEXT

***If the country has signed the Standard Basic Assistance Agreement (SBAA), the following standard text must be quoted:***

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on 4 January, 1976. Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency. The executing agency shall: put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement. The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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## **VIII. ANNEXES**

- 1. Risk Analysis/Risk Log**
- 2. Consultant Report on Energy Efficiency Trends and Statistics in Saudi Arabia**
- 3. Terms of Reference for personnel (to be developed after project commencement)**



No ..... الرقم

Date ..... التاريخ

Encl ..... المرفقات

(٧٠٠٠٠٨٧٥٢١٦)

24 December, 2011


**H.E. Dr. Riyadh Musa Al-Ahmad**  
**UN Resident Coordinator**  
**UNDP Resident Representative**  
**Riyadh, KSA**

**Dear Dr. Al-Ahmad,**

Please find enclosed a signed copy of **Project Document of National Energy Efficiency Programme: Phase 2** as approved by KACST.

In this regard, I would like to thank your Excellency, your UNDP colleagues for your interest in continuing the second phase of our project and looking forward for the success of this phase.

Yours truly,

  
**Dr. Naif M. Al-Abbadi**  
**Director General**  
**Saudi Energy Efficiency Center**  
**KACST**