United Nations Development Programme INDIA

Project Title: UPSCALING ENERGY EFFICIENT PRODUCTION IN SMALL SCALE STEEL INDUSTRY IN INDIA
Implementing Partner: UNDP

UNDP Strategic Plan Outcome: Environment and sustainable development; crisis prevention and recovery
UNDP Strategic Plan Output(s): Energy efficiency measures adopted

UNDAF / CPAP Outcome: Government, industry and other relevant stakeholders actively promote environmental sustainability and enhanced resilience of communities in the face of challenges of climate change, disaster risk and natural resource depletion.

**PROJECT DESCRIPTION (NOT MORE THAN 1/2 PAGE)**

A. State the specific development challenge or gap that this AWP is addressing.

The project aims to upscale the successful model of energy efficient technologies in the SRRM (Steel Rerolling Mill) and related sub-sectors of the steel industry to save fuel, reduce energy bills and reduce Greenhouse Gases emissions. UNDP-GEF project demonstrated this model in 34 units to bring about significant reductions in energy consumptions. This project now aims to upscale the penetration of energy efficiency in SRRM to about 300 units, introduce second generation of technology and demonstrate technology packages in new subsectors such as induction furnace. Some of the key activities of AWP 2015 includes, supporting steel mills in implementing energy efficiency measures, completing post commissioning measurements.

B. Select one or more of the below strategies for addressing the above mentioned challenge/gap and describe in the context of this AWP:

- Changes in attitudes and access to decision making through awareness raising, brokering, convening
- Changes in policies, plans, budgets and legislation through support to national assessment, planning, budgeting, policy making
- Changes in the lives of individuals and communities through implementation for inclusive development

C. List the possible improvements in the capacities of institutions, individuals and systems that will occur as a result of this AWP.

AWP 2015 aims at enhancing the skills of the steel industry personnel. It also helps to train the trainers at technical institutes in the sector. It helps to enhance the service provider base in steel clusters. It increases the expertise based available to the industry through induction of cluster level agencies and field managers.

D. List the gender issues in this AWP and specific ways in which they will be addressed.

- Not applicable

E. List the South-South cooperation opportunities in this AWP and specific ways in which they will be addressed.

Some countries have similar small scale steel industrial units. Opportunities for south-south cooperation will be explored.

<table>
<thead>
<tr>
<th>Project Expenditure (in USD)</th>
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<tbody>
<tr>
<td>Total Project Budget</td>
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<tr>
<td>AusAid: 697,219</td>
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<td>UNDP Core: 159,784</td>
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<td>Total: 2,137,003</td>
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2015 AWP budget: USD 855,987
- Regular (UNDP): USD 496,260
- Donor (AusAid): USD 29,727
- Government: USD 330,000
- In-kind Contributions (GEF): Nil

USD 1,670,000 for project period--- these funds do not route through UNDP

Agreed by Ministry of Steel:

Agreed by UNDP:
<table>
<thead>
<tr>
<th>ANNUAL OUTPUTS 2014</th>
<th>PLANNED ACTIVITIES</th>
<th>MONTH OF COMPLETION</th>
<th>RESPONSIBLE PARTY</th>
<th>PLANNED BUDGET</th>
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<tr>
<td></td>
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<td></td>
<td>Funding Source</td>
<td>Budget Description</td>
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<tr>
<td>Annual Output 1: Energy Efficient Technology packages implemented in 5 Electric Induction Furnace units</td>
<td>1.1 Provide advisory support to IF units for implementation of energy efficiency measures</td>
<td>Aug-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td></td>
<td>1.2 Conduct post-implementation energy audit in 5 Induction Furnace units</td>
<td>Oct-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td>1.3 Feasibility study for 10 pipeline units</td>
<td>Nov-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td><strong>Sub-total O1</strong></td>
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<td>Annual Output 2: Energy efficient technologies replicated in 300 units and post-commissioning measurements conducted in 300 units</td>
<td>2.1 Finalisation of 380 baseline measurement study reports</td>
<td>Apr-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td>2.2 Provide advisory support for adoption of EE technologies to selected SRRM units through cluster level agencies (CLA) and field managers (FM)</td>
<td>Aug-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td>2.3 Provide oversight of project implementation by PMU team to SRRM units in adopting EE measures</td>
<td>Dec-15</td>
<td>PMU</td>
<td>UNDP</td>
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<td>2.4 Conduct post implementation measurements of SRRM units that adopted Energy Efficiency measures</td>
<td>Oct-15</td>
<td>PMU</td>
<td>MoS</td>
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<td>2.5 Carryout exposure visit for the project team to best practices in India to identify technology packages that can be adopted in SRRM units</td>
<td>Jun 15</td>
<td>UNDP</td>
<td>UNDP</td>
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<td><strong>Sub-total O2</strong></td>
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<td>Annual Output 3: Train shop-floor workers on energy efficiency and plant managers, supervisors on best</td>
<td>3.1 Conduct cluster level training programmes in identified clusters for shop floor workers, plant managers &amp; owners to enhance their skills in managing EE interventions at SRRM units</td>
<td>Sep-15</td>
<td>PMU</td>
<td>MoS</td>
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<td>UNDP</td>
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| practices such as SOM, SMP, SS lean system.  
[Outcome statement: Increased capacities on energy efficiency processes and technology across the steel rerolling industry] | 3.2 Conduct awareness programmes for 100 nos. of Certified Energy Auditors and/or Certified Energy Managers [2 programmes] | Sep-15 | PMU | MoS | 72100 | 5000 |
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<td>Sub-total 03</td>
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<td>75,000</td>
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| Annual Output 4: Develop a roadmap for further dissemination of energy efficient technologies in small scale secondary steel sector.  
[Outcome statement: Market linkages established and cleaner production supported] | 4.1 Participate in key events to develop market linkages and create awareness on cleaner production; develop and support e-network (online and exposure visits) | Nov-15 | PMU/UNDP | MoS | 74000 | 3000 |
| 4.2 Develop document, audio/video material and a roadmap for further diffusion of energy efficiency in small scale steel sector | Nov-15 | PMU | UNDP | 72100 | 10000 |
| 4.3 Conduct a national event to deepen the energy efficiency awareness in the secondary steel sector and also felicitate the E² units that have done successful implementation | Dec-15 | PMU/UNDP | UNDP | 72100 | 60,000 |
| 4.4 (a) Develop a process booklet to document the scale up efforts (b) Develop an Infographics presenting the key results, impacts and way forward. | Dec-15 | PMU/UNDP | UNDP | 72100 | 15,000 |
| Sub-total 04 | | | | | | 88,000 |
| Output 5: Project Management Unit and Technical Support Unit | Project staff salaries and project management expenses & technical expertise expenses | Dec-15 | UNDP | UNDP | 71400 | 100000 |
| Output 6: Project Assurance | Annual audit, evaluations, communication and other costs | Dec-15 | UNDP | UNDP | 74000 | 1300 |
| Development effectiveness & DPC | Dec-15 | UNDP/MO S | Ausaid | 60000/70000 | 36760 | 1376 |
| GMS on DSS Funds | Dec-15 | UNDP/MO S | Ausaid | 75100 | 9167 | 826 |
II. MANAGEMENT ARRANGEMENTS

Project Modality

Implementing Partner (IP): The project will be directly implemented by UNDP in close cooperation with Ministry of Steel. UNDP and the Ministry of Steel will be responsible for the effective use of resources and the achievement of the project outcomes and outputs as set forth in the document. The Ministry of Steel will designate a nodal officer, who will be focal point at MoS. UNDP will be responsible for all financial management, reporting, procurement and recruitment services. UNDP recruitment and procurement rules will apply.

UNDP will prepare a budgeted Annual Work Plan on an annual basis, as per UNDP rules and regulations, which will be shared with the Ministry of Steel for comments and inputs.

Project Steering Committee: Oversight of project level activities will be provided by the Project Steering Committee (PSC) that will be jointly chaired by senior official from UNDP and Ministry of Steel. The PSC will comprise designated representatives from MoS, BEE, other relevant ministries/stakeholders and UNDP. Other stakeholders such as Industry Association, experts, may be invited when needed. The PSC will be responsible for approving the budgeted AWPs and providing overall guidance and oversight. PSC will be convened at least once a year. But efforts will be made to organise quarterly/half yearly meetings to ensure regular follow up.

In addition, the PSC will be responsible for regular project reviews to ensure that the agreed deliverables are produced satisfactorily according to plans and timelines; assess and decide to proceed on project changes through appropriate revisions and arbitrate on any conflicts within the project or negotiate a solution to emerging problems.

In order to ensure UNDP’s ultimate accountability, PSC decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the PSC, final decision shall rest with the UNDP. In addition, the PSC plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Both MOS and UNDP will be jointly responsible for achieving outcome level results. The PSC will appraise the project annual review report, make recommendations for the next annual work plan, and Inform the Outcome Board about the results of the review.

The PSC may delegate day to day management of the AWPs and related decisions to a working group comprising UNDP, MoS and other stakeholders, as appropriate.

The project results will be reviewed at the Country Programme Management Board (CPMB) comprising DEA and UNDP. The oversight will consist, at a minimum, of a six monthly review (at the end of the second quarter) and an annual strategic review (in the last quarter of the year) between DEA and UNDP, together with Implementing Partners. The recommendations from the annual review will be used to update and adjust the annual workplan and budgets for the coming year, if required.

UNDP will enter into agreement(s) with other organizations or entities for providing goods and services to the project, carry out project activities and produce project outputs.

UNDP will designate an official from UNDP who will work in close consultation of nodal officer designated by the Ministry of Steel. UNDP will hire from project funds a National Project Manager (NPM) and set up a Project Management Unit (PMU) headed by the NPM. PMU details are provided in a separate section below. The NPM will be responsible for the day-to-day management of the
programme. S/he will coordinate the Project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, etc. and will interface on project management issues. The NPM is responsible for:

- Managing the overall conduct of the project;
- Implementing activities by mobilizing goods and services;
- Checking on progress and watch for plan deviations;
- Regular progress reporting to the PSC;
- Ensuring that changes are controlled and problems addressed;
- Monitoring progress and risks;
- Reporting on progress including measures to address challenges and opportunities.
- Coordinate the Project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, etc;
- Capture lessons learnt during project implementation
- Prepare the annual review report, and submit the report to the PSC.

Project Assurance will be the responsibility of UNDP. The Assurance role will support the PSC by carrying out objective and independent project oversight and monitoring functions. During the implementation of the project, this role ensures (through periodic monitoring, assessment and evaluations) that appropriate project management milestones are managed and completed. The assurance will:

- Ensure that funds are made available to the project;
- Ensure the project is making progress towards intended outputs;
- Perform regular monitoring activities, such as periodic monitoring visits and spot checks;
- Ensure that resources entrusted to UNDP are utilized appropriately;
- Ensure that critical project information is monitored and updated
- Ensure that financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the PSC;
- Ensure that risks are properly identified, managed, and monitored on regular basis.

An independent external review may be conducted through resource persons/groups to feed into this process. The UNDP official responsible for the Project Assurance and the NPM will meet on a quarterly basis to assess progress of the decisions taken in the PSC.

Project Management Unit (PMU): The PMU headed by the NPM will be established under the project. The NPM will be responsible for day-to-day management; monitoring and review of project activities; coordination with all stakeholders and will be accountable to the UNDP and PSC. S/he will prepare the detailed activity and monitoring plan based on the Annual Work Plan (AWP) and Budget and submit it to the PSC for approval. The NPM will ensure that the project produces the results specified in the project document, to the required standards of quality and within specified constraints of time and cost.

The NPM will be assisted by a PMU. The PMU will comprise the following:
1. Project Managers (Technical) (4)
2. Finance & Admin Manager (1)
3. Project (Associate/Assistants) (4)
4. Expert/consultant (as and when required)
Project Manager (Technical) will be appointed and will report to the NPM with the following responsibilities:

- Assist NPM to plan the activities of the project and monitor progress against the approved work-plan;
- Monitor events as determined in the project monitoring schedule plan, and update the plan as required;
- Be responsible for preparing and submitting progress reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learnt during project implementation – a lessons learnt log can be used in this regard;
- Assist NPM for regular progress reporting to the PSC;
- Assist NPM in preparation of the annual review report, and submit the report to the PSC;
- Assist NPM in preparation of the annual work plan for the following year (as well as quarterly plans if required).

Project Manager – Finance & Admin will be appointed and will report to the NPM with the following responsibilities:

- Support NPM in all reporting functions to the PSC;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications and overseeing all contractors’ work;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Prepare the annual work plan for the following year, as well as quarterly plans if required.

Project Associate/Assistant role provides project administration, management and technical support to the Project Manager as required by the needs of the individual project or Project Manager with the following responsibilities:

- Technical Expertise;
- Set up and maintain project files;
- Collect project related information data;
- Assist the project manager in updating project plans;
- Administer PSC meetings and reviews;
- Administer project revision control;
- Establish document control procedures;
- Compile, copy and distribute all project reports;
- Assist in the financial management tasks under the responsibility of the project coordinator and manager;
- Provide support in the use of Atlas for monitoring and reporting;
- Review technical reports;
- Monitor technical activities carried out by responsible parties.
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.

F. ANNUAL PROJECT REVIEW: Based on the above report, an annual project review shall be conducted during the fourth quarter of the year to assess the performance of the project and update the annual work plan (AWP) for the following year. The review will be a final assessment. This review is driven by the Project Board and may involve 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.

E. ANNUAL REVIEW REPORT: An annual review report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. This will help to provide brief description of results achieved in the year against pre-defined annual targets.
In a project context, the project will be monitored through the following:

1. **Monitoring Framework and Evaluation**

   **Monitoring Structure:** The project will be monitored through periodic assessments by the UNDP team, which will be led by the UNDP Country Coordinators. The monitoring team will be responsible for ensuring that the project is on track and that the outcomes are being achieved. The monitoring plan will be developed based on the project’s objectives and timelines.

   **Monitoring Indicators:** The project will be monitored through indicators that will be developed based on the project’s objectives and timelines. The indicators will be used to track progress and identify areas where additional support may be required.

   **Monitoring Reports:** The project will be monitored through regular reports from the project team. These reports will be submitted to the UNDP team and will include information on project progress, achievements, and challenges.

   **Monitoring Activities:** The project will be monitored through regular on-site visits by the UNDP team. These visits will allow the team to verify project progress and to provide feedback to the project team.

   **Monitoring Tools:** The project will be monitored through the use of monitoring tools, such as project management software, reporting software, and project management manuals.

   **Monitoring Risks:** The project will be monitored through the identification and management of project risks. The project team will develop a risk management plan that will be reviewed and updated regularly.

   **Monitoring Feedback:** The project will be monitored through the collection and analysis of feedback from stakeholders. The feedback will be used to improve the project and to ensure that the project is meeting the needs of the people it is intended to serve.

In order to assess progress, the project team will provide regular updates to the UNDP team, which will include information on project progress, achievements, and challenges. The UNDP team will use this information to monitor the project and to provide guidance and support as needed.