

Annual Project Review Report Template

The format of the APR Report is flexible. It must, however, cover the essential elements on results, namely progress towards outcome, outputs produced and relevant efforts on partnerships and soft assistance. Each office may add any other element, depending on the project and results.

Project title: **Developing Interconnection of Nation-wide Electricity Network and Improving Energy Efficiency in China**

Atlas Award ID . : **00034616**

Period Covered: January 2005 to December 2006
[Put the period since last APR. Normally the fiscal year]

PROJECT PERFORMANCE—CONTRIBUTION TO THE CP OUTCOMES

UNDAF Outcome 3: By the end of 2010, more efficient management of natural resources and development of environmentally-friendly behavior to ensure environmental sustainability (with special focus on energy, biodiversity and water resources)

Expected CP Outcome 6:End-use energy efficiency and application of new and renewable energy technologies improved

Expected CP Output 6.1: Energy consumption per unit of GDP decreased

The expected outcome of the project is to develop the strategy for China to achieve the nation-wide interconnection and improve energy efficiency as well as to promote the realization of the interconnection of regional grids. To achieve these goals, the project conducted related studies on laws, regulations and policies in order to increase technical and managerial capacity of SGC. In 2006, a series of procurement activities were implemented for GIS equipment in Tianjing and Hubei, which their installation has improve energy efficiency greatly to contribute to the achievement of project outputs. In particular, the project achieved its delivery of US\$5.27 million in 2006, the original delivery target of the project is US\$ 2 million.

The following elements should be included.

1. CP outcome(s) (as stated in the CPD and CPAP), indicators, baselines and targets (as taken from the M&E Plan)
2. Update on outcome(s) - A brief analysis of the status of the situation and any observed change, any project contribution
3. Annual outputs: Relate to targets set in the CPAP and project documents as appropriate.
4. Update on outputs. Achievements of the project in outputs.
5. Reason if progress below target: - If applicable explores underlying factors and reasons for gaps in output and target.
6. Update on partnership strategies - Brief update on any achievement and/or problem (exception

reporting.

7. Recommendations and proposed action. Actions on any matter related to outcome, progress of outputs, and/or partnerships. Corrective measures. Responsibilities

PROJECT PERFORMANCE—IMPLEMENTATION ISSUES

There may be problems that are generic and not related to any specific output, or that apply to all of them. If so, the Project Manager fills out the “top three” such challenges. More can be added if considered indispensable, although when the top problems are solved other issues will normally improve, too. If the issues have been covered through the table above, this section may be left empty.

List the three main challenges (at most, if any) experienced during implementation and propose a way forward. Note any steps already taken to solve the problems.

Due to the changes of its functions, SGC will not provide cost-sharing for the future activities in particular for the equipment procurement, but SGC will still implement the on-going grid component till the termination of the project (\$ 6.3 million subcontracts) to deliver US\$ 5.27 in 2006, US\$ 0.32 in 2007 and US\$ 0.71 in 2008.

RATING ON PROGRESS TOWARDS RESULTS

If the CO has decided to use "rating of progress" as a tool, the Project Manager indicates his/her rating of progress for outputs. Subsequently the Programme Manager indicates agreement (or rates differently) and rates progress towards the outcome. These ratings may be used by the country office and/or Headquarters for the ROAR analysis, as well as for input to evaluations and other purposes for results validation.

For outcomes:

Positive change (determined by evidence of movement from the baseline towards the end-outcome target measured by an outcome indicator)

For outputs: Applied to each output target [This is for the strategic outputs only. If the parties want rating of all outputs, the ones not in the SRF would be based on the project document, work plans or any other agreement on expected results.]

Yes (achieved)

SOFT ASSISTANCE NOT PROVIDED THROUGH PROJECTS OR PROGRAMMES

[Soft assistance contributes to the outcome and/or outputs. This section asks the Project Manager to provide information about any activities conducted that were **not** envisaged in the work plan or have yet to produce concrete results. It aims to identify additional or specific activities that are required to ensure progress towards the outcome. This section of the APR could contribute to the reporting section in the ROAR regarding narrative on “advocacy and policy dialogue”. It allows the country office and the project to work in the same direction in advocacy and dialogue. If soft assistance is not an issue for the project or too sensitive to address, this section may be left empty.]

What are the key activities (if any) of soft assistance undertaken by the project?

N/A

What are the main constraints in progress towards outcome that require additional soft assistance?

N/A

Please propose elements for soft assistance strategy for the next year:

N/A

LESSONS LEARNED

[The lessons learned from the APR should serve as input to the performance analysis of the ROAR as well as the annual review, which allows the partners to compile and exchange lessons learned from all projects and APRs.]

Describe briefly key lessons learned during the year:

1. Better coordination within the stakeholders. The majority of the project is the government cofinance. The project has a very complex procedure in terms of its fund transfer from the implementing agency to UNDP via CICETE. To this end, a good coordination mechanism among the key stakeholders of the project is essential, in particular, the supporting document could be prepared in advance in order to improve the efficiency.
2. Good planning is the key factor of the project implementation. A consultation process should be organized with the implementing agencies at the year beginning for the planning purpose. The detail implementation strategies and action plan should be well developed and agreed with all the partners.

Prepared by: Cheng Mengyong, National Project Director, SGC (Project management, name and title)

(Note: Since reporting should as much as possible be electronic for efficiency, signature is not required. The Project Director can transmit it in an Email, through a website or through a computer programme.)



Minutes of Tripartate Review (TPR) Meeting

Proposal Project ID: 00034616
Awarded Project ID: 00036898 (CPR/04/306)
Project Title: **Developing Interconnection of Nation-wide Electricity Network and Improving Energy Efficiency in China**
Date: 8 February 2007
Venue: UN Conference Room

Participants: Mr. Kishan Khoday, ARR/Team Leader of Energy and Environment, UNDP
Mr. He Ping, Programme Manager, Energy and Environment, UNDP
Ms. Liu Pengbo, Programme Assistant, Energy and Environment, UNDP

Ms. Tan Huiqin, Deputy Division Chief, Division I, CICETE
Mr. Wei Guangyao, Deputy NPD / Senior Engineer at Professor Level
Ms. Li Zhaohui, Assistant Manager, Dept. of International Cooperation, China Power Investment Corporation
Ms. Song Xiumin, Expert, Senior Engineer

Agenda: 1. Review of APR for 2006
2. Project substantive revision

Presentation: A short presentation made by China Power Investment Corporation

I. Background

The meeting for the project was held on 8 February 2007 in UNDP office. The meeting aims to review project progress, evaluate the performance of the project, and to discuss the issues on the substantive revision for the project.

II. Project Performance and Issues

- It is a very successful year in 2006 in terms of the delivery of the project. A series of procurement activities were implemented for GIS equipment in Tianjing and Hubei, which their installation has improve energy efficiency greatly to contribute to the achievement of project outputs. In particular, the project achieved its delivery of US\$5.27 million in 2006, the original delivery target of the project is



US\$ 2 million.

- The on-going power grid project mainly focuses on promoting the interconnections of regional grids, resolving the relevant issues concerning laws, regulations and policies, and enhancing technical and managerial capacity and improving the energy efficiency of the national grids. However, the situation has been changed along with the power sector reform of the country, the responsibility of power generation, transmission and utilities have been more clearly defined. In particular, all the power companies were requested to contribute to achieve energy conservation targets of 11th FYI Programme, energy conservation and emission reduction has become the major focuses of the power companies. To this end, CICETE proposed that UNDP's support could be shifted from solely promoting energy efficiency of national grid inter-connections to assisting the power companies to achieve their energy conservation targets.
- The current implementing agency of the project is State Grid Corporation (SGC), its roles and responsibilities have been partially shifted to the power generation companies due to the restructuring of the power sector in China. In particular, the power generation component has been shifted to power generation corporations such as China Power Investment Corporation (CPIC), CPIC is one of five power generation corporations in China (five power generation corporations, two grid corporations in China). In terms of the achieving the energy conservation targets for power generation corporations, CPIC will be a strategic partner and CPIC already expressed their interests to CICETE to join the project. CICETE proposed that CPIC could become the second implementing agency of the project alongside SGC particularly working on the energy efficiency component.
- A substantive project revision proposal is presented by CICETE and CPIC at the meeting. This substantive revision reflects the changes of the project objectives, major activities and outputs for the on-going project. The objective of the newly revised project is to assist the participating China Power Investment Corporation (CPIC) for achieving their energy conservation target and environmental protection goals in the 11th Five-year Development Programme. This will be achieved through developing a strategic policy framework for power sector with greatly direct sustainable development and environmental protection benefits for reduction of coal and water consumption for power generation, promotion of renewable and nuclear energy, reduction of air pollutants emissions by learning international best practices from the other countries. The newly revised project will support the establishment of pilot and demonstration studies of power sector in particular the national grid where the energy efficiency is most strategically promoted. It will also support the managerial and technical capacity of participating SGC, CPIC and their affiliated companies linking to national policy development and capacity building frameworks that could potentially influence future economic development paradigms for power sector.



- UNDP believe that the linkage between the equipment procurement and overall objectives of the project (energy efficiency promotion) is not well established in the proposal. To this end, UNDP requested a further clarification in the new proposal how the equipment procurement could contribute to the increase of energy efficiency.

III. Conclusions

- The participants believe that it is a successful year in term of the project implementation particularly its high delivery.
- CICETE and CPIC were requested to revise new proposal in particular to explain how the equipment procurement of the project could contribute to the objective of the project.
- In terms of next steps, UNDP representative will report the Senior Management of UNDP and get back to CICETE and CPIC.

Drafted by

He Ping, Programme Manager, E&E:

_____ **Date:** _____

Cleared by

Kishan Khoday, Team Leader, E&E:

_____ **Date:** _____