

UNIDO GEF Annual Monitoring Report FY 2018

Response ID:129 Data

1. UNIDO GEF Annual Monitoring Report II FY 2018

1. GEF ID:

9147

New Analysis Question

2. UNIDO SAP ID:

150046

3. GEF Replenishment Cycle:

GEF-6

4. GEF Focal area:

Climate Change (CC)

5. Integrated Approach Pilot (IAP) Programs (only for GEF-6 projects, if applicable)

IAP - Cities

6. UNIDO PTC Department:

Department of Energy (ENE)

7. Project Title: *(as per approved CEO Endorsement document)*

Sustainable city development in Malaysia

8. UNIDO Project Manager:

First name : Katarina

Last name : Barunica

9. Project Manager's email:

k.barunica@unido.org

10. Please state the geographical location(s) of the project:

Please select one:

Country. Please state:: Malaysia

11. Please provide a project summary: *(approx. 300 words)*

The sustainable city development project is executed in partnership with Malaysian Industry-Government Group for High Technology (MiGHT). The project aims to promote an integrated approach to urban planning and management in a way that balances economic, social and environmental resource consideration. The project seeks to build awareness and institutional capacity, and to promote investment in climate risks mitigation technologies through demonstration projects.

Malaysia has made several official commitments to sustainable development. In 2009, it pledged a 40 percent reduction in carbon emissions per unit of GDP by 2020, while reiterating its commitment at the Rio Summit in 1992 to keep at least 50 percent of the nation's landmass under forest cover. The emission cut has been adjusted to 45 % per unit of GDP by 2030 during the COP21 meeting in Paris last year. This project will provide an important step in achieving these macro-goals by

demonstrating the potential for savings from smart-grid implementation and facilitating the diffusion of this technology throughout the country. This will lead to savings via (a) altering consumer behavior and building properties which leads to energy savings and (b) allowing for the inclusion of renewable energy and electric vehicles in the smart grid which will further stabilize the grid and reduce peak loads.

Objective:

The project has the ultimate aim of reducing GHG emissions in cities in Malaysia. It will achieve this by providing support to the development and enhancement of national urban policy framework in an integrated and inclusive manner.

Towards this, it has a two-pronged objective:

1. To promote an integrated approach to urban planning and management that is guided by evidence-based, multidimensional, and broadly inclusive planning process that balance economic, social and environmental resource consideration;
2. To build awareness and institutional capacity, and promote investment in climate risks mitigation technologies through demonstration projects.

Results:

The project will result in new National & state policies, and an improved strategic direction for development of sustainable and resilient cities; supported by enabling programs (funding models, green procurement, PPPs, etc.) & projects.

The Institutional capacity of policy-makers at the national, state and local levels will be built.

And Awareness raising events for policy-makers, industry and end-users will be organized at all levels for dissemination of tangible benefits/results of project.

2. Global Environmental Objectives (GEOs) / Development Objectives (DOs)

12. Please state the progress made in FY 2018 in achieving the intended Global Environmental Objectives / Development Objectives.

Please state the **progress rating of GEOs/DOs** (as per the rating filled in AMR Part I):

Satisfactory (S)

Please state the **progress made in the current FY in achieving the outlined GEOs/DOs**.

Limited progress was made on GEO/DOs as the project was in its first year and ran into delays due to a change in government following the national election in May. However, based on the planned activities, limited GEOs would have been achieved as the focus is on laying groundwork for subsequent years. This has included stakeholder engagement and now following the election of the new government, clarifying roles and responsibilities with partners.

3. Implementation progress

13. Project Objectives and Progress

Please state the **implementation progress rating** (as per the rating filled in AMR Part I):

Satisfactory (S)

Please state the **implementation progress** made for this FY.

As already indicated, the project experience some delays due to a change in government following the national election in May. It was necessary to stall certain aspects of the project in order to make sure key government positions where there were changes were engaged and educated on the project once roles and responsibilities with key stakeholders had been assigned. Despite these changes, progress was made on Output 1.1.1, with the Meleka Sustainability Outlook being completed. Progress was also made on Output 1.1.2 and Output 1.1.3 with awareness

raising activities and consultations conducted prior to the election with inputs remaining relevant to the project following the election.

4. Risk management

14. Please indicate the overall risk management: (i) as identified in the CEO Endorsement document, and (ii) progress to-date.

***Risks identified as per CEO Endorsement document. Please indicate in the "Risks" column if some are new/additional risks.**

	(i) Risks	(i) Risk level	(i) Mitigation measures	(ii) Progress to-date
1	Drop in oil prices significantly affect government revenues and spending resulting in changed priorities and resource allocation	Modest risk (M)	The economy being highly dependent on global economic factors is beyond the control of the project. However, by virtue of the focus on planning at the subnational level and the emphasis on an integrated approach, especially with regards cross-sectoral coordination, the impact of economic turndown in any particular sector is diffused. The risk will also be reduced by closely engaging Government at all levels across a range of institutions and in various capacities. In particular, KPKT, KeTTHA, MNRE, and state and city authorities have been involved in the project design and have clearly defined roles and responsibilities. Also, by ensuring that the project outputs are aligned to the national and state priorities, the said risk would be reduced. Continued political support will be maintained by involving high level decision makers in the activities of the project, especially in public events, and maintaining a regular high level briefing and feedback on project progress.	x Not yet relevant
2	Delays/lack of adoption at the national level of the proposed improvements to the institutional and regulatory framework by public institutions	Modest risk (M)	Output 1.1.1. is dedicated to supporting improvements to the regulatory and policy framework, and awareness and capacity building within national, state and local institutions. In order to mitigate any potential risk of delays, close cooperation of the project partners in the NSC, comprising of senior government policy makers, will be sought and a clear delineation of project stakeholders' roles and responsibilities has been outlined in this project document. In addition, Output 1.1.2. aimed at capacity building of the various relevant institutions to create awareness and a better understanding of the project's interventions, thereby creating ownership among the local counterparts.	x Some delays due to changes in government, however, this has been mitigated by engaging key stakeholders during the change over.
3	Delays/lack of adoption at the municipal level of the proposed improvements to the institutional and regulatory framework by public institutions	Modest risk (M)	At a municipal level, a number of green city initiatives are being developed in Malaysia, in such cities as Putrajaya, Cyberjaya and Iskandar. The project envisages substantial policy and information support for selected city, including provision of training, awareness raising activities and demonstration. The project will tailor capacity building activities for local counterparts to ensure essential understanding on importance and benefits of sustainable city master plan.	x Not yet relevant
	Negative construction, operation and	Modest	Proper due diligence and construction management will be carried out during the pre-construction and construction phases of the pilot project to mitigate negative construction impacts. This will include public consultation and information disclosure. For the operational phase, though this is a pilot project, electric vehicles and the associated required equipment, as well as the energy efficiency and renewable energy applications in buildings are now commercially and widely available in Malaysia. In addition, the groundwork already laid by the ongoing Energy Efficient Low-	x Not yet

4	Operation, and decommissioning phase impacts and technology failure	Modest risk (M)	the groundwork already laid by the ongoing Energy Efficient Low Carbon Transport project will have built capacity and tested the products at length. The smart grid demonstration will also build on ongoing smart grid initiative of the Melaka State. Moreover, UNIDO will share its experience of similar projects in other countries such as South Africa, Senegal, Ivory Coast, India and China. To address risks of inappropriate disposal of equipment during the decommissioning phase, during the project there will be the provision of training on hazardous materials as well as adoption of official policies for dealing with disposal of materials.	x Not yet relevant
5	Project interventions are not sustained beyond the project life span	Modest risk (M)	Relevant public bodies' agreement will be secured in order to guarantee the project continuation after the end of the GEF funding period and the built capacity and policies will support this continued implementation. Given the ongoing Green City initiatives, it is expected that the project activities will be incorporated into its structure to ensure sustainability.	x Not yet relevant
6	Climate change risk/Infrastructure developed is vulnerable to climate change risks	Low risk (L)	While the infrastructure to be developed under the proposed project could potentially be vulnerable to climactic disruptions (e.g. smart grid system in coastal areas), sufficient due diligence has been undertaken in the PPG phase as to the location of such infrastructure and location to mitigate this risk.	x Not yet relevant
7	Gender Risk: Risk of resistance against, or lack of interest in, the project activities from stakeholders, especially with regard to the active promotion of gender equality. Low participation rates of suitable female candidates due to lack of interest, inadequate project activity or missing qualified female population within engineering sector.	Low risk (L)	Malaysia, while having a number of significant gender issues, is a pro-gender equality society. This project will pursue thorough and gender responsive communication and ensure stakeholder involvement at all levels, with special regard to involving women and men, as well as civil society and nongovernmental organizations promoting gender equality. This shall mitigate social and gender related risks, promote gender equality, create a culture of mutual acceptance, and maximize the potential contribution of the project to improving gender equality in the energy field. As gender has been clearly mainstreamed throughout the project design, this will help mitigate any potential risk.	x Project consultations made sure to have gender consideration through engagement with consultations.
8	Key stakeholders (government institutions, the private sector and end-users) are not interested/not supportive the project's interventions	Modest risk (M)	As the project will demonstrate a very new and unique technology to Malaysia, 'buy-in' from the private sector and public is very important to mitigate the said risk of disinterest. Any such potential risk will be mitigated through targeted public awareness, engagement, outreach and education activities, dissemination of information and consultations, as well as capacity building, to be implemented under Outputs 1.1.2. and 1.1.3. In addition, the demonstrations to be undertaken under Output 1.2.1. will showcase the technology in a visible manner to present the opportunities and benefits of the proposed technologies. Furthermore, the private sector's involvement in the development of the policies and strategies under Output 1.1.1. will help ensure that the policy framework and financial mechanisms are in line with the needs of investors and manufacturers.	x Key stakeholders have remained engaged and key stakeholders that have changed during change in government have been approached and introduced to the project.
9	Environmental and social risks	Modest risk (M)	During the project preparation period (PPG) relevant environmental and social risks have been identified and included in the ESMP. Since ESMP will serve as an active tool, additional risks that are identified during the project implementation will be included as they are identified.	X No additional risks have been identified so far during project implementation.
10				

15. If the project received a **sub-optimal risk rating (H, S)** in the previous PIR FY, please state the **actions taken** since then to mitigate the relevant risks.

N/A

5. Implementation and Execution issues

16. Please state any **implementation issues** occurred in overseeing and supervising during FY 2018:

The election of a new government in May 2018 resulted in some delays in implementation as there has been ongoing changes in the structure of ministries as well as lead officials in ministerial positions. The implementation arrangement should be sort for FY 2019.

17. Please state any **execution issues** faced during FY 2018:

Delays in execution were experienced as a result of implementation delays related to the change in government in May. However, following the election, effort was made to engage new ministers and staff in key government positions to ensure project would not lose momentum going into FY 2019.

6. Environmental and Social Safeguards (ESS)

18. As part of the requirements for **GEF-6** projects, and based on the screening as per the UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), which category is the project?

Category B project

19. As required for all **GEF-6** projects, please report on activities undertaken in FY 2018 to meet the ESS monitoring/management commitments made in the Project Document and/or the Environmental and Social Management Plan (ESMP).

	E&S risk	Mitigation measures undertaken in FY 2018	Monitoring methods and procedures used in FY 2018
(i) Risks identified during PIF and verified during PPG (as per the submitted ESMP)	The general public opposes the execution of the proposed project; negative construction, operation, and decommissioning phase impacts and technology failure; infrastructure developed is vulnerable to climate change risks; low participation rates of suitable females in project implementation; project developments involve alteration, damage or removal of any critical physical or cultural heritage; conflict of interest over locations where selected sites are based; and property ownership.	There was no significant implementation of project in FY 2018.	There was no significant implementation of project in FY 2018.
(ii) New risks identified during project implementation (if not applicable, please insert 'NA' in each box)	NA	NA	NA

7. Gender mainstreaming

20. Please describe the **gender considerations mainstreamed into the CEO Endorsement:**

The UNIDO Policy on Gender Equality and the Empowerment of Women outlines UNIDO's commitment to and recognition of the positive impact of women's empowerment on inclusive and sustainable industrial development. Gender mainstreaming action will be integrated into all stages of the project cycle, in particular in the training and skills strengthening activities of output 1.1.2. References to gender will be consistent throughout the project approach, the activities, indicators, and budget. Female experts will also be encouraged to participate in the training and other project activities.

21. Please state the **measures taken so far, and the **results achieved** in FY 2018 against the intended gender mainstreaming actions (refer to question above):**

The above mentioned gender mainstreaming review component has been adapted as a standard component in the preparation of all Technical Assistance.

8. Stakeholders consultation

22. Please describe the stakeholders consultations that have taken place for FY 2018?

Major stakeholder consultation session was held on 2 & 3 October 2017 in Melaka. Through the Global Platform for Sustainable Cities, Meleka was selected to undergo a Rapid Assessment Exercise. The event was also used as a platform to engage relevant local, regional and international partners in the project.

Awareness was raised about the project as well as stakeholder input received at the following events:

- Green Cities Conference in Meleka (5-6 September 2017)
- UEA Melaka Summit in Meleka (7-9 September 2017)
- 9th Session of World Urban Forum in Kuala Lumpur, GPSC Malaysia Project Presentation (8 February 2018)

23. Please upload the relevant consultation documents:

(Eg: Project Steering Committee minutes, Aide Memoire, Meeting Agenda, etc.)

- [9184_NSC_1_Minutes_020517.pdf](#)
- [9184_NSC_1_2018_Draft_Meeting_Minutes.pdf](#)
- [9184_MSCC2017_Event_Report.pdf](#)
- [9184_NSC_Meeting_1_Presentation_2018.pdf](#)
- [9184_StakeholderConsultations.pdf](#)

9. Knowledge Management

24. Please list the titles of knowledge management or publicity materials that have been produced for the project.

(i.e. online information exchange/sharing platforms, technical reports, project website or video links, publications, posters, flyers, etc.)

- 1 : xGEF Annual Monitoring Form

25. Please upload the materials mentioned above.

(i.e. photos, brochure, flyer, leaflet, feasibility studies... up to 10 files)

- [GEF_annual_monitoring_form_Malaysia.docx](#)

26. Please share a story on how the project has benefitted the environment and communities.

x

10. Files upload (Required for PIR, MTR and TE)

27. The following information is filled as part of the:

Project Implementation Report (PIR)

28. GEF Project size:

Full-Sized Project (FSP)

29. Please upload the **Project Progress Update Report** showing progress by output-level for FY 2018 (1 July 2017 to 30 June 2018):

[9147_2018_Project_Progress_Update_Report.docx](#)

30. Please upload the **updated work plan** for FY 2018:

[9147_Work_Plan.docx](#)

31. Please upload any other materials you wish to share from the project:

(i.e. feasibility study reports, technical reports, etc) For PTC/ENV projects with SCD requirements, please upload it here.

Please name your file "GEFID_document name".

11. Project Implementation Report (PIR)

31. Please insert information on progress, challenges and outcomes on **project implementation activities**:

The project has two objectives:

1. To promote an integrated approach to urban planning and management that is guided by evidence-based, multi-dimensional, and broadly inclusive planning process that balance economic, social and environmental resource consideration;

2. To build awareness and institutional capacity, and promote investment in climate risks mitigation technologies through demonstration projects

Component 1 is "Integration of climate risks in urban planning and management" with two project outcomes: 1.1 National urban policy framework strengthened to promote sustainable and resilient cities model/improved planning and increased knowledge and partnerships on sustainable cities and climate resilience at multiple levels; and 1.2 Investment in pilot cities to generate local and global environmental benefits.

As mentioned, in May 2018, a new government was elected in Malaysia. This posed as a challenge with aspects of the project being delayed, such as groundwork for Output 1.2.1, the adoption of renewable energy integrated smart grid. However, with respect to contributing to Outcome 1.1., progress was made on Output 1.1.1, 1.1.2 and Output 1.1.3. For Output 1.1.1, a major milestone was the completion of the Melaka Sustainability Outlook. For Output 1.1.3, awareness raising on the project happened through related city conferences as well as at the project launch. Additionally, capacity building exercise was held alongside the project launch with sessions on a variety of topics from international agencies. Sessions covered competitive cities (UN Habitat), municipal finance (World Bank), and City Carbon Inventory (International Council for Local Environment Initiatives).

32. Please insert information on progress, challenges and outcomes on **stakeholder engagement** (based on the description of the Stakeholder engagement plan included at CEO Endorsement/Approval):

Progress on stakeholder engagement included a major stakeholder consultation session was held on 2 & 3 October 2017 in

Melaka. Meleka was selected to undergo a Rapid Assessment Exercise by World Bank under the Global Platform for Sustainable Cities (GPSC). This event doubled as an opportunity to engage key stakeholders in the project, and saw 120 participants from over 60 local, national and international organizations. An outcome of the engagement was input into the completed Meleka Sustainability Outlook.

With respect to challenges, there was concern about the project losing momentum following the change in government as key stakeholders in certain government positions changed. However, the PMU and HQ have worked hard to engage with new stakeholders in key ministries as roles and responsibilities related to projects have been communicated and clarified. This proactive approach has been taken to ensure that there is as little delay in implementation of the project for FY 2019.

33. Please insert information on progress on gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent:

Gender mainstreaming action will be integrated into all stages of the project cycle, in particular in the training and skills strengthening activities of output 1.1.2. References to gender will be consistent throughout the project approach, the activities, indicators, and budget. Female experts are encouraged to participate in the training and other project activities. The mentioned gender mainstreaming review component has been adapted as a standard component in the preparation of all Technical Assistance. Due to delays in starting the smart grid component of the project that were already outlined, this aspect of the gender-response measures will start in earnest in FY2019.

34. Please outline knowledge activities / products (when applicable), as outlined in knowledge management approved at CEO Endorsement / Approval:

Knowledge output has included Meleka Sustainability Outlook. The objective of the report included distilling inputs from Melaka's public and private stakeholders; supporting the implementation of future updates to Melaka's 2035 Structure Plan; and to assist Melaka in achieving its vision of being smart, green and clean.

12. Mid-Term Review (MTR)

Please indicate the committed co-finance at CEO Endorsement (Table C)* and the materialized co-finance as of FY 2018. If additional sources of co-finance have been added during project implementation, please add as appropriate.**

	Sources of co-finance* (i.e. National government)	Name of co-financier* (i.e. Ministry of Finance)	Type of co-financing*	Amount confirmed at CEO (USD)*	Amount materialized at MTR (USD)**
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
Total					

Please upload the relevant Tracking Tool (*optional for MSP*):

Please upload the relevant Core Indicators numbers / figures as of the date of the MTR.

If there has been commitment in the CEO Endorsement document to submit a **Mid-Term Evaluation (MTE)**, please upload:

Please insert information on progress, challenges and outcomes on **stakeholder engagement** (based on the description of the Stakeholder engagement plan included at CEO Endorsement/Approval):

Please insert information on progress on **gender-responsive** measures, indicators and intermediate results as documented at CEO Endorsement/Approval in the gender action plan or equivalent:

Please outline **knowledge activities / products** (based on the Knowledge management approach approved at CEO Endorsement / Approval) and lessons learned (if available):

Please outline **main findings** of the **Mid-Term Review (MTR)**, i.e. key findings, recommendations and lessons learned:

13. Terminal Evaluation (TE)

Please indicate the (a) committed co-finance at **CEO Endorsement (Table C)** and (b) the materialized co-finance as of FY 2018. If additional sources of co-finance have been added during project implementation, please add as appropriate.

	(a) Sources of co-finance* (i.e. National government)	(a) Name of co-financier* (i.e. Ministry of Finance)	(a) Type of co-financing*	(a) Amount confirmed at CEO (USD)*	(b) Amount materialized at MTR (USD)**	(b) Amount materialized at TE (USD)**
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

Please upload the relevant Tracking Tool (TT):

Please upload the relevant **Core Indicators numbers / figures** as of the date of the TE.

Please upload the **Terminal Evaluation (TE)**:

Please insert information on progress, challenges and outcomes on **stakeholder engagement** (as evolved from the time of MTR):

Please insert information on progress on **gender-responsive** measures, indicators and intermediate results (as evolved from time of MTR), lesson learned if available:

Please outline **knowledge activities / products** (as evolved from time of MTR) and lessons learned:

Please outline **main findings** of the **Terminal Evaluation (TE)**, i.e. key findings, recommendations and lessons learned:

15. Thank You!

AMR II submission confirmation 9147