

# Accelerating adoption of super-efficient technologies for sustainable thermal comfort in buildings in India

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10370

**Countries**

India

**Project Name**

Accelerating adoption of super-efficient technologies for sustainable thermal  
comfort in buildings in India

**Agencies**

UNDP

**Date received by PM**

2/3/2022

**Review completed by PM**

7/11/2022

**Program Manager**

Aloke Barnwal

**Focal Area**

Climate Change

**Project Type**

FSP

**PIF** ☐  
**CEO Endorsement** ☐**Part I ? Project Information****Focal area elements**

**1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?**

**Secretariat Comment at CEO Endorsement Request**

Yes. Just one comment- the Adaptation Rio Marker is scored 1 which implies that the project will have significant adaptation benefits. However, it is not the case as per project design or intended objectives. Please consider revising the CCA Rio Marker to 0 or alternatively make adaptation as a significant objective by adding climate vulnerability context and explicit adaptation related activities in the project design.

14 April, 2022 GEFSEC

Thanks. The comment is cleared.

**Agency Response****Response to comment on 7 March 2022**

The CCA Rio Marker has been revised to 0.

(Reference: CEO ER Annex 9; ProDoc Annex O)

**Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**Co-financing**

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

The co-finance amount of SBI is not consistent with the co-finance letter provided. First, the letter is from KfW, not from SBI. Second, the amount mentioned in the letter is \$250 million Euros while the Table and the cover letter says 83 million USD. If the project is estimated to leverage only \$83 million of this credit line, please indicate this in one of the letters. In this context, the source of co-finance ideally should be KfW instead of SBI, as the letter is from KfW.

April 14, GEFSEC

Thanks. The comment is cleared now.

Agency Response

**Response to comment on 7 March 2022**

In order to clarify that the project expects to contribute to leveraging 83 mln\$ out of the total KfW budget line of 277 mln\$ by means of project activities, an additional letter of the Implementing Partner was added in alignment with the KfW letter. Throughout the ProDoc and CERDoc, the reference to the KfW credit line with SBI has been further specified.

(Reference: Co-funding letters)

**GEF Resource Availability**

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request Yes. the Table is fine and it reflects the additional STAR amount approved by the OFP for this project after initial PIF approval.

Agency Response  
**Project Preparation Grant**

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response  
**Core indicators**

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request  
Please clarify why GHG emission targets have been reduced by nearly 33% from PIF stage despite of slight increase in co-finance.

While it is good to note that number of beneficiaries of the project has increased, the gender ratio is very low with just 30% women beneficiaries. Please revise the gender ratio with focus on women beneficiaries.

April 14, GEFSEC

As per the core indicator table provided, we couldn't relate with response provided below. The response says that the direct emissions are calculated as 670 ktCO<sub>2</sub> in both PIF and CEO ER. However, the table indicates different numbers. Please clarify. The gender ratio is fine now.

April 28, GEFSEC

Thanks for the clarifications. Comment is cleared now.

<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	4010000
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	11700000

## Agency Response

### Response to comment on 14 April 2022

In the PIF, a total direct emission reduction of 4,010 ktCO<sub>2</sub> emission reduction was reported, consisting of 670 ktCO<sub>2</sub> direct emission reduction and 3,340 ktCO<sub>2</sub> post-project direct emission reduction. In the CEO ER, the total of 2,685 ktCO<sub>2</sub> emission reduction reported consists of 671 ktCO<sub>2</sub> direct emission reduction and 2,014 ktCO<sub>2</sub> post-project direct emission reduction (see also CEO ER p. 34). Thus, the direct emission reduction is the same in PIF and CEO ER. The difference is in the post-project direct emission reduction, whereby the lower post-project emission reduction in CEO ER is explained by the expectation that there will be more EE investment in new building development instead of EE investment in retrofitting buildings post project. EE investment in new building development comes at a higher cost per ktCO<sub>2</sub> as compared to existing buildings and therefore post-project direct CO<sub>2</sub> emission reduction was reduced. However, demonstration in new building development is expected to have a longer term impact in terms of demonstration effect. See also Section 6 of the CEO ER.

(Reference: CEO ER Section 6, p34)

### Response to comment on 7 March 2022

Direct GHG emission reductions are calculated as 670 ktCO<sub>2</sub> in both at PIF stage as well as in the current Project Document. The indirect emission reduction results from post-project emission reduction is calculated at 2,014 ktCO<sub>2</sub> while at PIF stage 3,340 ktCO<sub>2</sub> emission reduction. This is due to the expectation that more new building development as compared to EE retrofits will be resulting post-project while new building development comes at a higher cost per ktCO<sub>2</sub> as compared to existing buildings. However, demonstration in new building development is expected to have a longer term impact in terms of demonstration effect. Additional text explaining the difference between PIF and ProDoc was added under Section 6 of the CEO ER.

With regard to the gender ratio, the ratio is in fact 41%, similar to the PIF stage. This can be found from Annex F2 which specifies beneficiaries per building types and in training/workshops. In the Results Framework the gender rate was mistakenly reported at 30%, this has now been corrected to be 41%.

(Reference: CEO ER Annex A: Results Framework; ProDoc: Results Framework, Annex F2)

## Part II ? Project Justification

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion

Please address the following comments:

- Under 1.1 , the project may benefit from engaging with Discoms as one of the key stakeholders. If they are already considered, please consider to make it more explicit.

- 1.1.1: With reference to proposed activities: Key processes and administrative structure, Agencies involved and their responsibilities, Current state of notification/adoption of ECBC, Gaps in implementation of ECBC, Experience so far and challenges faced in terms of implementation of the institutional framework, Corrective steps and measures to improve and escalate implementation based on success cases,; Relevant nodes and steps of the existing framework at which thermal comfort guidelines could be applied; Conduct capacity building needs assessment of implementing agencies at national and sub-national levels to implement harmonized thermal comfort guidelines.

It doesn't seem to be a good value for money for GEF fund to support these activities for which already a number of reports, resources, guidelines and analysis are available. The project should focus on activities which are incremental. We recommend removing this activity and use the resources for some other high impact activity.

1.2: The proposal refers to use of low-GWP refrigerants. It is also referred in emission reduction calculation. Please note that GEF Council hasn't been supportive of any alternative other than zero GWP refrigerants in GEF TF supported projects. Therefore, please revise this.

2.2.1- The title says understanding of barriers. However, the list of activities under this indicate that the project will develop an incentivised structure and identify appropriate financial instruments. Please consider the following revisions:

- revise the title of 2.2.1 to something like, "Identify financial instruments and design of an incentive mechanism"
- please elaborate the "customized incentivisation structure".
- also, please clarify if the incentive structure will be applied in the proposed pilots, or how it will be rolled out.

2.2.2: As indicated earlier, the project should focus on incremental activities. The activity "assessment of SBI-KfW credit program" doesn't seem to be a good value for money, especially given that it is a co-finance source for this project. If this activity will be financed by the co-financing budgets, then it is fine.

2.3.1: The study on digital interventions is welcome. However, the scope looks too broad instead of a focus on thermal comfort, which is the main objective of the project.

3.2.1 and 3.2.2 : The activities proposed seem to be more generic on energy efficiency in buildings instead of a focus on cooling and thermal comfort. The key point here is that significant efforts have been made in the past on general awareness about ECBC. This project should have a clear incremental function.

14 April, 2022 GEFSEC

Thanks. Please address following additional comments. All other comments are cleared:

3.2.1- This activity is still very generic and in the past BEE, MoP and various other stakeholders have made significant efforts towards this. Either this needs to be specific to the project objective or can be removed and resources be used for other tangible outputs.

2.3.1: "Hiring of TA consultants" is a process which doesn't need to be mentioned in the title. Also, the study title itself should make a specific reference to cooling and thermal comfort in buildings.

14 April, 2022 GEFSEC

Thanks. Comment cleared now.

## Agency Response

### Response to comment on 14 April 2022

3.2.1: The generic descriptions of capacity building activities under 3.2.1, 3.2.2 and 3.3.2 were adjusted to make these more targeted and specific.

(Reference: ProDoc Activity 3.2.1, 3.2.2, 3.3.2 / CEO ER Activity 3.2.1, 3.2.2, 3.3.2)

2.3.1: The formulation of activity 2.3.1 was adjusted to make it more specific and focused.

(Reference: ProDoc Activity 2.3.1 / CEO ER Activity 2.3.1)

### Response to comment on 7 March 2022

#### Comment:

Please address the following comments:

- Under 1.1, the project may benefit from engaging with Discoms as one of the key stakeholders. If they are already considered, please consider to make it more explicit.

#### Response:

Engagement with regional power distribution companies (DISCOMs) was added to Activity 1.1

(Reference: CER DOC / ProDoc Activity 1.1)

#### Comment:

- 1.1.1: With reference to proposed activities: Key processes and administrative structure, Agencies involved and their responsibilities, Current state of notification/adoption of ECBC, Gaps in implementation of ECBC, Experience so far and challenges faced in terms of implementation of the institutional framework, Corrective steps and measures to improve and escalate implementation based on success cases,; Relevant nodes and steps of the existing framework at which thermal comfort guidelines could be applied; Conduct capacity building needs assessment of implementing agencies at national and sub-national levels to implement harmonized thermal comfort guidelines.

It doesn't seem to be a good value for money for GEF fund to support these activities for which already a number of reports, resources, guidelines and analysis are available. The



project should focus on activities which are incremental. We recommend removing this activity and use the resources for some other high impact activity.

**Response:**

The listed activities have been removed from activity 1.1.1 to avoid misunderstanding on incrementality.

(Reference: CERDOC / ProDoc Activity 1.1.1)

**Comment:**

1.2: The proposal refers to use of low-GWP refrigerants. It is also referred in emission reduction calculation. Please note that GEF Council hasn't been supportive of any alternative other than zero GWP refrigerants in GEF TF supported projects. Therefore, please revise this.

**Response:**

Reference to low-GWP have been removed there where these could lead to confusion.

(Reference: Throughout CERDOC / ProDoc)

**Comment:**

2.2.1- The title says understanding of barriers. However, the list of activities under this indicate that the project will develop an incentivised structure and identify appropriate financial instruments. Please consider the following revisions:

- revise the title of 2.2.1 to something like, "Identify financial instruments and design of an incentive mechanism"
- please elaborate the "customized incentivisation structure".
- also, please clarify if the incentive structure will be applied in the proposed pilots, or how it will be rolled out.

**Response:**

The Activities 2.2.1 and 2.2.2 have been renamed and restructured in order to avoid confusion and to avoid misunderstanding on incrementality.

**Comment:**

2.2.2: As indicated earlier, the project should focus on incremental activities. The activity "assessment of SBI-KfW credit program" doesn't seem to be a good value for money, especially given that it is a co-finance source for this project. If this activity will be financed by the co-financing budgets, then it is fine.

**Response:**

The Activities 2.2.1 and 2.2.2 have been renamed and restructured in order to avoid confusion and to avoid misunderstanding on incrementality.

(Reference: CERDOC / ProDoc, Activity 2.2.1 and 2.2.2)

**Comment:**

2.3.1: The study on digital interventions is welcome. However, the scope looks too broad instead of a focus on thermal comfort, which is the main objective of the project.

**Response:**

The focus on cooling and thermal comfort has been specified there where this may not have been clear in activity description.

(Reference: CERDOC / ProDoc, Activity 2.3.1)

**Comment:**

3.2.1 and 3.2.2: The activities proposed seem to be more generic on energy efficiency in buildings instead of a focus on cooling and thermal comfort. The key point here is that significant efforts have been made in the past on general awareness about ECBC. This project should have a clear incremental function.

**Response:**

The focus of the awareness raising and capacity building activities have been specified as concentrating on efficient and climate-friendly cooling technologies.

(Reference: CERDOC / ProDoc, Activity 3.2.1 and 3.2.2)

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

**Secretariat Comment at CEO Endorsement Request**

The project is well aligned with the CCM Focal Area strategy.

**Agency Response**

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

**Secretariat Comment at CEO Endorsement Request**

Regarding incremental reasoning please refer to comments made under question number 3 above.

14 April, 2022 GEFSEC

Thanks. This comment is cleared.

**Agency Response**

**Response to comment on 7 March 2022**

Under activity 1.1.1 several items have been removed from the activity in order to avoid misunderstanding on incrementality. Similarly, activities listed under 2.2.1 and 2.2.2

have been renamed and restructured in order to avoid confusion and to avoid misunderstanding on incrementality. The related budgets have been reallocated within the Output to strengthen other activities.

(Reference: CERDOC/ProDoc Activity 1.1.1; CERDOC/ProDoc Activity 2.2.1 and 2.2.2)

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

**Secretariat Comment at CEO Endorsement Request**

Please specify which city will be supported in West Bengal for pilot that will lead to direct GHG emission reduction.

The document says that emission reduction calculations are in Annex G. However, it is in Annex F.

Please refer to the low-GWP refrigerant related comment made previously and revise.

Please also refer to the comment on CI 11 target in which gender ratio is low.

Please provide a rationale for 20% causality factor used for indirect emission reduction estimation.

14 April, 2022 GEFSEC

Thanks. This comment is cleared.

**Agency Response**

**Response to comment on 7 March 2022**

**Comment:**

Please specify which city will be supported in West Bengal for pilot that will lead to direct GHG emission reduction.

The document says that emission reduction calculations are in Annex G. However, it is in Annex F.

**Response:**

The pilot city in West Bengal is envisioned to be Kolkata, which is expected to be confirmed during the Inception Phase of project implementation. The incorrect Annex reference has been corrected.

(Reference: Throughout CERDOC / ProDoc)

**Comment:**

Please refer to the low-GWP refrigerant related comment made previously and revise.

**Response:**

Reference to low-GWP have been removed there where these could lead to confusion.

(Reference: Throughout CERDOC / ProDoc)

**Comment:**

Please also refer to the comment on CI 11 target in which gender ratio is low.

**Response:**

With regard to the gender ratio, the ratio is in fact 41%, similar to the PIF stage. This can be found from Annex F2 which specifies beneficiaries per building types and in training/workshops. In the Results Framework the gender rate was mistakenly reported at 30%, this has now been corrected to be 41%.

(Reference: CEO ER Annex A: Results Framework; ProDoc: Results Framework + Annex F2)

**Comment:**

Please provide a rationale for 20% causality factor used for indirect emission reduction estimation.

**Response:**

A conservative causality factor (CF) of 20% is applied since the project is operating in three States while India is a very large country. State level promotional activities and awareness raising campaigns will be part of the project, therefore resulting in a 20% causality factor for the top-down indirect emission reduction calculations (see also Annex F.1).

(Reference: ProDoc Annex F.1)

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

Entire country's map is provided with different climatic zone. In the map, please highlight the focus geography of the project.

April 14, GEFSEC

Thanks. This comment is cleared.

Agency Response

**Response to comment on 7 March 2022**

A revised map has been included.

(Reference: ProDoc Annex A and Annex J / CERDOC 1b. and Annex E)

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase?  
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

As suggested earlier, the project will benefit from engaging with DISCOMs in the targeted cities/states.

14 April, 2022 GEFSEC

Thanks. This comment is cleared.

#### Agency Response

##### **Response to comment on 7 March 2022**

Engagement with regional power distribution companies (DISCOMs) was added to Activity 1.1

(Reference: CERDOC / ProDoc, Activity 1.1)

#### **Gender Equality and Women's Empowerment**

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

#### Secretariat Comment at CEO Endorsement Request

Yes. Please refer to the previous comment regarding women beneficiaries.

14 April, 2022 GEFSEC

Thanks. This comment is cleared.

#### Agency Response

##### **Response to comment on 7 March 2022**

With regard to the gender ratio, the ratio is in fact 41%, similar to the PIF stage. This can be found from Annex F2 which specifies beneficiaries per building types and in training/workshops. In the Results Framework the gender rate was mistakenly reported at 30%, this has now been corrected to be 41%.

(Reference: CERDOC Annex A: Results Framework; ProDoc: Results Framework + Annex F2)

#### **Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

**Secretariat Comment at CEO Endorsement Request**

Please elaborate more on private sector engagement. The current description is too short and doesn't provide full picture of how private sector will be engaged as collaborators in project activities, key stakeholder in decision making and as beneficiaries.

14 April, 2022 GEFSEC

Thanks. This comment is cleared.

**Agency Response**

**Response to comment on 7 March 2022**

Section 4 on Private Sector Engagement has been further expanded to clarify how the private sector will be involved in and contribute to project activities.

(Reference: CERDOC Section 4)

**Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

**Secretariat Comment at CEO Endorsement Request**

Please provide a more detailed climate risk assessment based on guidance provided by GEF-STAP.

Under the COVID risk description, please elaborate how the project can support green recovery.

14 April, 2022 GEFSEC

Thanks. COVID-19 risk and opportunity analysis is fine. However, the climate risks assessment is not adequate. Given that the project has a clear focus on three states, a more contextual analysis of climate risks is requested. There are a number of resources and documents including State Action on Climate Change and others are available conduct such risk analysis with a focus on buildings/energy sector. Please refer to the

GEF STAP guidelines for this. <https://www.stapgef.org/sites/default/files/2021-02/Climate%20Risk%20Screening%20web%20posting.pdf>

14 April, 2022 GEFSEC

Thanks. Comment cleared.

#### Agency Response

##### **Response to comment on 14 April 2022**

A separate section on Climate Risk Screening was added in the CEO ER under Section 5 ?Risks?.

(Reference: CEO ER p41)

##### **Response to comment on 7 March 2022**

Additional text under the Risks Assessment section is describing how the project can contribute to green recovery as well as elaborates further on climate risk assessment.

(Reference: CERDOC Section 5 Risk Assessment)

#### **Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

#### Secretariat Comment at CEO Endorsement Request

Please elaborate how municipalities/city governments will be engaged in the implementation of the project.

The coordination diagram indicates SDA of Gujarat and doesn't include West Bengal which is one of the pilot states. Please revise.

April 14, 2022, GEFSEC

Thanks. Comment cleared.

#### Agency Response

##### **Response to comment on 7 March 2022**



The State Governments and Municipal Corporations are included in the Project Steering Committee as beneficiary representatives in order to ensure the realization of project results from the perspective of project beneficiaries. Each state will have a State Project Management Unit (SPMU) with State-level Representatives through appointed experts on building EE policy -regulatory matters and in low carbon cooling who will also be supporting in identifying pilot projects, the feasibility of different technologies and possible business models. The SPMU will also be coordinating with all other stakeholders at the state level.

The texts sometimes inadvertently still referred to the state of Gujarat as previously indicated as pilot state, this has been corrected to the currently identified three pilot states of Uttar Pradesh, West-Bengal and Telanganu.

(Reference: Throughout ProDoc / CERDOC)

#### **Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**Knowledge Management**

**Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

Please revise the Knowledge Management approach in the CEO ER document. Currently, it reads like a stakeholder engagement plan instead of a knowledge management plan.

April 14, 2022, GEFSEC

This is still not adequate. Please describe the Knowledge Management "**Approach**". Currently, only stakeholders and list of products are listed. An approach may include process for knowledge generation, dissemination, sustenance and application.

April 14, 2022, GEFSEC

Thanks. Comment cleared now.

#### Agency Response

##### **Response to comment on 14 April 2022**

An additional section was added in the CEO ER Section 8. on Knowledge Management to describe the Knowledge Management approach.

(Reference: CEO ER Section 8 Knowledge Management)

##### **Response to comment on 7 March 2022**

The Knowledge Management section was expanded with a table explaining knowledge products and timing.

(Reference: CERDOC Section 8 Knowledge Management)

#### **Environmental and Social Safeguard (ESS)**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at CEO Endorsement Request

Yes.

#### Agency Response

##### **Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request

Yes.

#### Agency Response

##### **Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

For the program budget, please confirm if hybrid working model has been factored in to estimate travel budget.

The budget table is not clear. Please paste the budget table provided in the Agency project document in the portal entry.

Please provide a bit more detail on "company contract". What is referred by "company" here. Also, please clarify or full out "imp prtnr".

A good amount has been allocated for office supplies, office equipments, etc. Please elaborate if co-financing options were considered for these.

Please also indicate as much feasible, how co-financing will support specific project activities.

April 28, 2022, GEFSEC

This is technically cleared for further review by the GEF PPO.

Agency Response

**Response to comment on 7 March 2022**

The travel budget is composed of travel for different purposes, e.g. it contains travel of project staff, short term consultants, workshop key speakers, selected workshop participants, M&E consultants and selected inception workshop key participants/speakers/experts. Where possible, hybrid working modalities will be engaged in order to reduce the need for travel. A certain level of travel will be

unavoidable due to the nature of inspection of pilot buildings needed and key stakeholder engagement required.

(Reference: ProDoc Chapter 9: Total UNDP Budget and Work Plan)

The budget table has been updated in the GEF portal.

The budget lines consist of standardized terminology. Where it says "company contract" this refers to any type of company that will be contracted (purpose explained in the budget note) as opposed to the recruitment of individual national or international consultants. The abbreviation "imp prtnr" has been written in full as "implementing partner".

The standardized budget line "office equipment" is used for several purposes as described in the budget notes, e.g. also reflecting audio-visual equipment and equipment for BEP tool development as well as equipment for energy audits and energy performance measurement kits and equipment for technical training.

Co-financing per co-financier and per project component has been specified in Annex E "Additional Budget Information".

#### **Project Results Framework**

Secretariat Comment at CEO Endorsement Request Yes.

#### **Agency Response**

##### **GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

Yes. Comments during the PIF stage have been responded.

GEFSEC 9 May 2022

Please address the following comments and resubmit the project.

1. Co-financing: Bureau of Energy Efficiency 9M grant: typically "grant" is categorized as "Investment mobilized"; and "in-kind" as "recurrent expenditures". The co-financing letter doesn't provide sufficient info for this amount to be reported as "Investment mobilized". For instance, if BEE (as a key executing partner) will provide this amount "in cash" to the project (either from their own budget or from other source), this certainly is Investment mobilized. Please provide more info about the BEE's 9M grant, funded activities, disbursement timeline in the Investment Mobilized description section.

2. There is a 2% increase in funding request at CEO endorsement stage in comparison with PIF stage, this should be treated as a minor amendment ? however, we could not find the approval from GPU Manager (if you have it, please append the email to the document's tab):

3. Status of PPG utilization: as requested in the template, please provide details on expenditure categories for this PPG report ? please provide the information by categories of expenditure (consultants, workshops, travel costs, salaries if any) as opposed to by output (i.e. preparation of UNDP-GEF project document).

4. Budget table:

- i. Office equipment seems to be duplicate ? please fix this.
- ii. National Coordinator and Assistant Program Manager are being charged to both components and PMC - Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing portion allocated to PMC is 6.2 million, and there is a co-financing grant of 9 million ? this could be used to cover the costs of the project's staff.
- iii. Office supplies should be charged only to PMC, not to components:

5. Core Indicators: The target in the core indicator table for Indicator 6 (Greenhouse Gas Emissions Mitigated) does not match the result framework target in the annex A.

GEFSEC: Thanks. Comments cleared subject to clearance by PPO.

## Agency Response

### Response to comments on 9 May 2022

1. In order to avoid any misunderstanding, as there may have been a misunderstanding on co-finance terminology, the Bureau of Energy Efficiency has issued a new co-funding letter. The new BEE co-funding letter specifies that BEE contributes 9 mln\$ co-funding, consisting of 6 mln \$ in-kind and 3 mln\$ cash/grant co-financing. The letter also further explains that the co-funding will be in form of project management related expenses on the one hand (support staff, office space, etc) and grant funding for BEE's Building Energy Efficiency program on the other hand.

Table C in the CEO ER has been corrected accordingly. More details on the funded activities are provided in Annex E of the Project Document.

(Reference: CEO ER: Table C; ProDoc: Annex E)

2. The PM has uploaded the Manager's approval document in the portal.

3. A revised budget table with the status of PPG utilization and details on expenditure categories is included under Annex C.

4i. The two budget lines represent different budget items aggregated under a same budget note #33 (see Chapter 9 of ProDoc). The first budget line is for office equipment - IT, computer, USD 5,000 - under budget code 72200, while the second budget line is for Info. Tech. equipment related to project administration - USD 5,000 - under budget code 72800.

4ii. Adjustments have been made in the Budget Table whereby part of PM costs is covered by UNDP co-financing (50 k\$). With the further detailing of the BEE co-funding, it has been clarified that co-funding reported under PMC exists of in-kind contributions in BEE staff costs and office space etc. Budget notes 3 and 4 in the budget table have been further elaborated to clarify the contributions of staff to technical tasks versus project management.

4iii. All office supplies are now charged to PMC.

5. The results framework target has been adjusted.

(Reference: CEO ER: Annex A; ProDoc: Chapter 5 and Annex C)

#### **Council comments**

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response  
**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response  
**CSOs comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request Yes

Agency Response  
**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
Please see comment above.

Cleared.

Agency Response  
**Response to comment on 7 March 2022**

A revised map has been included.

(Reference: ProDoc Annex A, Annex J / CERDOC 1b. / Annex E)

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
NA  
Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

Not at this time. Please address the comments and resubmit for further review.

April 14, 2022, GEFSEC

Please address a few additional comments and resubmit the project for further review.

April 28, 2022, GEFSEC

Yes. The project is technically cleared.

May 9, 2022

Please address the additional comments provided under the GEFSEC comments and resubmit the project.

July 7, 2022, GEFSEC

Yes. The project is cleared now as the Agency has addressed the remaining comments.

**Review Dates**



**Secretariat Comment at  
CEO Endorsement****Response to  
Secretariat  
comments**

<b>First Review</b>	<b>3/1/2022</b>
<b>Additional Review (as necessary)</b>	<b>4/14/2022</b>
<b>Additional Review (as necessary)</b>	<b>4/28/2022</b>
<b>Additional Review (as necessary)</b>	<b>5/9/2022</b>
<b>Additional Review (as necessary)</b>	<b>7/7/2022</b>

**CEO Recommendation****Brief reasoning for CEO Recommendations**

The UNDP project (GEF ID 10370) ? Accelerating adoption of super-efficient technologies for sustainable thermal comfort in buildings in India? is well aligned with GEF 7 climate change mitigation focal area and India?s NDC, energy policies and cooling action plan. The demand for space cooling in buildings in India is expected to increase eleven times from the current level over the next twenty years. As a consequence, energy demand from refrigeration and air conditioning applications for buildings is estimated to grow from currently 10 percent to 45 percent by 2050. While there are efforts to make buildings energy efficient through energy efficiency building codes and refrigerant conversion under the MLF, they are not sufficient to address the rapidly increasing cooling demand and subsequent increase in GHG emissions.

The project is expected to reduce 2.68 million tons of direct and 8.05 million tons of indirect GHG emissions primarily from the building sector in Indian cities. It will also tackle the growing heat island effect in built environment in cities. The project will deliver these benefits through three inter-related components. First, it will aim to enhance the effectiveness of national policy, regulatory and institutional frameworks for energy efficiency in buildings. In this regard, the project will support harmonization of Energy Conservation Building Code (ECBC) with the India?s Cooling Action Plan, National Building Code and building bye-laws. Second, the project will support Market acceleration and innovation for super energy efficient and zero GWP cooling technologies through development of innovative business models and investment mechanisms, and demonstrating pilot projects in selected cities. Finally, the project will

support Capacity building and knowledge sharing to enhance capacity at national, sub-national and within the private sector for thermal comfort systems in buildings. The project will establish linkage with global accelerator platforms such as SE4ALL, Building Energy Accelerator Platform, Global Cooling Prize, Kigali Cooling Efficiency Program and GPSC to learn from best practices and contribute to these accelerators with evidence generated under the project.

The project adopts a systems based approach to tackle rising GHG emissions from the building sector in India. It will facilitate coordination between national, state and municipal institutions to harmonize policies, engage market players to introduce and accelerate deployment of energy efficient cooling technologies and induce consumer behavior to adopt climate friendly technologies to meet their cooling demand. Therefore, the approach is quite holistic to deliver transformational change.

The project is designed on a strong baseline with a significant co-finance from government, bilateral donors and the private sector. The project also directly complements Indian government's efforts under the Montreal Protocol for refrigerants conversion. Innovation is quite central to the project design and introduction of new technologies, energy management tools and harmonized codes will have sustainable impact beyond the project period.

The project has duly factored in the impact of COVID-19 in its design. It will support cooling technologies which integrates health protocols such as efficient ventilation systems. Introducing energy efficient technologies in buildings in India has the potential to create 7-16 jobs per million USD of spending. Through this project which will enhance investment in advanced climate friendly cooling technologies in buildings, therefore, will support new jobs and contribute to green recovery.

The project will be executed by the Bureau of Energy Efficiency, India which is the nodal authority to advance energy efficiency deployment in the country. They are strongly positioned to leverage ongoing initiatives of national government and state governments, and leverage external public and private sector financing for scaling up climate friendly cooling technologies in the country. The project will draw nearly 5 million USD of GEF financing with a co-finance of nearly 95 million USD with a ratio of 1:19, thereby demonstrating a strong value for money and collaboration with various partners.