



# Accelerating low-carbon circular economy through cleantech innovation towards sustainable development in Pakistan

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10885

**Countries**

Pakistan

**Project Name**

Accelerating low-carbon circular economy through cleantech innovation towards sustainable development in Pakistan

**Agencies**

UNIDO

**Date received by PM**

9/23/2021

**Review completed by PM**

1/20/2022

**Program Manager**

Satoshi Yoshida

**Focal Area**

Climate Change

**Project Type**

MSP

## PIF

### Part I ? Project Information

#### Focal area elements

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

Secretariat Comment at PIF/Work Program Inclusion

Yes. However, please see the comment below on the project scope.

Agency Response

12/11/2021

Please find the below responses.

#### **Indicative project/program description summary**

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 31, 2022: Comment cleared.

Jan 19, 2022: We note the changes in title and objective with a confirmation email by the OFP team. Comments cleared.

Dec 6, 2021: Thank you for the revisions. The project title is not in line with the project design, which needs to be revised as well. Please note that revising title would be reflected in the OFP letter or an e-mail confirmation by OFP.

Also, please streamline the table B - one title per component and grouping the subordinated elements where appropriate.

Oct 28, 2021: Please address the below points.

Project title, objective, and main scope: The main focus of this project seems solid waste management. However, GEF does not fund local solid waste management interventions, but rather global environmental problems. Given the share of GHG emissions of waste management sector and emissions reduction by waste management sector may not be as cost-effective as other sectors, we would like to see the scope to be expanded beyond solid waste management-related emission reductions (i.e. renewable energy and energy efficiency). Also, please clarify if circular approaches are included in solid waste management under this project, which are in general more innovative in the GEF context.

Table B: Please use one title per component (avoiding duplication). "PIRs prepared according to UNIDO and GEF requirements" is usually related to project management and not relevant to components.

## Agency Response

Jan 31, 2022

Mentioning of "equity" was deleted from the description of investment mobilized under Table C to better reflect the obtained co-financing letters.

12/11/2021

- The project scope was clarified at the "project objective" in Table B including renewable energy and energy efficiency while also incorporating the concept of circularity
- "PIRs prepared according to UNIDO and GEF requirements" was deleted

6/1/2022

The project title was changed to "Accelerating low-carbon circular economy through cleantech innovation towards sustainable development in Pakistan". Please find the email as attached for the confirmation by OFP. Table B was revised.

**Co-financing**

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 25, 2022: Additional comment from the policy perspective. Based on the information provided in the section "How investment mobilized was identified," certain co-financier(s) are planning equity investment; however, none of the "Type of Co-financing" select was "Equity". Please revise either description to address the discrepancy.

Dec 6, 2021: The below comments cleared.

Oct 28, 2021: Co-financing on PMCs is slightly lower than GEF financing on PMCs. Please adjust or provide justifications.

Also, please include investment mobilized co-financing only (namely, UNIDO, Larai Energy (Pvt.)Ltd., and IGNITE-Technology Development Fund) under "how Investment Mobilized was identified" and revise the section accordingly (In-kind co-financing is not relevant here).

Agency Response

12/11/2021

- PMC figures were revised to make them equivalent to the GEF financing.
- The explanation at "how investment mobilized" was revised.

**GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

**The STAR allocation?**

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The LDCF under the principle of equitable access?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The SCCF (Adaptation or Technology Transfer)?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Focal area set-aside?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Impact Program Incentive?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Project Preparation Grant**

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

**Core indicators**

**6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)**

Secretariat Comment at PIF/Work Program Inclusion Yes, to be further examined during PPG phase with revised scope. Please see comments on GEBs below.

Agency Response

12/11/2021

Please find the below responses.

**Project/Program taxonomy**

**7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?**

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comments cleared.

Oct 28, 2021: There seems some irrelevant keywords such as "Agriculture, Forestry, and Other Land Use." Also, chemicals and waste is included while core indicators 9 and 10 are empty. Please include relevant keywords only.

Agency Response

12/11/2021

The keywords were adjusted and "Agriculture, Forestry and Other Land Use" and "Chemical & waste" were deleted.

**Part II ? Project Justification**

**1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 19, 2022: Comment cleared.

Dec 6, 2021: The descriptions can include waste management related information while they need to be adjusted according to the expanded scope of sectors/technologies in terms of coverage.

Oct 28, 2021: Yes. However, please adjust descriptions as revising the scope of the project.

Agency Response

12/11/2021

The descriptions were adjusted as per the project scope including renewable energy and energy efficiency.

6/1/2022

The narrative related to global environmental problems was revised further.

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 19, 2022: Comment cleared.

Dec 6, 2021: Similar to the above, please adjust descriptions according to the expanded scope of sectors/technologies in terms of coverage.

Oct 28, 2021: Yes. However, please adjust descriptions as revising the scope of the project.

Agency Response

12/11/2021

The descriptions were adjusted as per the project scope including renewable energy and energy efficiency.

6/1/2022

Baseline scenario section was revised further.

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 19, 2022: Comments cleared.

Dec 6, 2021: we note the adjusted ToC. Some descriptions are still focused on integrated waste management. Please amend in line with the expanded scope. Selection criteria should include the plausibility of ex-ante and ex-post GHG emission reductions calculation.

Oct 28, 2021: Please adjust the descriptions as revising the scope of the project.

Please also adjust ToC to fully align with this project as this is not a part of GCIP.

In terms of selection criteria of technologies, please see the comment under GEBs section below in terms of accounting emission reduction (and include descriptions, as appropriate) while noting para 81 as priority criteria.

## Agency Response

12/11/2021

- The descriptions were adjusted as per the project scope including renewable energy and energy efficiency.
- ToC was adjusted.
- Selection criteria of technologies were revised to reflect GHG emission reductions as per project scope.

6/1/2022

The ToC was revised. Plausibility of GHG emission reduction calculation is included in the narrative of selection criteria

### **4. Is the project/program aligned with focal area and/or Impact Program strategies?**

## Secretariat Comment at PIF/Work Program Inclusion

Yes.

## Agency Response

### **5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

## Secretariat Comment at PIF/Work Program Inclusion

Yes.

## Agency Response

### **6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

## Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comments cleared.

Oct 28, 2021: Yes in terms of approaches of calculation, which are the same as GCIP. However, please re-examine GEBs during PPG phase as revising the project scope.

On the selection criteria of technologies under this project, please confirm that all selected technologies can be accounted in terms of GHG emission reductions for both ex-ante (at CEO approval stage) and ex-post (reports) and describe how the project will ensure that.

## Agency Response

12/11/2021



- The GEB calculation specific to waste management will further be clarified during the PPG phase. The site specific and technology specific information will be needed for estimating GHG emission reductions. In nature, the project hires a competition based approach, which may cause certain limitation on the ex-ante calculation of the GEB at the CEO approval stage. However, the estimated GEB ex-ante will further be tracked during the project implementation/execution phase and reported as per GEF rules and guidelines.

**7. Is there potential for innovation, sustainability and scaling up in this project?**

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comments cleared.

Oct 28, 2021: In terms of innovation, please describe if waste management reducing GHG emissions in this project includes circular approaches as solid waste management itself is less innovative in the GEF context.

On sustainability and scaling up, please include the role of knowledge management.

Agency Response

12/11/2021

- The expiations were amended to include circular approach and project scope.
- The roles of knowledge management were included.

**Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project?s/program?s intended location?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: We note that there were limited discussions with stakeholders.

Oct 28, 2021: Please describe previous consultations (indigenous peoples, the private sector and CSO are selected).

Agency Response

12/11/2021

- Indigenous peoples & CSO were deleted.
- Explanation was added that due to the COVID, major consultations with the stakeholders will take place during the PPG phase assuming the situation will get better by then.

**Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Risks to Achieving Project Objectives**

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

Secretariat Comment at PIF/Work Program Inclusion

Yes. Please elaborate environmental risks during the PPG phase with clearer scope of this project.

Agency Response

12/11/2021

- Environmental risks will be further elaborated during the PPG phase.

**Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

Yes. However, legal context and transfer of assets are not relevant to this section or PIF.

Agency Response

12/11/2021

- Legal context and transfer of assets wording were deleted from the section and moved to the end of 1. project description below the footnotes.

**Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Knowledge Management**

**Is the proposed knowledge management (KM) approach in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?**

Secretariat Comment at PIF/Work Program Inclusion

Yes. Please further elaborate knowledge products and tools during the PPG phase.

Agency Response

**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 PIF/Work Program Inclusion

Yes.

Agency Response

**Part III ? Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

**Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

Secretariat Comment at PIF/Work Program Inclusion

Jan 25, 2022: Please address the comment on co-financing description.

Dec 6, 2021: Please address the remaining comments.

Oct, 28, 2021: Please address the comments above in particular the project scope.

**ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

Secretariat Comment at PIF/Work Program Inclusion

Please address the relevant comments above including detailed scope, selection criteria, and expected GEBs during the PPG phase.

**Review Dates**

**PIF Review**

**Agency Response**

<b>First Review</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**