



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

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10886

**Countries**

Viet Nam

**Project Name**

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

**Agencies**

UNIDO

**Date received by PM**

9/24/2021

**Review completed by PM**

12/6/2021

**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 below comment 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

Dec 6, 2021: Comments cleared.

Oct 31, 2021: The project scope on clean technologies is not entirely clear as the project objective refers to only circular economy while the project descriptions include renewable energy (waste management, renewable energy, and recycling under the alternative scenario). Given the share of GHG emissions of waste management sector

(6.5% according to the PIF) and emissions reduction by circular/waste management approaches may not be as cost-effective as other sectors, we would like to see the scope to be expanded (i.e. including renewable energy and energy efficiency). Please revise the PIF accordingly.

Also, please use one title per component with a component number on table B.

## Agency Response

12/11/2021

- The project scope was clarified at the "project objective" in Table B including renewable energy and energy efficiency

### **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

Dec 14, 2021: Comment cleared. We note that during PPG phase the Agency will explore co-financing opportunities.

Dec 6, 2021: The previous comment cleared. As per guidelines, at concept stage (PIF), agencies provide indicative information regarding the expected amounts, sources and types of co-financing. Having TBD does not provide any kind of indicative information about the potential private sector co-financier. We read the info provided in the description that indicates Covid-19 restrictions limit in-depth stakeholder consultation with the private sector. During the PPG phase, the private sector engagement will take place. While this is well understood, given the above mentioned statement of Guidelines, please remove this unspecified co-financier included in Table C as Private sector (to be determined), Equity \$650,000 (at CEO Endorsement stage, it can be reinstated with a clear identification of the co-financier).

Oct 31, 2021: the section of "how investment mobilized was identified" is relevant to those investment mobilized (grant, loans and equity). Please include all of them. Please increase co-financing on PMCs so that the ratio is equivalent to the GEF financing.

## Agency Response

12/11/2021

- The explanation at "how investment mobilized" was revised.

- PMC figures were revised to make them equivalent to the GEF financing.

12/12/2021

-The row in the co-financing table amounting to 650,000 (Private Sector) has been removed. During the PPG phase, efforts will be made to increase the ratio of co-financing through consultations. The updated co-financing amounts to 9,350,000 USD. Table A and Table B, as well as para 142 have also been updated to reflect the new total.  
**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.

Agency Response  
**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 Oct 31, 2021: Yes.  
However, please review based on review sheet comments.

Agency Response  
12/11/2021  
The keywords were adjusted.

**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

Dec 6, 2021: Comment cleared.

Oct 31, 2021: Yes, however, please adjust descriptions based on the project scope of technologies.

Agency Response

12/11/2021

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

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

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comment cleared.

Oct 31, 2021: Yes, however, please adjust descriptions based on the project scope of technologies.

Agency Response

12/11/2021

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

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

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comments cleared.

Oct 31, 2021: ToC seems to be aligned with the project in general while it is still regarded as ToC of GCIP. Please amend. Also, please adjust descriptions based on the project scope of technologies.

In terms of selection criteria of technologies, please see the comment under GEBs section below in terms of accounting emission reduction (and include descriptions in this section, as appropriate)

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.

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

Secretariat Comment at PIF/Work Program Inclusion

Dec 6, 2021: Comment cleared.

Oct 31, 2021: GCIP descriptions are not relevant here. Please amend.

Agency Response

12/11/2021

The description was revised.

**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 31, 2021: Yes in terms of approaches of calculation, which are the same as GCIP. However, please re-examine GEBs during PPG phase based on the project scope. Also, please revise the descriptions aligned with this project.

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 be further clarified during the PPG phase. The site specific and technology specific information will be needed for

estimating GHG emission reductions. In nature, the project applies 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 31, 2021: As GCIP is not relevant under innovation, please revise based on this project. Please describe the innovativeness in terms of clean technologies as well.

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

Agency Response

12/11/2021

- The expiations were amended.
- 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 the limited consultation with the private sector.

Oct 31, 2021: Please describe previous consultations (the private sector and CSO are selected).



Agency Response

12/11/2021

- CSO was deleted at this point.

- Explanation was added that due to 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.

Agency Response

**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. Please note that UNIDO cannot cover executing functions.

Agency Response

12/11/2021

- UNIDO will not cover executing functions under this project.

**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

12/11/2021

- Knowledge products and tools will be further elaborated during the PPG phase.

**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

Dec 14, 2021: The remaining comment cleared. The project is recommended for technical clearance.

Dec 6, 2021: Please address the comment on co-financing.

Oct 31, 2021: Please address comments above.

**ADDITIONAL COMMENTS**

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

Secretariat Comment at PIF/Work Program Inclusion

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>10/31/2021</b>	
<b>Additional Review (as necessary)</b>	<b>12/6/2021</b>	
<b>Additional Review (as necessary)</b>	<b>12/14/2021</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**