

Reducing Community Carbon Footprint by a Circular Economy Approach in the Republic of Serbia

Edit and Submit CEO Endorsement

Basic project information

GEF ID

10425

Countries

Serbia

Project Name

Reducing Community Carbon Footprint by a Circular Economy Approach in the Republic of Serbia

Agencies

UNDP

Date received by PM

5/31/2021

Review completed by PM

Program Manager

Ming Yang

Focal Area

Multi Focal Area

Project Type

MSP

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

6/1/2021 MY:

Yes, the project remains aligned with the GEF CCM focal area elements as presented in PIF.

Agency Response

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

6/1/2021 MY:

Not completed at this time.

For Component 2, please

1. split the TA and INV total budgets of both GEF grant and co-financing to match each of the outputs.

2. double check and make sure the outputs of INV are not TA. It seems that all outputs in Component 2 are TAs. INV in GEF projects means tangible assets, not feasibility study reports, not financial agreements, not designing of projects, not workshops, etc. Please revise the Component accordingly to make sure some INV will take place in the project. The Agent may select a community or a special zone of a city where there are some SMEs to demonstrate the practice or implementation of circular economy as a pilot, use part of the GEF grant and co-financing to develop necessary hardware or facility for the pilot demonstration. The demonstration should test the policy, regulations, and navigator etc. that were developed or delivered from this project. From the demo projects, direct GHG emission reductions can be easily calculated.

3. For PMC, the ratios of GEF and co-financing contribution are 10% (161500/1615500) and 2.9% (400000/13750000). Please adjust the amounts and make the two ratios approximately the same.

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

6/1/2021 MY:

N/A

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

6/1/2021 MY:

Not at this time.

The co-financing amounts in the letters are not matching the amounts in Table C. For example, the letter of the ProCredit Bank shows Euros 60 million, while the amount in Table C shows \$2 million. Please do not attach or show any co-financing letters that do

not actually contribute funding to the project. For another example, the amount of co-financing in the letter of City of Belgrade does not match the amount in Table C. Also, please ask the City of Belgrade to indicate the type of co-financing, in-kind or grant in the letter. PLEASE DOUBLE CHECK the amounts in ALL letters against the amounts in the Table. Thank you.

Agency Response
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
6/1/2021 MY:

No. To be commented next time. The co-financing amounts in the letters seems do not match those in Table C. See the comments in the previous box.

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
6/1/2021 MY:

Yes, it is reported in Annex C.

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
6/1/2021 MY:

Yes, the indicator is attached separately in an Annex file in the Portal. They look realistic.

Agency Response

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

6/1/2021 MY:

Not completed at this time. Please elaborate how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed (please update this information on the top of the PIF).

Please use the format of STAP to present the theory of change (TOC). Figure 3 does not meet the requirement of STAP on TOC. Please contact the UNDP New York office to get detailed information on how to address the issue of TOC that will meet the requirement of the STAP.

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

6/1/2021 MY:

Yes, the baseline scenario is updated on page 10 of the CEO AR document (Figure 1).

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

6/1/2021 MY:

Not completed at this time.

The alternative scenario is presented on page 10 (Figure 2), but the expected outcomes and outputs need to be revised. For example, INV sub-component needs to be strengthened and elaborated. Please see the comments above on Table B.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Yes, 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

6/1/2021 MY:

Not completed at this time.

Per the section of "Incremental/ additional costs reasoning and expected contributions from the baseline ", the GEF \$1.78 million is planned to contribute to the financing of the required TA and for M&E activities as well as to provide complementary innovation awards and performance based payments to encourage and share the risks of new circular economy pilot and business initiatives, cost-sharing..." Please consider using part of the GEF grant and part of co-financing in a pilot demonstration project. Please see my comments in the box of "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?" above.

Agency Response

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

6/1/2021 MY:

Not completed at this time.

Please elaborate the methodology, assumptions, and data on direct GHG emission reductions. Please be aware that direct GHG emission reductions should be from a pilot demonstration project with a project boundary. Please see the GEF recommended methodological framework on GHG accounting.

Agency Response

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

6/1/2021 MY:

Yes, the elaboration is presented on pages 14 -15 of the CEO AR package.

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

10/30/2019 MY:

Not completed at this time.

Please provide a map to show the venue where the proposed project can set up its project boundary.

12/3/2019 MY:

Please consider a demo for circular economic buildings. Then, present the map of the demo project.

2/27/2020 MY:

Not at this time.

The GEF grant is very limited. The PIF needs to be clear on how and where the limited grant will be used. Please consider a demo for circular economic buildings. Then, present the map of the demo project.

4/27/2020 MY:

OK, But at the CEO AR stage, the agency must show a map.

6/1/2021 MY:

Not completed at this time.

On the map, please show the project boundary. Please make sure the project area will not overlap with any territory of any neighbouring countries.

Agency Response

11/11/2019 UNDP:

The map was not considered as applicable for this particular PIF, since the project focus will be on Serbia as a whole. Such a map and the related boundaries may become actual later at the project implementation stage for individual pilot and investment projects, however, and can be drawn and provided at that stage. As mentioned before, however, these projects are not known yet, but they will be selected at the project implementation stage by following the challenge based approach.

12/11/2019 UNDP:

A reference is made to the earlier responses as it concerns the selection of predefined pilot/demo projects at this stage.

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

6/1/2021 MY:

N/A

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
6/1/2021 MY:

Not at this time.

In the section of "2. Stakeholders" , please

1. Elaborate the roles of project stakeholders to match the outputs of the project in Table A. For example, please indicate which organization or project stakeholders will execute the sub-components of pilot technology and policy demonstrations.
2. Indicate whether this project will benefit or impact any Indigenous or minority Peoples and Local Communities. If so, please show evidence that they have been consulted with the project impacts. Please indicate which stakeholders will be affected by the project on ground and how they have been consulted.
3. Ensure that the project package includes information about the future roles of stakeholders and proposed means of future engagement. Please check if the future roles of stakeholders have been identified. Please demonstrate how the project keeps engaging stakeholders through adequate means.
4. Please kindly check the project design again and make sure the UNDP will not perform execution of the project.

Agency Response
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

6/1/2021 MY:

Yes, "Annex 11: Gender Analysis and Gender Action Plan for the project proposal ?Reducing Community Carbon Footprint by a Circular Economy Approach in the Republic of Serbia " addressed the issues and it is uploaded to the "Document" Folder of the project.

Agency Response

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

6/1/2021 MY:

Not completed at this time.

Per the co-financing plan (Table C), the project will engage Serbian SMEs and use \$4 million of their equity co-financing. Please elaborate its their roles as private investors in the project. Please tell readers what these SMEs are going to do with the \$4 million.

Agency Response

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

6/1/2021 MY:

Not completed. Potential social and environmental risks including the risks and opportunities from COVID-19 that might impact the project objectives have been addressed.

However, for the section of "*Climate Change Risks*", please focus on what the risks and impacts due to climate change will be on the demo projects for the SMEs which will use GEF grants to invest in tangible projects on ground. Please elaborate measures of these SMEs to deal with these risks and impacts. The contents in the current section on general risks of climate change on hydrological resources, agriculture and forests have little to do directly with the proposed project. Please rewrite this section. Thank you.

Agency Response

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

6/1/2021 MY:

Yes, the institutional arrangement for project implementation and execution is well described in the section of *6. Institutional Arrangement and Coordination*.

Due to the difficult situation in Serbia, the government requested the UNDP to undertake part of roles of execution. The GEF SEC carefully reviewed the request and allowed the UNDP to do so.

Agency Response

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

6/1/2021 MY:

Yes, it is addressed in the section of *7. Consistency with National Priorities*.

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

6/1/2021 MY:

Not yet.

In the PIF stage, the PM made the following comments on KM for the agent:

10/30/2019 MY:

Yes. it is on pages 27-28.

In the CEO AR stage, please present more detailed information on:

1. an overview of existing lessons and best practice that inform the project concept
2. plans to learn from relevant projects, programs, initiatives & evaluations
3. proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation
4. proposed tools and methods for knowledge exchange, learning & collaboration
5. proposed knowledge outputs to be produced and shared with stakeholders
6. a discussion on how knowledge and learning will contribute to overall project and sustainability plans for strategic communications

Please address the above issues that were not addressed in the PIF and not in the CEO AR package.

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 CEO Endorsement Request

6/1/2021 MY:

Not completed. It seems that the **Environmental and Social Safeguard** analysis is missing in the CEO AR package. Please show where it is or resubmit it.

Please use the attached "Annex: 10 (DRAFT) Environmental and Social Management Framework (ESMF)" in the document folder to extract and write relevant information on Environmental and Social Safeguard analysis that matches GEF's requirement.

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

6/1/2021 MY:

Yes, it is presented on the section of 9. *Monitoring and Evaluation*.

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

6/1/2021 MY:

Not completed at this time. The following sentence is not enough to answer the question above: "The socio-economic benefits of the project include increased economic and related employment opportunities for a variety of project related professional fields based on new circular economy approaches"

Please use quantitative information to demonstrate the social and economic benefits of the project to the local people, and show how these local benefits will translate to the global environment benefits.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Not completed yet.

For example, Annex 13 about GHG accounting is missing in the project Document Folder. Please resubmit it.

Please check all Annexes carefully and make sure they are referred in the CEO AR document and uploaded to the GEF portal.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Not completed at this time. Please copy and past the project results framework from the Project DoC to the CEO AR document. Please do not expect all readers to open and read the UNDP's Project Doc while reading the GEF CEO AR document.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Not completed.

Please use a table with three columns including GEF PM comments, UNDP's responses, and justification to address the comments of the PM in the PIF. Please indicate or mark the places of changes in the CEO AR document.

The comments from the PM at the PIF stage are as follows:

10/31/2019 YM:

In the PPG stage, please consider engaging private investments in this project.

In the CEO EA stage, please present more detailed KM information on:

1. an overview of existing lessons and best practice that inform the project concept
2. plans to learn from relevant projects, programs, initiatives & evaluations
3. proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation
4. proposed tools and methods for knowledge exchange, learning & collaboration
5. proposed knowledge outputs to be produced and shared with stakeholders
6. a discussion on how knowledge and learning will contribute to overall project and sustainability plans for strategic communications

At the CEO EA stage, the Agency agreed to undertake detailed analysis on global environment benefits that will be delivered by the project. A reminder has been put at the end of this review sheet.

Also, at the CEO EA stage, the agency needs to:

1. update innovation, scaling up, and sustainability;
2. provide a project map;
3. address the issue of dual functions of project implementation and execution.

Please check all the GEF's comments at the PIF stage and make sure all the comments are fully addressed at the CEO AR stage.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

N/A

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

N/A

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Yes, it is on track.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Not completed yet. Please mark the project boundary on the map.

Agency Response

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

6/1/2021 MY:

N/A

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

6/1/2021 MY:

N/A

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

6/1/2021 MY:

N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

6/1/2021 MY:

Not at this time.

Please address the comments above and kindly use a table format and GEF Portal Format to present the results.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/1/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		