

Combating Climate Change through the Promotion and Application of Sustainable Biomass Energy Technologies in Pakistan (PASBET)

Review PIF and Make a recommendation

Basic project information

GEF ID

10720

Countries

Pakistan

Project Name

Combating Climate Change through the Promotion and Application of Sustainable Biomass Energy Technologies in Pakistan (PASBET)

Agencies

UNDP

Date received by PM

9/28/2020

Review completed by PM

10/29/2020

Program Manager

Ming Yang

Focal Area

Climate Change

Project Type

FSP

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

9/29/2020 MY:

Yes. The project is aligned with the GEF7 CCM 1-1 (RE) and CCM 1-3 (EE) elements.

Agency Response

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

9/29/2020 MY:

Not at this time.

In the outputs for activities 1.1.4 and 1.1.5, please put numbers to indicate how many towns and how many government people to be targeted.

In Component 2: Promotion of Woody Biomass Energy Production and Energy Efficient Utilization Technologies, the project will plant fast-growing native tree species on forested and non-forested land in selected districts of Punjab, KP, Sindh, and Balochistan. Please justify how the project will not affect biodiversity negatively in the wood and how the project will not impact the local community people from perspectives of home relocation and income reduction.

In Component 2 for the sub-component of INV, please articulate the number of sites for technology demonstration. Please split the budget for the component and show the amount for the INV sub-component. The budget for INV in Component 2 should be significant!

Component 3 is NOT investment; it is a TA component. Please change INV into TA. The GEF project budget for TAs in Components 3 and 4 is too much. Please consider moving GEF funding of \$400,000 in Component 3 and \$400,000 in Component 4 to the sub-component of INV in Component 2.

On pages 12 and 13 for Components 2 and 3, please elaborate how the project will benefit the local community in terms of green job creation to deal with COVID-19.

10/29/2020 MY:

Yes, all comments were addressed and the PIF was revised accordingly.

Agency Response

Comment:

In the outputs for activities 1.1.4 and 1.1.5, please put numbers to indicate how many towns and how many government people to be targeted.

Oct. 28, 2020 Response:

Thank you for the suggestion. The proposed Outputs 1.1.4 and 1.1.5 have been revised to indicate the required information. The energy-integrated development plans will be formulated for 8 pilot towns (2 towns in each province of Punjab, Khyber Pakhtunkhwa (KP), Sindh, and Balochistan). Around 60 government personnel, 15 from each province from relevant line department/agencies will be trained for providing technical support on sustainable woody biomass production and in the enforcement of regulatory frameworks and laws regarding woody biomass energy production and utilization.

Comment:

In Component 2: Promotion of Woody Biomass Energy Production and Energy Efficient Utilization Technologies, the project will plant fast-growing native tree species on forested and non-forested land in selected districts of Punjab, KP, Sindh, and Balochistan. Please justify how the project will not affect biodiversity negatively in the wood and how the project will not impact the local community people from perspectives of home relocation and income reduction.

28 Oct, 2020 Response:

The selected project districts in Punjab, KP, Sindh, and Balochistan are located in arid and semi-arid regions of the country, where agro-ecosystem depends either on rainfall or canal water irrigation. Forested lands are limited, and vast areas lie barren or have only shrubby vegetation. Raising woodlots by establishing block plantations of fast-growing native tree species will improve tree cover in the targeted areas, which will have a positive impact on biodiversity through creating new habitats for insects, birds, small and large mammals, and will enhance soil microbial biodiversity. There will be improved insect and avian biodiversity and nesting site opportunities. Effective safeguarding measures will be taken to avoid negative effects local ecosystems and biodiversity. During the project design and development (PPG) stage, the services of a biodiversity and safeguards specialist will be engaged to carry out the assessments and feasibility studies in the selected districts. The proposed locations in selected districts will be thoroughly and carefully selected. Furthermore, a Biodiversity Action Plan will also be prepared during the PPG stage to ensure that the potential risks verified and come up with the appropriate preventive and alleviative risk mitigation measures.

All woody-biomass production related interventions, including raising forest nurseries, energy plantations, and fuelwood on farmlands, will be carried out on private lands with the involvement of local communities. Hence, there will be no issues regarding home relocation or human displacement. Moreover, these forestry-related operations will help in increasing household income and alleviating poverty from the rural landscape through establishing sustainable woody-biomass production and marketing system run by the local communities with the technical backstopping by the government personnel of the line departments.

Comment:

In Component 2 for the sub-component of INV, please articulate the number of sites for technology demonstration. Please split the budget for the component and show the amount for the INV sub-component. The budget for INV in Component 2 should be significant!

28 Oct. 2020 Response:

there will be demos in each of the 4 provinces for woody biomass-based energy generation technology applications. There will be 4 sites (one per province) for the woody biomass based power generation and distribution demos. There will be at least 4 sites (one per province) for the industrial demos where the cost-effective applications of energy efficient wood-fired industrial equipment will be showcased, plus the 3 pilots for showcasing improved woody biomass fuel production technologies for producing wood chips, briquettes, and pellets. The exact site locations and number in each province will be determined by the feasibility studies that will be conducted during the project design and development (PPG) stage.

As suggested, the total budget for Component 2 has been significantly increased by reallocating portions of the original budgets in Components 3 and 4 to its INV sub-component.

Comment:

Component 3 is NOT investment; it is a TA component. Please change INV into TA. The GEF project budget for TAs in Components 3 and 4 is too much. Please consider moving GEF funding of \$400,000 in Component 3 and \$400,000 in Component 4 to the sub-component of INV in Component 2.

28 Oct. 2020 Response:

Agree. Component 3 is comprised of TA activities. The financing type has been changed to TA. In line with the reviewer's suggestion, US\$ 300,000 from the original GEF funding for Components 3 and US\$400,000 from the original GEF funding for Component 4 have been shifted to the INV sub-component of Component 2. As result, the GEF funding for the INV sub-component of Component 2 is substantially enhanced.

Comment:

On pages 12 and 13 for Components 2 and 3, please elaborate how the project will benefit the local community in terms of green job creation to deal with COVID-19.

28 Oct. 2020 Response:

The interventions that are proposed under the project, e.g., raising forest nurseries, energy plantations, and fuelwood on farmlands will involve local people thus help creating “green jobs” and increasing household income and alleviating poverty. These interventions that involve working closely with nature enhances resilience. Hence, this helps in recovery from pandemics like COVID-19 and other similar threats in the future. including looming dangers of climate change and natural disaster like flash-floods and prolonged droughts.

In the light of the current Covid-19 pandemic situation in the country, the investment activities of the proposed project will be designed to not only to demonstrate the relevant technologies that the project is promoting but also to support more resilient livelihoods and infrastructure that enables green recovery from COVID-19 impacts and building future resilience. The envisioned demos of the project will engage the private sector to further bolster the objective of promoting low-carbon, low-pollution, and nature positive solutions for to support rural socio-economic development in the country.

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

9/29/2020 MY:

Not completed at this time.

In GEF7, minimum co-financing ratio of 1:7 is expected for a CCM project in Pakistan. Please raise the co-financing to more than \$24 million.

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct 2020 Response:

The follow-up discussions with the project proponent and partners resulted in an agreement to raise the project co-financing to more than \$24 million to raise the co-financing ratio to 1:7.

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

9/29/2020 MY:

Yes. All the numbers are consistent with the GEF policies and guidelines. They are within the resources available to the country and consistent with the LoE.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Yes. The country has a total of \$14,101,959.43 in GEF7 STAR allocation including \$5,926,620.42 in CCM. This is the first CCM project in GEF7.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Yes. Please see the comments above. This project only budgeted \$3,930,000.00.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

N/A

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion
9/29/2020 MY:

N/A

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion
9/29/2020 MY:

N/A

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
9/29/2020 MY:

Yes. It is 9.5%.

Agency Response

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Not at this time.

In the Indicator section, the PIF shows that the carbon emission benefits are generated from Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector (Indicator 6.1).

Actually, the GHG emission reduction benefits will be from renewable energy investment. Please change it into Indicator 6.2.

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct. 2020 Response:

Thanks for pointing out the inadvertent mistake. The indicated amount of GHG emission reduction in Annex B has been moved to Indicator 6.2.

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

9/29/2020 MY:

Yes.

Agency Response

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

9/29/2020 MY:

Yes. It is stated on pages 8-9.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Yes. It is stated on pages 10-11.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Not at this time.

Please see and address comments in Box 2 of Part I above.

10/29/2020 MY:

Yes, the comments were cleared.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Yes, as commented in Box 1 of Part I.

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

9/29/2020 MY:

Yes, it is stated on pages 14-15.

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

9/29/2020 MY:

Yes. The GHG emission reduction estimation is shown in Annex D, but more accurate calculation is needed in the PPG stage.

At CEO RE stage, more accurate data should be used to calculate the global environment benefits. For example, carbon emission factors in individual local power systems (not a general number of 0.546 tons CO₂/MWh) should be used for the calculation.

10/29/2020 MY:

Yes and thanks.

Agency Response

28 Oct. 2020 Response:

Agreed. More detailed and robust GHG emission reduction estimates will be done during the project design and development stage. The 0.546 tons CO₂/MWh is Pakistan's Combined Emission Factor (as of 2017). More updated emission factors will be used during the project's PPG stage.

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

Secretariat Comment at PIF/Work Program Inclusion

9/29/2020 MY:

Yes. They are stated on pages 15-16.

Agency Response

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

9/29/2020 MY:

Yes. A map showing the project sites is attached on page 25 in Annex A.

The map indicates that the project sites are in the central areas of Pakistan. Th project thus will not cause any border territory disputes with the neighboring countries.

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

9/29/2020 MY:

The indicative information on Stakeholders engagement is shown on pages 16-18. The agency has not started the engagement yet. It will do so in the PPG stage.

During the PPG stage, please take into account the impact of COVID-19, and take measures to help stakeholders to better cope with the impact of COVID-19.

In the CEO ER document, please write a specific section on this issue and actions to deal with it from the perspectives of both the local communities and the government.

10/29/2020 MY:

Yes, the comment was cleared. .

Agency Response The project development team will carry out the required stakeholders' consultations during the PPG stage, not only for data gathering but also for the preparation of the project's Stakeholder Engagement Plan. Detailed analysis of emerging "risks" and "opportunities" in the context of COVID-19 pandemic and its impact on the project will be evaluated in the light of GEF Guidelines of August 27, 2020 and considered while designing of the project interventions. The project activities will be designed to mitigate impacts of COVID-19 and related issues and challenges. The lessons learned and various successful practices that were employed by the federal and provincial governments and private sector in addressing COVID-19 issues in the implementation of development projects in the country will be integrated in the design of the stakeholders' involvement, and implementation and management arrangements of the proposed project.

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

9/29/2020 MY:

Yes. the indicative information on the importance and need to promote gender equality and the empowerment of women is shown on page 18.

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

9/29/2020 MY:

Yes. The private sector and the local community people will be engaged as a key stakeholder and major player in planning and implementation of the proposed project.

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

9/29/2020 MY:

On pages 19-20, please consider one more risk and the mitigation measures: Impact of COVID-19 on the project. Please elaborate how the project will move the barriers in communication among the stakeholders or travelling among the project sites due to COVI-19. If it is difficult to address this issue at the PIF stage now, please do so in the PPG stage and report it in the CEO ER stage.

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct. 2020 Response:

Agreed. A risk focusing on COVID-19 impacts and mitigation measures to address it have been included in the list of potential risks. This risk will be further examined during the PPG stage and reported back in the CEO Endorsement Request document.

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

9/29/2020 MY:

Not completed. On pages 20-22, please make a diagram to show the coordination relationship among various stakeholders and projects. This is to make a clearer presentation for readers.

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct. 2020 Response:

The indicative project “organogram” has been included in the PIF. It shows the indicative project management and coordination mechanism with key project stakeholders and beneficiaries.

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

9/29/2020 MY:

Yes. It is shown on pages 22-23.

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

9/29/2020 MY:

The information is imbedded widely in the PIF. On pages 23, please add a few bullets to show where (page numbers or paragraph numbers) the following issues are addressed in the PIF:

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 impact and sustainability

7. plans for strategic communications

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct. 2020 Response:

Please refer to Annex G for a brief summary of the indicative knowledge management plan for this project.

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

9/29/2020 MY:

Yes. The Environmental and Social Safeguard sheet is uploaded to the GEF Portal.

It is better if the agency can write one additional paragraph on how the project will benefit the local community people from the perspective of green job creation and income generation to deal with COVID-19.

10/29/2020 MY:

Yes, the comment was addressed and the PIF was revised accordingly.

Agency Response

28 Oct. 2020 Response:

The description of how the project will benefit the local community in the context of green job creation and income generation during the Covid-19 pandemic have been included in the PIF. Further details regarding how the project will address Covid-19 and how the risks and opportunities from this pandemic will be considered in the proposed project are presented in Annex F.

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

9/29/2020 MY:

Yes. The LoE has been uploaded to the GEF Portal.

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

9/29/2020 MY:

N/A

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

9/29/2020 MY:

Not at this time.

Please address the comments above.

11/1/2020 MY:

Not at this time.

1. In stakeholder engagement, please provide a description of the stakeholder consultations that took place with Indigenous Peoples and Local Communities, civil society organizations and private sector entities, as indicated in the Stakeholders section (#2). Please note that the GEF Policy on Stakeholder Engagement (Nov 2017) requires that that at PIF stage ‘Agencies provide a description of any consultations conducted during project development...’

2. In gender, while the PIF outlines some tentative plans to mainstream gender, it does not include sufficient information on any relevant gender dimensions related to the project context or components. Please provide some additional information on gender dimensions related to the project context (e.g. gender dimensions related to woody biomass production in the agriculture and forestry sectors in Pakistan) and or project components such as promoting Biomass Energy Production and Energy Efficient Utilization Technologies or financing for Biomass Energy Technologies Initiatives). In addition, please revisit the checked gender tag that the project expects to closing gender gaps in access to and control over natural resources. The PIF does not indicate that this project will contribute to closing this gap.

11/3/2020 MY:

Yes, the comments of the PPO have been addressed on pages of 20, 21, and 22 of the revised PIF. The UNDP also uploaded to the GEF Portal a matrix in an MS-word document to response the comments of the PPO. All comments were addressed and issues were cleared. The PM recommends technical clearance for this project.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

9/30/202 MY:

During the PPG stage, please take into account the impact of COVID-19, and make a plan to help stakeholders to better cope with the impact of COVID-19.

In the CEO ER document, please write a specific section on this issue and actions to deal with COVID-19 from the perspectives of both the local communities and the government.

Review Dates

PIF Review

Agency Response

First Review	9/29/2020	
Additional Review (as necessary)	11/1/2020	
Additional Review (as necessary)	11/3/2020	
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

The objective of the project is to mitigate CO2 emissions from the rural sector in Pakistan by widely deploying sustainable biomass energy technologies. The objective will be achieved by implementing many tasks within four components: (1) Establishing Policy and Regulatory Framework for Sustainable Woody Biomass Energy Production and Utilization; (2) Promoting Biomass Energy Production and Energy Efficient Utilization Technologies; (3) Supporting Financial Requirements for Biomass Energy Technology Initiatives; and (4) Enhancing Capacity Building, Knowledge Management and Gender Mainstreaming in Biomass Energy Utilization. More than one third of GEF resources will be used in tangible investment to display innovative business model and effective biomass energy technologies in four difference provinces of Pakistan. This project demonstrates innovation, sustainability and scalding-up in many ways including mobilizing capital investment from private and independent power producers. The project aims at mitigating 3.1 million tonnes of CO2 in its lifetime of operation.