Sustainable Energy Scale-Up

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10152

Countries

Belarus

Project Name

Sustainable Energy Scale-Up

Agenices

World Bank

Date received by PM

6/25/2019

Review completed by PM

7/22/2019
Program Manager

Ming Yang
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 PIF/Work Program Inclusion
6/28/2019 MY:

Yes, the project has not been technically changed from the PIF stage to the CEO ER stage.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes, the project has not been changed from the PIF stage to the CEO ER stage.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not applicable (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 PIF/Work Program Inclusion

6/28/2019 MY:

Not completed at this time. Please provide evidence for the EIB $100 million co-financing, and the WB $100 million co-financing. Meeting minutes of negotiations, or official communication emails or letters to kick off the negotiations are acceptable.

7/18/2019 MY:

Yes, the co-financing letter from the EIB $100 million loan has been uploaded onto the GEF Portal, and the World Bank has attached a document showing the start of the negotiation of the $100 million WB loan.

Agency Response

7/17/2019

Letters confirming cofinancing from the WB and EIB are provided and uploaded in the GEF portal. Please note that EIB's approved amount has been changed to Euro90 million, instead of the initially approved Euro88 million converted from USD100 million when the loan was originally denominated in USD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes.

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

There is no PPG utilization for this project.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes, the project has not been changed from the PIF stage to the CEO ER stage.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes, the project has not changed from the PIF stage to the CEO ER stage.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Yes, the project has not changed from the PIF stage to the CEO ER stage.

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

6/28/2019 MY:

Yes, the project has not changed from the PIF stage to the CEO ER stage.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

The project has not changed from the PIF stage to the CEO ER stage.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not completed. The co-financing letters or evidence are needed.

7/18/2019 MY:

Yes, the co-financing letter and supporting document are uploaded to the GEF Portal.

Agency Response

7/17/2019

Letters confirming cofinancing from the WB and EIB are provided and uploaded in the GEF portal. Please note that EIB's approved amount has been changed to Euro90 million, instead of the initially approved Euro88 million converted from USD100 million when the loan was originally denominated in USD.

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

The PIF and the project document have elaborated the GEBs.

7/18/2019 MY:

Not completed at this time. The direct CO2 emission reduction target has been increased to 9,999,999,999 (about 10 billion tonnes). Pleases check this number and justify the calculation of it. For your information, Belarus emitted a total of 55 million tonnes of CO2 in 2018. If the project could mitigate all emission for the country for 20 yeas, the total amount would only be 1,100 million (or 1.1 billion) tonnes of CO2.

7/22/2019 MY:

Yes, the comments were addressed and the number has been revised.

Agency Response

7/19/2019

The direct CO2 emission reduction target showing in the GEF portal as 9,999,999,999 is a system mistake, was addressed to the GEF IT team and is removed. The number under indicator 6.1 is not showing.

In addition team provided detailed explanation on methodology applied and excel sheet with calculations for the actual amount reported under the indicator 6.2 as 3.8 mt of direct expected CO2, and 4.6 mt of indirect expected CO2 emissions avoided. Relevant documents are uploaded in the GEF portal.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Not completed.

Please write one paragraph to justify innovation.

Justification on project sustainability is shown on page 23 of the PAD.

The project objective is to scale up RE and EE investments in the country.

7/19/2019 MY:

Yes, comments were address.

Agency Response

7/17/2019

The proposed project will pilot a repayable grant scheme in Belarus to facilitate scaling up thermal renovation investments by leveraging homeowners' contributions. The repayable grant is a quasi debt financing scheme which would demonstrate the feasibility of commercial banks' debt financing for thermal renovation, which is completely absent due to the perceived risks associated with households' willingness to borrow and discipline to repay the loans. For the pilot, IBRD and EIB loan proceeds will be used to pre-finance the full cost of thermal renovation projects. Homeowners of participating MABs (determined by more than two-thirds of the homeowners in an MAB voting in favor of the investment) are obliged to repay a pre-determined portion (minimum 50 percent) of the eligible cost of thermal renovation through installments for up to 10 years. This, if successfully implemented, will pave the way for commercial bank financing, which is critical to the long-term sustainability of thermal renovation. GEF support for the consumption-based billing would also enable the demonstration of the behavioral changes needed for sustained and long term energy conservation.

Project Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

4/1/2019 MY

Not yet.

The GEF SEC appreciates it if the Agency can provide preliminary information on the locations of the investments of the project, including the participating district heating companies and households.

4/8/2019 MY:

Yes, comments were addressed and issues were cleared.

7/3/2019 MY

This question is caused by a computer bug. The PM reported the issue the IT of the GEF. It should be fixed soon.

Agency Response

The GEF grant co-financing for investment is proposed to be used for a residential settlement in the City of Slonim in Grodno Region, as shown in the map provided in Annex A of the Portal/datasheet, which includes coordinates. The GEF grant co-financing for technical assistance is national and will benefit all regions of Belarus.

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 PIF/Work Program Inclusion

6/28/2019 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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. stakeholders engagement has been taken into account. In the PAD, *Stakeholders risk is rated High.*

Agency Response

9/13/2019

Stakeholder Engagement Plan is uploaded in the GEF Portal Roadmap, and summary is provided in the relevant section of the Endorsement template

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. The Gender Tag is attached in the PAD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. For example, the project audit will be conducted annually by independent private auditors (page 45 in the PAD).

Agency Response

Risks

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. It is stated on pages 33-36 in the PAD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. It is stated on page 44 in the PAD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. It is stated on page 8 in the PAD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Not completed. Please add one paragraph either at the CEO ER document or in the PAD to elaborate "Knowledge Management Approach" with a timeline and a set of deliverables.

7/19/2019 MY:

Yes, comments were addressed.

Agency Response

7/17/2019

The GEF grant will support knowledge management in two streams. The knowledge exchange stream is focused two main areas: (1) introducing international best practices in energy-content-based wood biomass pricing and policy support; and (2) introducing international best practices in MRV for GHG emissions reduction in space heating through mitigation. These would be delivered through workshops and knowledge reports within the first three years of project implementation. The knowledge dissemination stream is focused on supporting the implementation of the thermal renovation component and a programed into the information campaign and outreach and consultation efforts among targeted households using knowledge generated during project implementation and through the project activities. This will be an on-going effort through out the project implementation period.

Monitoring and Evaluation

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Yes. it is stated on page 22 of the PAD.

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 PIF/Work Program Inclusion

6/28/2019 MY:

Yes. it is stated on page 24 of the PAD.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not completed at this time.

The Annex B to address the comments of the Council and STAP is not attached. Please provide Annex B.

7/22/2019 MY:

Yes, comments were addressed and responses to the comments of the Council and STAP were attached.

Agency Response

7/17/2019

Annex/matrix of comments and responses is uploaded in the GEF Portal.

7/22/2019

Annex/matrix of responses to the available Council and STAP comments (updated) is attached in the Documents/Road Map in the GEF portal for the project.

Project Results Framework

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

GEF Secretariat comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

Council comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not completed yet.

7/19/2019 MY:

Yes, the Agency's responses to the comments of the Danish Council are acceptable. The PM believes that GEF's funding for this project will address the most challenge issue in Belarus to promote EE and RE.

Please double check if there are other Council members' comments.

Agency Response

7/17/2019

Annex/matrix of comments and responses is uploaded in the GEF Portal.

7/22/2019

Annex/matrix of responses to the available Council and STAP comments (updated) is attached in the Documents/Road Map in the GEF portal for the project.

STAP comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not completed yet.

7/18.2019 MY:

Not completed yet. The PM cannot find the responses of the Agency to the questions or comments of STAP. Please upload the responses to the GEF Portal.

7/22/2019 MY:

Yes, the comments of STAP were addressed.

Agency Response

7/17/2019

Comments are addressed in the relevant sections

7/22/2019

Annex/matrix of responses to the STAP comments (updated) is attached in the Documents/Road Map in the GEF portal for the project.

Convention Secretariat comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

Other Agencies comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

CSOs comments

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

Status of PPG utilization

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

Calendar of expected reflows (if NGI is used)

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

N/A

Agency Response

Project maps and coordinates

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

It is attached at the end of the CEO ER document.

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

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at PIF/Work Program Inclusion

6/28/2019 MY:

Not at this time.

Please address the comments above, including co-financing letters or evidence, responses to Council and STAP, justification of innovation, and elaboration of knowledge management.

7/18/2019 MY

Not at this time. Please address issues in 1. GHG accounting; 2 responses to STAP comments. Please upload Annex B as a separate document with a name of "Response to Council and STAP comments" ; and 3. Please make sure all GEF Council's comments are addressed, in addition to those from the Norwegian-Danish constituency.

7/22/2019 MY:

Yes, all comments were addressed. The project is technically cleared. The PM recommends the PPO for policy clearance.

8/12/2019 MY:

The PPO requested the Agency to address the following issues:

As per the requirements established in the Policy on Stakeholder Engagement, the Agency has to submit a stakeholder engagement plan or equivalent documentation at the CEO Endorsement stage. The current submission of the CEO ER document does not include such information. In addition, the section on the information on stakeholder engagement is not sufficient. Please provide a stakeholder engagement plan (SEP) or equivalent documentation, where there's a complete stakeholder analysis, with information per stakeholder on their roles and responsibilities, on how they're going to be engaged throughout the project, etc. There are examples of SEPs in the Guidelines for the Implementation of the Stakeholder Engagement Policy.

There is no problem with the numbers included in indicator 6, but there is a problem where they are entered at the GEF Portal. As the project is at the CEO endorsement stage, the numbers should be reflected in the CEO endorsement accordingly – even if the numbers are unchanged from the earlier stage. It seems that the Agency changed the anticipated start year of accounting from 2019 at PIF to 2020 at CEO endorsement, but these numbers have not been re-entered in the CEO endorsement fields. Please amend the numbers accordingly.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		