

# Investing in energy efficiency to strengthen the cold value chain of small and medium enterprises

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10143

**Countries**

Afghanistan

**Project Name**

Investing in energy efficiency to strengthen the cold value chain of small and medium enterprises

**Agencies**

UNIDO

**Date received by PM**

3/2/2020

**Review completed by PM**

5/1/2020

**Program Manager**

Ming Yang

**Focal Area**

Climate Change

**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 PIF/Work Program Inclusion**

3/3/2020 MY:

Yes, the project is still aligned with the CEF7 CCM focal area.

## **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**

Not at this time.

The project structure has been considerably changed by removing ESCO's co-financing and their activities in energy efficiency.

The Agency's justification on the change is not relevant nor convincing. The CEO Approval Request document reads: "4. ESCO was not pursued. The energy efficiency gains in each sector are not reaching a level where the investment targeting only for energy efficiency does not make business sense in the cold value chain sector. In addition, investors who seek impacts would invest for a portfolio of companies, not only for bundled energy efficiency gain opportunities."

The above justification is not true in many countries where ESCOs were developed. In Afghanistan, energy efficiency gains may not cover investments in every sector. However, it is the goal of the GEF to catalyze the change. The GEF project should demonstrate which sector(s) in the country is (are) good for the private sector (and ESCOs) to invest in energy efficiency. Please do not remove ESCO's co-financing and activities from the project in the PIF stage.

4/8/2020 MY:

Yes, comments were addressed.

## **Agency Response**

Noted. The ESCO-related activities originally foreseen have been revised during the PPG phase following further research into potential opportunities for ESCO's in Afghanistan. UNIDO initiated a call for expression of interest in the area of ESCO and received responses from 6 companies. These revealed that the main business

model of the majority of these companies is the provision of renewable energy equipment. While some of them do provide financial services by themselves or partner with financial intermediaries, they do not offer ESCO services per se. Only 1-2 engineering companies seemed to offer energy audit and technical advice on how to improve energy efficiency mainly in residential buildings but their service fees are fixed and no performance-based fee structures are offered.

Hence, the potential entry point for ESCO engagement that was foreseen under Output 2.3 in the PIF could not be maintained as such. Instead the project will now aim to initiate the creation of enabling conditions that promote the uptake of ESCO services amongst private sector entities. Output 2.4 in the CEO Approval has been revised to include provisions for capacity building on ESCO business models for energy and financial service companies (see specifically para 74.). Through the foreseen active engagement of private entities in activities to promote the establishment of ESCO business models, the project aims to help establish which sectors in the country have a viable potential for ESCOs to invest in. The development of an ESCO market for Afghanistan is to be thus supported, assuming that the country will continue to follow its predicted economic development trajectory.

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 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**

3/3/2020 MY:

Not at this time.

1. The co-financing resources and structures have been significantly changed from the PIF stage, although the total amount is slightly increased by 8% from \$9 million to \$9.7 million. For example, the total grant co-financing was \$7.55 million (84%) in the PIF stage; this amount now is \$3.84 million (40%) in the CEO Approval Request stage. This huge change will likely affect the objective of the project. Please add more grant co-financing. The GEF project welcomes private investments.
2. Please do not remove the \$1 million co-financing from the private sector and the \$ 50,000 from ESCOs.
3. Please double check the co-financing letters to make sure the amounts indicated in the letters are exactly the same as in Table C.

4/8/2020 MY:

Not at this time.

In Table C, please list any co-financing institution only one time or in one group, with grant, in-kind and total amounts. Do not put in-kind in one row and grant in another for the same institution. The list should be in line with the co-financing letters attached to the GEF Portal. This will be easier for anyone to read and check the co-financing.

4/16/2020 MY:

Not completed at this time.

The agency only revised the project document in the front page of the GEF Portal. The PDF file submitted in the Documents Folder has not been revised. Please revise Table C and resubmit the document. That way, the submission will be consistent. The following table, for example as shown in the GEF Portal front page of the project should be copied and pasted to the PDF file in the Document Folder. Please also revise all other parts.

### C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)	Evidence
Government	Afghan National Standard Authority (ANSA)	In-kind	Recurrent expenditures	1,725,600	
Government	same as above	Grant	Investment mobilized	1,200	
CSO	Afghanistan Women Chamber of Commerce and Industry (AWCCI)	In-kind	Recurrent expenditures	477,600	
Government	Ministry of Agriculture, Irrigation and Livestock	In-kind	Recurrent expenditures	658,800	
Government	same as above	Grant	Investment mobilized	2,850,000	
Private Sector	Mido Dairy Production Co. Ltd	In-kind	Recurrent expenditures	243,600	
Government	Ministry of Energy and Water	In-kind	Recurrent expenditures	874,800	
Government	Ministry of Industry and Commerce	In-kind	Recurrent expenditures	874,800	
Government	same as above	Grant	Investment mobilized	3,600	
Government	National Environmental Protection Agency (NEPA)	In-kind	Recurrent expenditures	996,000	
Government	same as above	Grant	Investment mobilized	852,000	
GEF Agency	UNIDO	Grant	Investment mobilized	153,000	
Total Co-Financing(\$)				9,711,000	

4/21/2020 MY:

Yes, comments were addressed.

## **Agency Response**

### 1. 05/15/2020

In the co-financing table, the items that stated “same as above” have been corrected. Furthermore, grant co-financing from Afghan National Standard Authority (ANSA) and Ministry of Industry and Commerce have been changed to “recurrent expenditures” as requested.

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04/21/2020

The final project document that reflects all the changes, including the updated co-financing table, has now been uploaded.

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04/14/2020

The co-financing table has been revised as suggested; please note that there is no feature in the GEF Portal to include the total amounts of each co-financing institution. Moreover, the list in table C is now following the order of the attached co-financing letters for ease of reference.

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1. The difference in distribution between the indicative grant financing included in the PIF and materialised at CEO Approval has been noted. Some of this can be attributed to the envisaged co-financing from GIZ (USD 2,497,000) no longer being available. Moreover, while all efforts were made during the PPG phase to obtain firm commitments, the discussions and consultations that were conducted with the co-financing entities revealed that it is difficult under the current circumstances to receive written commitments on the companies' future investment plans as these are often not disclosed.

Nevertheless, during the consultations held, the private sector continued to express a strong interest to contribute to the project's objective. The co-financing letter from MIDO Dairy that has been received supports this. In addition to MIDO, two companies manufacturing expanded polystyrene foams would be highly interested in joining the project during the implementation stage; please note that this has been reflected in paragraph 107 of the revised CEO Approval. Furthermore, the involvement of the private sector will continue to be actively pursued during the implementation stage and further engagement, specifically through the SDG Impact

Investment Programme (SIIP), which is closely aligned with this GEF project. The SIIP has been further developed and launched during the General Conference of UNIDO held in Abu Dhabi in November 2019 and is expected to become fully operational in the next months.

2. At PIF stage, the indicative USD 1 million from the private sector was to be attracted through the posting of expressions of interest for which private sector investors would have to undergo a due diligence to be selected. The overall process being closely linked to the SDG Impact Investment Programme (SIIP). However, as the underlying compliance processes for the SIIP were not fully in place during the PPG phase, the proposed expressions of interest will need to be postponed to the project implementation phase. However, such private sector investment is still expected to be leveraged. With regards to the USD 50,000 from ESCOs, please take note of the response provided under Part I Q. 2. As such, this type of co-financing may still materialise towards the latter stages of project implementation and will be reported accordingly.

3. The co-financing letters have been checked. The amounts indicated in the letters correspond to those in Table C.

#### **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**

3/3/2020 MY:

Yes. But the co-financing amounts in Table C need to be added as indicated in the previous comments.

4/16/2020 MY:

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

**Agency Response** Please see the above 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**

3/3/2020 MY:

Annex C looks fine.

**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**

3/3/2020 MY:

Not at this time.

The indicator targets indicated in Table E are wrong. Please double check the calculations of numbers and the units, and then reenter these numbers.

Expected metric tons of CO <sub>2</sub> e (direct)	0.38	1.26	0	0
Expected metric tons of CO <sub>2</sub> e (indirect)	0.89	9.1		

4/8/2020 MY:

Not at this time. Please change the data dimension in the PIF.

## Indicator 6 Greenhouse Gas Emissions Mitigated ⓘ

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)	0.38	1264563	0	0
Expected metric tons of CO <sub>2</sub> e (indirect)	0.89	4554281	0	0

4/16/2020 MY:

Yes, comments were addressed.

The Agent can no longer change the data in the PIF stage. The unit (or dimension) of the GHG emission reduction target data in the PIF stage was not correct; but we cannot change it in the GEF Portal.

### Agency Response

04/14/2020

Kindly note that the data dimension 'At PIF' is not changeable from the agency's side. At this point in time only the fields for 'At CEO Endorsement' are accessible in the GEF Portal.

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The core indicator figures have been corrected accordingly;

- For the direct CO2 emissions, more types of imported equipment have been included;
- For the indirect CO2 emissions, indirect benefits from food loss reduction have been included. We changed the causality factor from dominating (80%) to modest (40%), which reduced the estimated emission;
- Both estimated CO2 reduction potentials have been included in the uploaded excel files.

## **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**

3/3/2020 MY:

Yes.

### **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**

3/3/2020 MY:

Yes.

### **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**

3/3/2020 MY:

Yes.

**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**

3/3/2020 MY:

Yes.

**Agency Response**

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY:

Yes.

**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 PIF/Work Program Inclusion**

3/3/2020 MY:

Yes.

## **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 PIF/Work Program Inclusion**

3/3/2020 MY:

Not completed at this time. Please rewrite the section of "Inattentiveness, sustainability and potential for scaling up"

Please write one paragraph for each of the three topics: Innovation, sustainability, and scaling-up.

4/8/2020 MY:

Not completed at this time.

For innovation, please justify why encouraging the private financing for energy efficient and safe cold value chains is new to the country. Please provide evidence.

For sustainability, please elaborate how the sustainable financing mechanism to sustain the energy efficiency labeling system will be established. Where does the fund come from? Will the government allocate annual budget for the fund?

For scaling up, does Ministry of Agriculture, Irrigation and Livestock have any policy to strengthen the cold storage to promote the agricultural produce trade and export in line with the national export strategy? If not, how to help the government to have it?

4/16/2020 MY:

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

## **Agency Response**

04/14/2020

For innovation:

Afghanistan has taken several policy measures towards promoting private sector investment in energy efficiency and cold value chains including making available some public funding, however, the implementation of such measures is still lagging behind. The Agricultural Roadmap of Afghanistan (p. 14 and other sections) identifies a lack of infrastructures including cold storages as well as a lack of financing as challenges. Similarly, the Afghan Energy Efficiency Policy indicates that energy efficiency of refrigeration equipment needed for cold storage is a national priority, yet the policy is not yet being implemented. In both cases, private financing will be key to jumpstart the implementation of the roadmap action and the energy efficiency policy.

Currently though, the country has only a market developed for renewable energy equipment for which financing services are offered to lower the initial investment burden of the installation cost. However, the financing market for energy efficiency, including ESCO (as outlined in previous responses), in the country is not yet developed. Therefore private financing for energy efficiency is new to the country. To address the challenges associated with this novelty, the project provides technical assistance, by which all efforts will be made to de-risk investments and structure projects in a way that will attract private finance for energy efficiency and cold value chains. In this way, the implementation of the Agricultural Roadmap is to be supported as well as the implementation of energy efficiency policy by the government fast-tracked. Such efforts will be further enhanced by recent developments in the area of public and private partnership (PPP).

For sustainability:

The sustainable financing mechanism to sustain the energy efficiency labelling system - a priority of the government for this project – will be established in close collaboration with the Ministry of Energy and ANSA. The Ministry of Energy will plan for and make available budgeted funds for project related activities to promote energy efficiency labelling. The actual sustainable financing mechanism will be established and managed by ANSA. Furthermore, ANSA will safeguard labelling standards review capacity and governmental function to sustain the labelling system after the project ends.

For scaling up:

Yes, the Ministry of Agriculture, Irrigation and Livestock (MAIL) has several policies to strengthen cold storage, promote agricultural produce trade and facilitate export; predominantly, the National Priority Programme (NPP) for Agriculture, the Agricultural Roadmap, and the National Export Strategy. Specifically, the NPP for Agriculture focuses on infrastructure and market development by providing incentives to the private sector for investing in cold storage, and the MAIL has allocated a budget of 25 million USD to the establishment of cold storage in collaboration with farmer associations and the private sector. The project will work with MAIL to ensure its cold-storage equipment is energy efficient and safe.

Please note that the respective paragraphs (97.-99.) have been revised in the CEO document accordingly.

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The section on Innovativeness, sustainability and potential for scaling up has been revised as requested.

#### **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**

1/17/2019 MY:

Not yet. Please preliminary identify geo-reference to the project, and put the information in Table B.

3/19/2019 MY:

y Yes, comments were addressed.

#### **Agency Response**

The only information that can be given is the city level information.

The geographical coordinates of Kabul: 34.5553° N, 69.2075° E and Herat: 34.3529° N, 62.2040° E.

#### **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**

3/3/2020 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**

3/3/2020 MY

Yes, on pages 48-53.

### **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 PIF/Work Program Inclusion**

3/3/2020 MY

Yes, on page 59.

### **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**

3/3/2020 MY

Not completed at this time.

Please engage the private sector as planned in the PIF stage. See comments in the box of co-financing as well.

4/8/2020 MY:

Yes, comments were addressed and the project document has been revised ( on pages 60-61)

**Agency Response**

Kindly note that private sector entities and related associations have been contacted and engaged during the PPG phase. As elaborated under Part I Q4, the private sector has expressed great interest in the project's objective. Further details on such engagement have been included in paragraph 107 (section on Stakeholders). For example, two polystyrene foam companies would be interested in joining the project during implementation and as such constitute potential private investors, with financial contributions to be leveraged. Furthermore, the SDG Impact Investment Programme (SIIP) will be rolled out to leverage additional private sector investment.

**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**

3/3/2020 MY

Yes, on pages 62-63.

**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**

3/3/2020 MY

Yes.

In case political instability, security incidents and improper and delayed execution of the legal and institutional functions of the government system arise and interrupt NEPA to execute the project smoothly, UNIDO may need to identify other execution entities in consultation with NEPA, or UNIDO may have to execute a limited and necessary part of the project activities. Before doing so, UNIDO must inform the GEF SEC in writing.

### **Agency Response**

29 April 2020 [Response to GEF-Sec recommendation of 4/22/2020]

All language regarding UNIDO's possible conditional/potential execution role has been removed.

### **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**

3/3/2020 MY

Yes, on pages 88-89.

## **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**

3/3/2020 MY

Yes, but more work is needed.

Please indicate key deliverables of knowledge management and a timeline for them. Please explain how it will contribute to the project's overall impact.

4/22/2020 MY:

Yes, comments were addressed.

## **Agency Response**

04/22/2020

One of the main objectives of this project is the establishment of a discipline that promotes an integrated and sustainable approach for auditing energy systems in cold chain enterprises, identifying the potentials for energy-savings, evaluating the solutions technically and financially, and sharing all of this information with technology providers and investors in an appropriate platform.

Knowledge Management will play a key role and will actively support the achievement of the project's objectives. In particular, the deliverables of the knowledge management activities will contribute to the project's overall goals as follows:

**(I) Content:**

This is one of the most immediate and visible parts of knowledge management. In this project, this consists of several internal and external parts such as (a) NEPA's internal records, meeting minutes, and reports on the energy efficiency labeling stored for internal access by NEPA officers, (b) pre-due diligence results of SMEs which are identified as beneficiary companies with potentials to strengthen the cold chain, and (c) awareness-raising materials and lessons learned that are made available to the public through websites, social media and/or other media.

**(II) Investment promotion**

The second step of the investment promotion in energy systems of the cold chain is the engagement of the identified entities, within or outside of the country, which have the expertise and the appropriate financial mechanisms for investment in this field. Hence, investment promotion events will be organized, where matchmaking between SMEs and investors will take place.

**(III) Communities of practice**

Groups of enterprises and entities with shared interests will be created through trainings and information sharing platforms. These will allow for the discussion of best practices, lessons learned as well as new required interventions in the project strategies and strengthen the post project impacts. This will also be part of the SDG Impact Investment Programme, another UNIDO initiative taking place in parallel.

These components can fruitfully be seen as the undertaking to replicate and to create the information environment conducive to successful open communication and information access and to deploy it broadly across the market for energy efficiency.

The above mentioned knowledge management deliverables will be generated throughout the project lifetime (in the case of I and III) and during Outcome II (in the case of II) and implemented as part of the technical components, as specified in table B as well as in the knowledge management section of the project document.

**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**

3/3/2020 MY

Yes, on pages 71-72.

## **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**

3/3/2020 MY

Yes, on page 73.

## **Agency Response**

### **Annexes**

**Are all the required annexes attached and adequately responded to?**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

Yes. They are uploaded in the folder of the Documents of the GEF Portal.

## **Agency Response**

### **Project Results Framework**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

Yes. It is in Annex A.

**Agency Response**

**GEF Secretariat comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**Council comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**STAP comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**Convention Secretariat comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**Other Agencies comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**CSOs comments**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

N/A

**Agency Response**

**Status of PPG utilization**

**Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY

<b>TOTAL Budget</b>	<b>\$ 48,000</b>		
<b>Budget item</b>	<b>Obligated</b>	<b>Planned</b>	<b>Subtotal</b>
International consultant	\$ 5,467	\$ 4,464	\$ 9,931
Project travel	\$ -	\$ -	\$ -
National consultant	\$ 15,457		\$ 15,457
Subcontract	\$ 15,012		\$ 15,012
National meeting			\$ -
International meeting			\$ -
Miscellaneous	\$ 1,107		\$ 1,107
<b>TOTAL</b>	<b>\$ 37,043</b>	<b>\$ 4,464</b>	<b>\$ 41,507</b>
		<b>Funds Available</b>	<b>\$ 6,493</b>

### Agency Response

Calendar of expected reflows (if NGI is used)

### Secretariat Comment at PIF/Work Program Inclusion

3/3/2020 MY

N/A

### Agency Response

Project maps and coordinates

### Secretariat Comment at PIF/Work Program Inclusion

3/3/2020 MY

A map was attached.



## **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**

Not applicable.

## **Agency Response**

GEFSEC DECISION

RECOMMENDATION

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

## **Secretariat Comment at PIF/Work Program Inclusion**

3/3/2020 MY:

Not at this time.

Please address the comments with focus on engaging the private sector and keeping the co-financing scheme as in PIF.

Next time when uploading the documents to the GEF Portal, please include the project CEO Approval Request Document.

4/20/2020 MY:

The project document has been revised. But not be well done yet. Please address the comments above and revise the project document accordingly. Thanks.

4/21/2020 MY:

Not completed yet.

Please indicate key deliverables of knowledge management and a timeline for them, and explain how it will contribute to the project's overall impact. Please put the responses below the Box of Knowledge Management.

4/22/2020 MY:

Not yet completed.

Please remove all languages regarding UNIDO's possible conditional/potential execution role from the the whole project CEO Approval Request Document, such as those in the CER section on Institutional Arrangement/Coordination.

5/1/2020 MY:

The comments were addressed and the document was revised.

## **6. Institutional Arrangement and Coordination**

**Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.**

143. In principle, UNIDO, as GEF implementing Agency for the Project, will play an overarching coordination and liaison role with the executing partners, and with the GEF Secretariat. UNIDO will also be responsible for technical oversight, all enquiries regarding the project implementation progress, mid-term review as well as terminal evaluation and, final project completion and the achievement of higher level of the project's impacts on the global environment. UNIDO keeps the budget for the independent mid-term review and terminal evaluation. All other activities including monitoring activities will be delegated to a project execution entity under a contractual agreement.

5/14/2020 MY:

However, on co-financing, please correct the items that say “same as above”. Grant co-financing from Afghan National Standard Authority (ANSA) and Ministry of Industry and Commerce has been identified as “investment mobilized” but based on the breakdown this includes mostly costs associated with vehicle/gasoline. This corresponds to “recurrent expenditures”, even if it is in grant. Please revise the project document accordingly.

### C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Government	Afghan National Standard Authority (ANSA)	In-kind	Recurrent expenditures	1,725,600
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Government	Ministry of Industry and Commerce	In-kind	Recurrent expenditures	874,800
Government	same as above	Grant	Investment mobilized	3,600
Government	National Environmental Protection Agency (NEPA)	In-kind	Recurrent expenditures	996,000
Government	same as above	Grant	Investment mobilized	852,000

5/18/2020 MY:

Yes. All comments were addressed and the project document was revised.

The PM recommends technical clearance for this project.

#### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<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>		

#### CEO Recommendation

#### Brief reasoning for CEO Recommendations

In align with GEF CCM 3 programing direction “Promoting innovation and technology transfer for sustainable energy breakthroughs for accelerating energy efficiency adoption”, this MSP is to implement energy efficiency labeling for refrigerators and air-conditioning and engage private investments in energy efficiency of cold value chain operated by small and medium enterprises. It has three components: (1) Legal framework and energy efficiency labeling; (2) Leveraging private finance for energy efficient and safe cold value chain; and (3) Project monitoring and evaluation. All the project activities in the first two components are very important and innovative for the country to promote energy efficiency. They will lay a solid foundation for the country in sustainably investing and scaling up energy efficiency. With \$1.32 million GEF grant, this project will mobilize \$9.71 million co-financing including \$3.86 million capital investment/grant from the national government of Afghanistan and the Agency. This project has targeted to mitigate 5.8 million tonnes of CO2, including 1.3 million directly and 4.5 million consequentially.

