

Promoting Low Cost Energy Efficient Wooden Buildings in Türkiye

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10090

Countries

Türkiye

Project Name

Promoting Low Cost Energy Efficient Wooden Buildings in Türkiye

Agencies

UNDP

Date received by PM

12/20/2020

Review completed by PM

11/28/2022

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 CEO Endorsement Request

12/22/2020 MY:

Not at this time.

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project.

1/28/2021 MY

Having reviewed the checklist for CEO Approval Request (CAR), the GEF requests the UNDP to further revise the checklist. Regarding the responses to Questions 3, 8 and 10 that are related to UNDP's support to the government in executing the project, the GEF encourages the Ministry of Agriculture and Forestry to undertake all executing functions. The purpose is to build up or strengthen the national capacity of Turkey to execute environment projects. If the Ministry of Agriculture and Forestry has difficulty to find experts internally, a third party such as a CSO can be engaged. See more detailed comments in the Box of Coordination below.

The project is aligned with the objective of GEF 7 CCM-1-3 to promote innovation and technology transfer for sustainable energy breakthroughs for accelerating energy efficiency adoption.

10/14/2022 MY:

The UNDP has revised the design and implementation plan. NGOs will be executing the project.

10/21/2022 MY:

Please continue addressing the following comments from the GEF PPO:

1. Gender: The Agency has prepared a detailed gender action plan (presented in Annex M) specifying how gender considerations will be considered in each project component and outputs. As a good practice in gender mainstreaming, and to ensure that gender considerations are weaved into the project document, please reflect gender equality and women's empowerment in Section B, the table of project components (in particular, components 1, 3 and 4).

2. On the PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 5%, for a co-financing of \$48,800,000 the expected contribution to PMC must be around \$4,880,000 instead of \$400,000, which is 1%. As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

3. Budget table is UNDP's budget in the ProDoc but the version in uploaded in portal is not only off the margins, but also is presented by year of execution instead of by sources of funding (project's components, M&E and PMC) ? therefore, it is not possible to assess the reasonability of the activities/expenditures? costs vis-?-vis the sources of funding. Please upload a budget table following GEF's template guidance in the Portal entry ? per the resubmission we will review the budget and provide comments as appropriate. In the meantime, please be informed that there are differences in the figures between the budget uploaded in the documents? tab Portal and those Portal's table B.

11/7/2022 MY:

One of the PPO's comments was not well addressed:

- Comment 3: whereas the new budget table in Portal is presented per source (instead of per year), there are two issues for the Agency to address: (i) the figures overlap between components / M&E / PMC, so it is not possible to understand where exactly each figure was charged against; (ii) different activities/expenditures/positions are presented in one single budget line so it is not possible to assess how each activity/expenditure/position is charged reasonably to the three different sources. Please present the budget in a way where there is no overlap and each activity/expenditure/position is clearly charged to the three different sources.

11/15/2022 MY:

Please continue addressing comments from the GEF PPO:

Project to be returned to the Agency because whereas the Agency finally resubmitted the budget using the correct template, with the figures within each box in the Table (no more overlaps). However, there is one comment that the Agency needs to address:

- Project's staff (Field Coordinator, Project Associate, PBT Task Manager and PBS Task Associate) is charged across components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing allocated to PMC is 2.4 million, and 44.2 million of co-financing is represented in grants, please review so the project staff can be appropriately charged to the PMC (GEF and co-financing portion).

11/28/2022 MY:

Yes, the comments were addressed and the project was revised.

Agency Response

UNDP, 12/29/2020: The Checklist for CEO Endorsement is now duly filled and signed.

UNDP, 10/10/2022: The project implementation arrangements have been clarified and the new text is added to the Coordination section of this GEF Comment/Review Sheet (number #12).

The execution modality of this project is National Implementation Modality where the General Directorate of Forestry (GDF), Ministry of Agriculture and Forestry, is the Implementing Partner. The selected IP, the General Directorate of Forestry of the Ministry of Agriculture and Forestry, is the only national authority for managing forest areas including the harvesting and wood production at national level. Policy and regulatory functions of the cross-laminated timber production are under the jurisdiction of the selected IP. Given this mandate, primary consideration for the implementing partner role is recommended to be given to the GDF, Ministry of Agriculture and Forestry, despite some the institutional constraints for which solutions are proposed/described in CEO request in detail.

An NGO will be contracted by the implementing partner (IP - the General Directorate of Forestry (GDF), Ministry of Agriculture and Forestry), for specific activities and outputs. The rationale for this arrangement is related to the current limits of public procurement law to hire international experts and to procure goods and services from the international vendors directly by the GDF.

Further, the UNDP will provide execution support only for the Performance-Based Payments (PBP) through a PBP Support Unit, which will be project-based and located at the premises of the GDF. The PBP Support Unit will be part of the overall project management and directly report to the Project Manager who will be assigned by the GDF. Türkiye has adopted the Eurocode 5 standards for timber which is called TS EN 1995. However, a national annex that is in line with the Turkish construction standards setting out the application of the standard at the national level in detail has not been developed yet. UNDP will through the PBP financial support mechanism start architectural concept design/engineering plans for the pilot projects (benefitting PBPs) that will serve as the practical basis for the development of the national technical specifications (that are a deliverable of this project under Component 1). In other words, the government development of the national technical specifications on the use of timber in construction will build on the UNDP demonstration of the technical requirements for timber that will be set for the 6 demonstration projects.

Details of the revision on project management structure is available under the 6. *Institutional arrangement and coordination* section of the CEO ER document. (on pages 26-30.) and *Section VII. Governance And Management Arrangements* of the Project Document (on pages 59-63).

UNDP, 10/31/2022:

1. Gender considerations which are well defined in the gender action plan in Annex M are now reflected in the project components and outputs, specifically in components 1, 3, and 4. The respective references in Section B- the table of project components Part II and Part III in CEO ER and Section VI. Results and Partnerships, Section V. Project Results and Framework in Prodoc have revised accordingly.
2. The co-financing contribution is now increased to \$2,440,000 under PMC to ensure proportionality. The total amount of co-financing, for the project as a whole, stays the same. Please note that the UNDP co-financing contribution to PMC will be \$80,000 and this is reflected under sections of VII. Financial Planning & Management and IX. TBWP in Prodoc.
3. The project budget table following GEF's template guidance is correctly uploaded to the section of Annex E: Project Budget Table in the Portal.

UNDP, 11/09/2022:

- (i) The GEF budget table in the Portal is now adjusted. The problem of overlapping among text/figures are now solved and can be reviewed easily.

(ii) Appreciated for the provided feedback. The GEF budget table is edited as requested. The budget lines which were merged of different activities/items/positions are now divided into separate lines to be easily reviewed the costs of each activities/items/positions as well as its source (project components / M&E / PMC)

UNDP, 23/11/2022:

Thank you for the feedback. Please note that the full costs of a project associate are now captured under project management costs, as requested.

The role of the field coordinator has been removed; instead local technical consultancy has been budgeted for under the relevant components ? now better reflecting the project technical needs under different components.

With respect to the PBP Task Manager and PBP Task Associate, it is suggested to retain the positions presented across components, as these roles will provide primarily technical assistance. Please refer to the CEO Endorsement p.29: Technical assistance of the PBP Support Unit for the project is critical with respect to defining the technical specifications for the use of timber in construction (setting out the application of the Eurocode 5 standards for timber at the national level) and successful execution of the demonstrative wooden buildings that will use those technical specifications for the first time. The Unit will provide assistance in architectural concept design and preparation of engineering in close cooperation with responsible parties. The Unit will assist with Performance-Based Payments management as a critical component of the financial mechanism. Administrative tasks of the PBP Support Unit will be limited to preparing procurement plans and terms of reference, ensuring the procurement process, hiring and managing consultancies, arranging for a proper process for all project management activities (e.g. establishing the Phased Financial Support Mechanism (FSM) based on PBP modality, ensuring and monitoring of the Performance-based payment Agreements), maintaining records of all related documentation, preparing relevant progress reports, financial reports, and providing support to the financial auditing for the project, as needed.

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

1/9/2021 MY:

Not yet.

1. Please simplify the objective in Table B. It is too long.
2. The output of 1.1 is not clear (1.1 EU and other country legislation, regulations, standards and programmes aimed at promoting competitive energy efficient wooden building and assessment of their relevance for Turkey reviewed). It is an action, not an output. Please make it clear.
3. The output of 1.2. is not clear. It has the same problem as in 1.1. Please revise it.
4. For outputs 3.2 and 3.3, please separate the activities of TAs and INVs and clearly put the INV funding to match each of the INV sub-components. Also, the component and the output numbers are in mess. Please revise them.
5. For outputs 5.1-5.4, please articulate the number of training workshops and trainees.
6. The budgeted Project Management Cost (PMC) GEFTF \$190,000 is larger than the cap. Please revise it.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: The objective in Table B has now been simplified.

1. The wording on objective has been revised to simplify.
 2. The wording revised to clarify output.
 3. The wording revised to clarify output.
 4. The activities 3.2.3 and 3.3.5 were separated in Table B and GEF funding as well as Co-financing were assigned to the activities. Component and output numbers are correct, as Component 1 includes 2 Outputs. Therefore, Component 2 covers Output 3.
 5. The numbers of training workshops and participants were added to Outputs 4.1 and 5.3.
 6. The budgeted Project Management Cost (PMC) is revised as per the guideline; it is now decreased to \$180,952.
- 3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request

1/9/2021 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

1/9/2021 MY:

Yes. The expected amounts, sources and types of co-financing are adequately documented. The co-financing letters are available at the GEF Portal.

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

1/9/2021 MY:

Yes, it is and does.

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

1/9/2021 MY:

Yes, it is on page 42.

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

1/9/2021 MY:

Not clear.

For the table on page 10 in the section of "DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF", please add one more column to justify the changes from the PIF to the CER Document.
Thanks.

10/14/2022 MY:

Yes, comment were addressed and the issue was cleared.

Agency Response UNDP, 10/10/2022: Table has been extended to provide justification of changes.

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

1/9/2021 MY:

To be commented after the comments in the previous box are addressed.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

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

1/9/2021 MY:

Yes, it is stated on page 9 of the CAR.

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

1/9/2021 MY:

Yes, it is stated on page 9.

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

1/9/2021 MY:

Yes. The project remains aligned with GEF 7 CCM focal area.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Yes, as elaborated in PIF.

The co-financing is increased.

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

1/9/2021 MY:

Not completed.

Please elaborate why the expected direct GHG emission reduction is reduced from 434,926 tons in the PIF to 165,715 tons in the CAR.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: Analysis in the PPG phase showed that the target that was defined the PIF of 1.5 million m² of additional floor space from wood was too optimistic. Therefore, the target was reduced in the ProDoc to 575,400 m². Accordingly, the GHG emission reduction has been reduced. No change has been made in the assumptions on GHG emission reduction per m² floor space, which is 0.288 t CO₂/m². This gives an annual GHG reduction of 165,715 (575,400 x 0.288).

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

1/9/2021 MY:

Yes, it is stated on page 10.

Agency Response

UNDP, 10/10/2022: The project will be implemented on the territory of T^rkkiye. The locations of two of the 6 pilot projects are Ankara and Istanbul.

Please also note that the country name has been adjusted throughout the documentation, reflecting the formal change from Turkey to T^rkkiye.

The pilot projects will not take place on any territory of the neighbouring countries of T^rkkiye. Pilot project 1 (Museum and Visitor Centre of GDF) will be implemented in Ankara, and pilot project 2 (Student Centre at Bo^zaziⁱ University) in Istanbul. The location of other pilot projects will be determined during the course of the project, but all will be on the territory of T^rkkiye, not overlapping any territory of the neighbouring

countries. Revised information including a map of Türkiye can be found in Annex E of the CEO Endorsement Request.

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

1/9/2021 MY:

Not completed.

Please provide a map to show the place of demonstration for the EE wooden buildings. Please also justify that the project boundary will not overlap any territory of the neighboring countries of Turkey.

10/14/2022 MY:

Yes, the Map is attached to Annex E of the CEO ER doc.

Agency Response

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

1/9/2021 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

1/9/2021 MY:

Not at this time.

Please attach Annex 6 Stakeholder Engagement Plan to the GEF ER package. Please do not expect the PM to look for the information in the UNDP project document.

Please use only one system in Annexes such as Annexes A, B, C, etc. Please do Not mixed with Annexes 1, 2, 3. etc. in one project.

10/14/2022 MY:

Yes, comments were addressed and Annex J shows the stakeholder engagement.

Agency Response

UNDP, 10/10/2022: A Stakeholder Engagement Plant is included in the CEO ER.

Please see Annex J on pages 82-91 of the CEO ER.

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

1/9/2021 MY:

Not at this time.

Please attach Annexes 9 and 10 to the CAR document package. Please do not expect the PM and other readers/reviewers to frequently go back and forth to look for the information in the UNDP project document while reviewing the project.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: Annex J of the CEO ER document is added and uploaded as attachment to the relevant box in the GEF Portal.

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

1/9/2021 MY:

Not at this time.

Please see comments in the previous box on stakeholder engagement.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: The Stakeholder Engagement Plan has attached to the CEO ER.

Please see Annex J on pages 81-90 of the CEO ER.

The role of the private sector is now explained in Annex J of the CEO ER. (CEO endorsement request) Private sector entities involved in the project will include architect for building design and construction companies for building the wooden buildings. This is now clarified.

The gender annex is now added as Annex M in the CEO endorsement request.

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

1/9/2021 MY:

Not at this time.

Please fully address the risk issues in the CAR document package. Please do not expect the PM and others to look for information from the UNDP Project Doc.

Specifically, please consider and address the following **risks and opportunities** that are related to this project:

- A. **Risk Analysis:** ample consideration should be given to the risks that COVID-19 poses for all aspects of CER packages. These risks include but not limited to:

Risks of lack of Availability of Technical Expertise and Capacity and Changes in Timelines. Please address the following questions:

- o Does the GEF project intervention have a plan in place to manage a possible re-instatement of COVID-19 containment measures?
- o Is the government capacity, as human resources, mobilized elsewhere?
- o Is there any change in capacity of other executing entities and the effectiveness of the overall project implementation arrangement?
- o Are there any limited capacity and experience for remote work and online interactions as well as limited remote data and information access and processing capacities that projects will need to strengthen?
- o Are there any changes in project implementation timelines?
- o Are there any changes in baseline (both ongoing and forthcoming projects)?
- o Is there any change in conditions of beneficiaries?

For Risk on Stakeholder Engagement Process, please consider:

- o Mobility and stakeholder engagement, including where necessary risk mitigation measures for both project staff and stakeholders (with respect to stakeholders, agencies would need to pay special attention to groups who are typically marginalized such as women and indigenous peoples and local communities and how the advent of the pandemic has maybe made it even more difficult for them to be involved in project design and implementation. Look at how the stakeholder engagement plans are factoring this in to ensure that these groups can continue to be included).

For Risk on Enabling Environment, please consider:

- o Government focus on environment during crisis;
- o Government priorities during COVID-19 response (e.g. lockdowns to mitigate and contain spread; resources and personnel shifts, etc.).

For Risk on Financing, please consider:

- o National debt/fiscal crises and impacts on GEF projects;

- o Co-financing availability (co-financing from the private sector and governments, loan-based projects with MDBs);
- o Price increase in procurement.

B. **Opportunity Analysis:** In many cases the COVID-19 crisis can provide opportunities to showcase initiatives with significant potential to generate Global Environmental Benefits, including through Nature-Based Solutions, and help in reducing the risk of emerging infectious diseases in the future, while increasing the resilience of the ecologic and socio-economy systems to weather them. Please consider addressing the following questions:

1) Can GEF projects do more to protect and restore natural systems and their ecological functionality? This also includes limiting forest fragmentation and in particular in high-risk areas based on what we know of potential future pandemics.

- o Promote sustainable land uses that limit deforestation and human-wildlife contact;
- o Promote BD while planting trees for wood production;

2) Can the GEF promote circular solutions to reduce unsustainable resource extraction and environmental degradation?

- o Examine if there are other areas of potential GEF investments that can help in mitigating present impacts preventing future pandemics and vector-borne diseases (e.g. waste-water treatments).

3) Can the GEF innovate in climate change mitigation and in engaging with the private sector?

- o Promote energy efficiency improvements and low- and zero-carbon technologies such as renewable energy and electromobility, while not increasing the use of harmful chemicals and ensuring the ability to recapture and recycle materials at the end of life;
- o Promote local business development projects which improve resilience to climate change;
- o Promote sustainable business practices that are bio-based, energy efficient and chemicals free as far as possible.

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: Further work has been undertaken now on project risks.

A. COVID-19 risks have now been added to the project document and the GEF CEO endorsement request on page 26 on the UNDP Risk Register. Annex 4 of the UNDP Project document also discusses the COVID-19 related risks on page 106 of the UNDP project document. Yes, the project intervention has a plan for possible re-introduction COVID-19 measures which will include social distancing and online events. The government capacity is mobilized as human resources to support the project. There is no change in capacity of any other agency. There is no limited capacity and experience for remote work so this is not an issue. There are no planned changes in project timelines as it is hoped that by the time the project starts the COVID-19 pandemic will be largely over. There are no changes in the baseline and no changes in the project beneficiaries.

B. The project is working with the government and with construction companies and not with marginalized groups, and so, there are no special measures made to have them involved in project design and implementation because this is not the focus of the project.

Risks on enabling environment have been fully considered during the project preparation and the government priorities in relations to COVID-19 are fully taken into account.

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

1/9/2021 MY:

Not at this time. Please spell out IP and all other abbreviations when they are shown at the first time in the document.

The proposed implementation arrangements do not represent a complete separation of the execution and implementation functions and are not acceptable to the GEF Secretariat. The proposed approach needs to be completely revised so that UNDP will exclusively focus on quality assurance and oversight the project, and the General Directorate of Forestry of the Ministry of Agriculture and Forestry will be exclusively responsible for project execution. If the General Directorate of Forestry is not capable of doing the job, please select another third party to do or help to do the job.

The GEF has noticed that some new policies and legislation are proposed but not be enacted (section of Risk of the CAR package). The GEF would like the UNDP to make more effort to mitigate the risk of failure in enacting the new policies and legislation during overseeing and coordinating this project.

Please delete the following paragraphs and revise the budgets accordingly in the CAR.

Execution Support

In addition to this oversight role, the Government - General Directorate of Forestry (Implementing Partner) has prepared a letter (Annex 22 in the prodoc) requesting UNDP to provide execution support due to the capacity limitations, internal regulatory constraints, and institutional challenges that will prevent the IP from a smooth transition to full NIM modality (from previously utilized UNDP support to NIM) and otherwise put the project implementation at risk. This letter requests UNDP provide a number of execution services across the project's components, including: (i) procurement, (ii) HR recruitment/management, (iii) financial services, (iv) logistics support, (v) project reporting. This request is now subject to discussion and agreement with the GEF Secretariat. As set out in this document, UNDP will put in place a number of measures and arrangements to contribute to a firewall between the delivery of project oversight and quality assurance performed by UNDP (charged to the GEF Fee) and the execution support. UNDP welcomes review of these arrangements as part of discussions with the GEF Secretariat on approving any UNDP execution support. These arrangements include:

- The Project Manager, who will be paid by the IP, and will be assigned by the IP (General Directorate of Forestry), and perform the management role of the project as identified in the ProDoc, in line with the GEF rules and regulations.
- Terms of references for all of the project team working for the project will make the firewall very clear on the basis of the reporting requirements that all project staff providing execution support will directly work with and report to the Project Manager in compliance with UNDP rules and regulations (i.e. within the legal framework of UNDP).
- Specifically, execution staff will work in close coordination and cooperation with the Project Manager in the national implementing partner in line with the terms of conditions of their contract/agreements. General Directorate of Forestry (IP) will provide office space for all of the project team in their premises.

- UNDP and IP will sign an LOA for UNDP Support Services. The effectiveness of this modality will be reviewed as part of the mid-term review (MTR) of the project and if any issues are identified, swift action will be taken by UNDP.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: The IP is the General Directorate of Forestry (GDF), Ministry of Agriculture and Forestry.

All abbreviations are now explained in the UNDP Project Document and GEF CEO endorsement.

UNDP execution support will be limited to the performance-based payment execution under Component 2 and strict firewall within UNDP will be maintained between ?Project execution support (performed by the project-based PBP Support Unit, as part of the Project Management Unit)?, and ?oversight? (performed by Country Office (CO) Programme and Operations Staff). There is no overlap (neither people in respective positions, nor in reporting lines) between the project-based PBP Support Unit of the project (reporting to the project manager selected by the Ministry), CO Program Unit, and CO Operations units.

Given the very specific reasons for this arrangement, which are now in detail explain the CEO endorsement request, this approach is proposed in view of the approved UNDP GEF Circular Economy project in Serbia where a component on performance-based payments was carved out for UNDP to implement with strict firewalls in place.

Component 1 and Component 3 of the project will be implemented using the full NIM modality. UNDP will provide oversight services to the project. The preferred partner for the implementation of the activities (IP) remains to be the GDF due to its mandate and its relevance for this project context and goals, despite the legislative restrictions on the procurement referenced in number #1 answer in this sheet. To overcome this, the GCF will contract a national NGO, where required for activities under Component 1 and 3. (Three NGOs have been shortlisted based on initial discussions, however, other potential entities might be considered if they can demonstrate the necessary experience and capacity.)

Further details on the proposed project management and institutional arrangements of the project in Section 6 pages 26-31 of the GEF CEO endorsement request and Section VII starting on page 59 of the UNDP project document.

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

1/9/2021 MY:

Yes, it is stated on pages 27-28.

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

1/9/2021 MY:

Not at this time. On page 28, please provide a time-linked Knowledge Management Approach with deliverables (project outputs in KM) including processes to capture, assess and document information, lessons, best practice & expertise generated during project implementation.

The Approach should also show how to develop knowledge exchange, learning & collaboration among different stakeholders that have been selected for technology demonstrations.

Please consider a long-term plan for strategic communications and knowledge sharing all over the country.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: Information has been added in section 8.

Knowledge Management on page 33 of CEO ER, providing additional details on key deliverables, timelines and budget.

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

1/9/2021 MY:

Not at this time.

Please adequately address the environmental and social risks, impacts and management measures in the CEO RE document package. Please also see the comments in the Box of Risk analysis above.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: Environmental and social risks were identified in the Social and Environmental Screening Procedure (SESP). The summary of results can be found in ?Part B. Identifying and Managing Social and Environmental Risks? on page 93 of the CEO ER and are also explained in Annex 7 of the UNDP project document which is the Environmental Management and Safeguards Framework (EMSF) and the Annex L of the GEF CEO endorsement.

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

1/9/2021 MY:

Yes, the M&E plan is stated on pages 28-29.

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

1/9/2021 MY:

Not at this time. Please provide some quantitative information while showing Co-Benefits of the project, such as the number of new green jobs to be created, and the amounts of local pollution to be mitigated.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: The number of green jobs to be created is expected to be 500 in the construction sector (out of which at least 35% are for women). This target is defined under Outcome 5 of the UNDP project document in the Project Results Framework.

Local pollution in terms of CO₂ reductions from construction activities is expected to amount to 165,715 tCO₂ over the 20-year project lifetime of the energy efficient measures.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Not at this time.

Please provide all Annexes in one document, using only one numbering system.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: All annexes are provided and included in both the UNDP Project Document and in the GEF CEO endorsement request.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Not at this time.

Annex A: project results framework is not readable. Please revise or change it.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: The project results framework can be found on page 52 of the UNDP project document and in Annex A of the GEF CEO endorsement request on page 36. For both documents, the project results framework is readable.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Not at this time.

Please address the following issues that were requested by the GEF SEC at the PIF stage:

Secretariat Comment at PIF/Work Program Inclusion

11/6/2018 MY

In the CEO ER stage, please (1) show a plan that will facilitate a certification system for companies in Turkey in using wood for construction; (2) add project activities that will help develop new codes and standards for energy efficient wooden buildings for the country (this is essential for the CEO ER); (3) indicate the locations of the demo projects; (4) on page of the PIF, please revise the GHG emission target from 434,926 million tonnes to 434,926 tonnes; (5) for Knowledge Management, please full address the following issues:

Overview of existing lessons and best practice that inform project concept	Plans to learn from relevant projects, programs, initiatives & evaluations	Proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation	Proposed knowledge outputs to be produced and shared with stakeholders (at both program and project levels if a PFD)	Discussion on how knowledge and learning will contribute to overall project/program impact and sustainability	Plans for strategic communications
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Secretariat Comment at PIF/Work Program Inclusion

11/6/2018 MY

In the CEO ER stage, please (1) show a plan that will facilitate a certification system for companies in Turkey in using wood for construction; (2) add project activities that will help develop new codes and standards for energy efficient wooden buildings for the country (this is essential for the CEO ER); (3) indicate the locations of the demo projects; (4) on page of the PIF, please revise the GHG emission target from 434,926 million tonnes to 434,926 tonnes; (5) for Knowledge Management, please full address the following issues:

Overview of existing lessons and best practice that inform project concept	Plans to learn from relevant projects, programs, initiatives & evaluations	Proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation	Proposed knowledge outputs to be produced and shared with stakeholders (at both program and project levels if a PFD)	Discussion on how knowledge and learning will contribute to overall project/program impact and sustainability	Plans for strategic communications
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10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: Answers to the comments from the GEF SEC at the PIF stage were included in Annex B: Response to Project Reviews of CEO ER document.

The GEF CEO endorsement Annex F on page 53 now makes this correction. The target is now 12,000 t CO₂e by the mid term of the project and 165,715 t CO₂e by the end of the project.

In full project, the amount of floor space to be build using wood is less than was estimated in the PIF and therefore the lifetime CO₂ reductions are also less and were calculated to be 165,715 tonnes of CO₂e which includes 8,400m² of floor space from the pilot projects.

Council comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Not yet.

Please indicate clearly which country of the GEF Council member proposed the comments, then respond them.

For the following responses to the Council comment: "The required quantity of wood for achieving the project target (only 8% of the annual production) will not come from additional cutting, but from reverting the use of wood towards CLT production." Please elaborate which sector or which users will reduce the use of the 8% of annual production after the GEF project uses the required quantity of wood. This is to ensure the GEF project will not cause any crisis of wood demand and supply in the country.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

UNDP, 10/10/2022: Wording was added to clarify that the share of 8% is only in relation to Black Pine and Turkish Red Pine. From the total domestic wood production of 26 million m³, only 1.5% will be used for CLT production.

United States Comment:

Please confirm that the project will not promote or expand industrial-scale logging in primary forests.

UNDP Response:

The project will not promote or expand industrial-scale logging in primary forests because the forest is within the allowable cut for Türkiye meaning there will be no additional logging. In addition, the high growth rate of trees on forest land in Türkiye is well managed by the government. The project should incorporate a policy to ensure that a tree is replanted for every one harvested for building construction. This will ensure that deforestation is avoided, and that the overall project is climate neutral. Page 41-42 of the GEF CEO Endorsement (Annex B ? STAP review) provides more details.

STAP comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Yes, it is shown on pages 36-41.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

N/A.

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Yes, it is shown on page 42.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

1/9/2021 MY:

Not at this time.

Please provide a map in the CAR package. Please see the comments in another box on project maps above.

10/14/2022 MY:

Yes, comments were addressed and issues were cleared.

Agency Response UNDP, 10/10/2022: The map can be found on page 51, Annex E of the GEF CEO endorsement.

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

1/9/2021 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

1/9/2021 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 Not applicable.

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

12/22/2020 MY:

Not at this time.

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project.

1/28/2021 MY:

The checklist has been reviewed, but it needs to be revised and resubmitted.

The CEO AR package is still not good enough to be endorsed at this time.

Please address the comments in the above boxes.

10/21/2022 MY:

Please continue addressing the following comments from the GEF PPO:

1. Gender: The Agency has prepared a detailed gender action plan (presented in Annex M) specifying how gender considerations will be considered in each project component and outputs. As a good practice in gender mainstreaming, and to ensure that gender considerations are weaved into the project document, please reflect gender equality and

women's empowerment in Section B, the table of project components (in particular, components 1, 3 and 4).

2. On the PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 5%, for a co-financing of \$48,800,000 the expected contribution to PMC must be around \$4,880,000 instead of \$400,000, which is 1%. As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

3. Budget table is UNDP's budget in the ProDoc but the version in uploaded in portal is not only off the margins, but also is presented by year of execution instead of by sources of funding (project's components, M&E and PMC) ? therefore, it is not possible to assess the reasonability of the activities/expenditures? costs vis-?-vis the sources of funding. Please upload a budget table following GEF's template guidance in the Portal entry ? per the resubmission we will review the budget and provide comments as appropriate. In the meantime, please be informed that there are differences in the figures between the budget uploaded in the documents? tab Portal and those Portal's table B.

11/7/2022 MY:

One of the PPO's comments was not well addressed:

- Comment 3: whereas the new budget table in Portal is presented per source (instead of per year), there are two issues for the Agency to address: (i) the figures overlap between components / M&E / PMC, so it is not possible to understand where exactly each figure was charged against; (ii) different activities/expenditures/positions are presented in one single budget line so it is not possible to assess how each activity/expenditure/position is charged reasonably to the three different sources. Please present the budget in a way where there is no overlap and each activity/expenditure/position is clearly charged to the three different sources.

11/15/2022 MY:

Please continue addressing comments from the GEF PPO:

Project to be returned to the Agency because whereas the Agency finally resubmitted the budget using the correct template, with the figures within each box in the Table (no more overlaps). However, there is one comment that the Agency needs to address:

- Project's staff (Field Coordinator, Project Associate, PBT Task Manager and PBS Task Associate) is charged across components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing allocated to PMC is 2.4 million, and 44.2 million of co-financing is represented in grants, please review so the project staff can be appropriately charged to the PMC (GEF and co-financing portion).

11/28/2022 MY:

Yes, the comments were addressed and the project was revised.

The PM recommends technical clearance for this project and Council Review of the project.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/22/2020	10/10/2022
Additional Review (as necessary)	1/28/2021	10/31/2022
Additional Review (as necessary)	10/21/2022	11/9/2022
Additional Review (as necessary)	11/3/2022	11/23/2022
Additional Review (as necessary)	11/7/2022	

CEO Recommendation

Brief reasoning for CEO Recommendations

Objective: to promote and replicate the use of innovative wood-based technologies as low carbon construction materials in Turkey.

Rational: In its Nationally Determined Contributions to the UNFCCC (NDCs), the government of Turkey has decided to use energy efficiency (EE) improvement, including EE buildings, as a means to achieve the climate mitigation target. In 2014, it is estimated that there was 151,016,151m² of new buildings constructed in all of Turkey (over 50,000 new buildings) of which only 289,681m² (0.19%) used wooden frames and wooden materials. The greenhouse gas savings from this construction in the baseline is estimated as $289,681 \times 0.288$ tonnes CO₂/m² = 83,428 tonnes CO₂e reduced in 2014 due to the fact that 0.19% of all new buildings in Turkey were constructed from wood. However, with the support of this project it is estimated that by the year 2026 it is ambitious but possible that an additional 1% of all new buildings in Turkey will be constructed from wood (approximately 1.51 million m²) going from currently approximately 0.19% to 1.19% of total building stock in 2026 meaning that the greenhouse gas emissions from construction will be reduced by $1,510,161 \times 0.288$ tonnes CO₂/m² = 434,926 tonnes CO₂e per annum which includes GHG emission reductions not only during construction (cradle to gate) but also heating and cooling. If by 2026, the percentage of buildings constructed in Turkey using wood products reached around 5 percent, then the overall annual CO₂e savings would be approximately 2.2 million tonnes of CO₂e per annum. This project will facilitate the target of the CO₂ emission reductions from buildings.

Innovation: The innovativeness of the project lies in the fact that it is promoting a new technology called cross laminated timber (CLT) which is taking wood buildings to the next level in terms of their suitability and durability as a construction material. The cross lamination provides dimensional stability, strength and rigidity which makes it a visible and viable alternative to concrete, masonry, and steel in many building applications. It can be used for an entire building, or it can be used for part of a building. The project is innovative because it is supporting and promoting the CLT technology, which has not been proven in Turkey and where there is significant potential for scaling up and replication.

Sustainability and scaling up: The UNDP will ensure best selection of 6 demo projects with several key public and private organizations during project implementation. The key sector NGOs and the UNDP will continue supporting for maintenance services to ensure a strong demonstration and sustainability of the buildings. Besides, the potential for scaling up the results of this project is enormous given that so little wood is currently used in construction in Turkey. If the target is reached by an additional 1% of all new construction in Turkey each

year coming from wood products, then there will be significant CO2 savings, estimated at around 434,926 tonnes of CO2e per annum. With the assistance of this project in overcoming legal, regulatory, financial, and awareness barriers it is estimated that the potential for CO2 savings from scaling up will be even more significant reaching at least 1 million tonnes of CO2e per annum if eventually around 5% of all new construction in Turkey comes from wood products.

Co-financing (\$34 million) comes from (1) the government, with \$27 million grant and \$5.2 million in-kind; (2) CSOs with \$1.4 million in-kind, and (3) the agency with \$80,000 grant and \$320,000 in-kind.

In its lifetime, this project has targeted to mitigate a total of 2.51 million tonnes of CO2 including 0.16 million directly and 2.35 million indirectly. It will also save 1,433 TJ of energy.

Impact of COVID-19 on Turkey:

From the start of the pandemic to July 15, 2022, Turkey reported 15,180,444 infections and 99,057 coronavirus-related deaths. After July 15, 2022, when about 90% of the country's population was vaccinated, very few infections were found, and the country no longer reported cases of COVID-19. Therefore, GEF projects will not be affected by COVID-19.