

Enabling Zero Carbon Energy in Rural Towns and Villages in China (EZCERTV) Project

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10366

Countries

China

Project Name

Enabling Zero Carbon Energy in Rural Towns and Villages in China
(EZCERTV) Project

Agencies

UNDP

Date received by PM

6/16/2021

Review completed by PM

8/10/2021

Program Manager

Patricia Marcos Huidobro

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

6/17/2021 MY:

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

7/28/2021 MY:

Please see the comments from the PPO Unit of the GEF in the last box of the review sheet, and address them accordingly.

8/12/2021 MY:

Please see the comments from the PPO Unit of the GEF in the last box of the review sheet, and address them accordingly.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

The project structure/design keeps unchanged from the PIF and it is appropriate to achieve the expected outcomes and outputs as described in Table B and in the project document. The project reviewer noticed the facts (1) the project will invest in zero carbon energy technologies in 120 rural villages and 4 towns in 8 provinces, while at the PIF stage these numbers were 118, 4 and 6 respectively; and (2) the targeted energy saving increased from about 2,314.4 TJ/year at the PIF stage to about 6,487.0 TJ/year at the CER stage.

However, the PMC needs to be revised. Per the GEF operations policy, the PMC needs to be financed by GEF and co-financing at the same ratio. Currently the ratios are 5% and 3.7% (see the following table). Please revise the PMC budget to make these ratios identical or similar.

	GEF Project Financing	Confirmed Co-financing
Subtotal	8,507,067	86,400,000
Project Management Cost (PMC)	425,353	3,200,000
Ratios	5.0%	3.7%

7/13/2021 MY:

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

Agency Response Considering the suggestion that the % PMC funded by GEF and co-financing be the same, the co-financing in Component 2 has been adjusted to move part of it to the co-financing of the EZCERTV Project Management Cost. About US\$ 1.1 million from the co-financing for Component 2 to the co-financing for PMC. The resulting co-financing for PMC is now US\$ 4.3 million, which is 5% of the adjusted total co-financing for all Components (US\$ 85.3 million). The US\$ 1.1 million is part of the estimated cost for project management of the EZCERTV Project's baseline demonstration activities.

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The expected amounts, sources and types of co-financing are confirmed and adequately documented. The committed co-financing amount in the CER stage is more than the indicative co-financing amount at the PIF stage.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The GEF financing amount presented in Table D is adequate and the project demonstrates a cost-effective approach to meeting the project objectives.

Agency Response

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The status and utilization of the PPG are reported in Annex C in the document.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. No changes/adjustments have been made in the core indicator targets indicated in Table E. They remain realistic.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The global environmental problems, including the root causes and barriers, were addressed at the PIF.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The baseline scenario was presented at the PIF and the associated baseline projects are updated at the CER at the section of "1a.2) *Baseline scenario and any associated baseline projects*"

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

6/17/2021 MY:

Yes. The proposed alternative scenario as described in PIF remains sound and adequate. There is sufficient clarity on the expected outcomes and components of the project.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The project is still aligned with the CCM area strategy.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The incremental reasoning, contribution from the baseline, and co-financing are clearly elaborated in the PIF and updated in the CER package. The co-financing amount has been increased, and the ratio of co-financing (most of which is investment mobilized) now reached 1:10.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The calculation of the GEBs (CO2 emission reductions) is presented in Annex 13B that is uploaded in the Document Folder of this project at the Portal. The calculation results, the data and the methodology look sound.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

There is not any further and better elaboration to show innovation, sustainability, and scaling up, which are sufficiently shown already in the PIF.

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Not completed at this time.

For Annex E which shows the Project Map and Coordinates, please check and state if the demo project boundaries in Heilongjiang, Liaoning, and Yunnan touch the territory of China's neighboring countries.

7/13/2021 MY:

Yes, comments were addressed and the issues were cleared.

Agency Response The planned project sites in the provinces of Heilongjiang, Liaoning and Yunnan are far from the geographical borders with China's neighboring countries. As far as the project proponents know, there are no known territorial disputes with the neighboring countries that border these provinces.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

N/A

Agency Response
Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Not completed at this time.

On page 6, the CEO ER document states "**2. Stakeholders.** The Stakeholder Engagement Plan is in Annex 9 of the Project Document." In the Project Document of the UNDP, Annex 9 is missing. Please resubmit "The Stakeholder Engagement Plan."

Please double check the following requirements for the CER document:

1. put the names of project stakeholders to match the outputs of the project in Table B. In the description of project components, please indicate which organizations or project stakeholders will execute the sub-components of capital investments for technology demonstrations.
2. please elaborate whether this project will benefit or impact any Indigenous or minority Peoples and Local Communities. If so, please show evidence that they have

been consulted with the project impacts. Please indicate which stakeholders will be affected by the project on ground and how they have been consulted.

3. please include information about the future roles of stakeholders and proposed means of future engagement. Please check if the future roles of stakeholders have been identified. Please demonstrate how the project keeps engaging stakeholders through adequate means.

7/13/2021 MY:

Yes, comments have been well addressed and the project was revised accordingly.

Agency Response

Please see Annex 9 of the EZCERTV Project Document for the revised stakeholder engagement plan incorporating changes based on the responses to GEFSec comments.

1. Put the names of project stakeholders to match the outputs of the project in Table B. In the description of project components, please indicate which organizations or project stakeholders will execute the sub-components of capital investments for technology demonstrations.

Response:

The summary of the project stakeholders is now included in the annex on Stakeholder Engagement Plan (Annex 9). Also, the descriptions of the investment type activities in Component 2 have been revised to include the organizations/stakeholders that will be involved in the execution of the demonstration activities.

2. Please elaborate whether this project will benefit or impact any Indigenous or minority Peoples and Local Communities. If so, please show evidence that they have been consulted with the project impacts. Please indicate which stakeholders will be affected by the project on ground and how they have been consulted.

Response:

Minority peoples are among the main beneficiary groups of the EZCERTV Project's demonstration activities, and they were adequately consulted to get their views and

suggestions in the design of the project activities, particularly on capacity development and where necessary on the demonstrations. They also provided very useful information and insights, particularly cultural customs, traditional practices, and lifestyles that were used in the other barrier removal activities of the project and in the design of the low/zero carbon technology applications demonstrations. Based on the discussions and surveys conducted with them, it is very clear that they are willing and looking forward to using clean and efficient energy.

The project development team had made all efforts to consult, cooperate and coordinate with minority people who are present in the identified and selected project sites. One important example is the demonstration village (Bajiao) in Yunnan. That specific village where the Distributed Biogas Generation, Supply and Utilization System demonstration will be carried out is home to 1,560 minority people. The village is comprised of 405 farming households of Yi, Han, Hani, and Miao people. About 95.8% of the population are Yis; 2.2% are Hans; 1.8% are Hanis; and 0.2% are Miaos.

Comment:

3. Please include information about the future roles of stakeholders and proposed means of future engagement. Please check if the future roles of stakeholders have been identified. Please demonstrate how the project keeps engaging stakeholders through adequate means.

Response:

The roles and responsibilities of the project stakeholders are clearly defined in the Stakeholder Engagement Plan. Regarding 'future roles', the project proponent's understanding is that this refers to the roles of the project stakeholders after the completion of the planned 5-year EZCERTV Project implementation. Hence, these will be about the expected follow through roles of the stakeholders for sustaining/maintaining and enhancing the widespread use of the tools, frameworks, policies/regulations, capacity built, etc. from the EZCERTV Project, as well to facilitate further replication and scaling up of the zero/low carbon energy technologies that were demonstrated and replicated under the project. These are all expected from each stakeholder after the completion of the EZCERTV Project.

It should be noted that the design of the EZCERTV Project already includes interventions that will ensure stakeholder engagement during and after the project implementation. Among these is the establishment of a working mechanism for national

and local government officials operating in the project areas to plan, promote, monitor, and manage energy development in rural villages and towns (Activity 1.2.1). Part of this activity is the establishment of a working mechanism for stakeholders to cooperate in promoting the utilization of zero carbon energy technologies and the development of zero carbon villages and towns. To ensure continuous engagement of the NGOs, business associations, research institutions, private enterprises, farmers, women, and youth groups that will be involved in the project activities, continuous monitored and evaluated training programs on sustainable development of zero-carbon villages and towns, and RE and EE technologies and measures will be carried out by MARA/DARA during and after the EZCERTV project implementation (Activity 3.3.1). The same kind of continuing education programs (monitored and evaluated) for the private sector and relevant public and private stakeholders interested in developing rural energy businesses will be implemented during and after the project. To continuously engage and keep the stakeholders focused, an overall communication plan to publicize the benefits and achievement of the EZCERTV project will be developed and implemented, and a promotional strategy to increase rural community participation in zero-carbon rural development initiatives will also be devised and carried out (Activity 3.3.2). Furthermore, since bulk of the expected GHG emission reduction from the project will be from replications and/or scale-up of the demos, the project includes the design and implementation of a capacity-building training program for the private sector and relevant public and private stakeholders interested in developing rural energy businesses (Activity 3.4.3). The technical support and guidance to be provided to private investors are expected to enhance the involvement and sustain the interest of these important stakeholders in venturing/investing into zero carbon energy technology applications in the rural towns and villages of China.

The summary of the future roles of the project stakeholders are included in the annex on Stakeholder Engagement Plan (Annex 9).

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. the gender analysis was done and a Gender Action Plan is presented at Annex 11 of the project at the Portal.

Agency Response
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Yes. This project has outreached and engaged the private sector. Many private companies have committed co-financing for the project, including 1) CHN ENERGY Investment Group Co., Ltd.; 2) Hebei Jing'an Bioenergy Technology Co., Ltd.; 3) Shanxi Golden Cooperate DC Power Distribution Engineering Technology Co., Ltd.; 4) Chaoyang Jiajiadian Farm Co., Ltd.; 5) Hailun Limin Energy-saving Boiler Manufacturing Co., Ltd.; 6) Songzi Senchun Agricultural Development Co., Ltd.; 6) Yunan Fu Hui Technology Co., Ltd.; and 7) Ningxia Runwell Energy & Environment Engineering Co., Ltd.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Not completed at this time.

General risks to achieving project objectives were analyzed and the results were presented on pages 34-45 of the UNDP Project Document. The Climate Risk Assessment report is also attached at Annex H of the CEO ER document.

However, for the analysis of risks due to COVID-19, more work needs to be done in the section of *Analysis of risks from COVID-19 and identification of mitigation strategies for the project*. Please consider any risks and measures to deal with the risks that are caused by COVID-19 and post-COVID-19. These risks include (1) availability of Technical Expertise and Capacity and Changes in Timelines in the selected provinces;

and (2) any expected financing from the government and co-financing from all stakeholders. Please describe further how risks from COVID-19 have been analyzed and mitigation strategies incorporated into the design of this project. The CEO ER document should include consideration to the risks that COVID-19 poses for all aspects of project implementation.

COVID -19 Opportunity analysis: Describe further how the project has identified potential opportunities to mitigate impacts (if any) caused by COVID-19 to deliver GEBs and/or climate adaptation and resilience benefits, and contribute toward green recovery and building back better.

7/13/2021 MY:

No.

Annex G in the CEO ER document is about **ANNEX G: (For NGI only) Reflows** (see page 62 of the CEO ER document). Please provide risk and opportunity analysis for COVID-19.

7/15/2021 MY:

Yes, all comments were addressed and issues were cleared.

Agency Response

Response to comment 7/13/2021 MY:

The submitted CEO Endorsement Request (ER) Document is only 54 pages long. There is no page 62 that is according to the comment is about the Reflows (for NGI Only). Annex G, which include the Covid-19 risk and opportunity analysis for the project is pages 41 ? 44 of the CEO ER Document. For ease of review, Annex G document is attached with the agency response matrix.

Annex G of the CEO Endorsement Request Document (CERDoc) is about how the EZCERTV Project will address Covid-19 issues during project implementation. It includes, among others, description of the identified potential risks and impacts of the pandemic in the implementation of the project. The assessments of the 2 potential risks stated in the comment are now included in Annex G. Also, additional texts have been included in Annex 6 (Risk Register) to describe the mitigation measures to address the potential risks non-availability of technical expertise, changes in project timelines and

availability of the expected financing from the government and co-financing from all stakeholders during the Covid-19 pandemic.

The description on how the project will address the risks and impacts of Covid-19 issues (including the 2 risks stated in the comment) are described in Annex G of the CERDoc.

Comment:

COVID -19 Opportunity analysis: Describe further how the project has identified potential opportunities to mitigate impacts (if any) caused by COVID-19 to deliver GEBs and/or climate adaptation and resilience benefits and contribute toward green recovery and building back better.

Response:

The suggested opportunity analysis is already included in Annex G of the CEO Endorsement Request Document.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Not at this time.

The names and roles of project implementation and execution entities are unclear. In the section of **6. Institutional Arrangement and Coordination** and the chart of **Figure 1: Organization Structure**. Please elaborate the names, roles and relationship of the implementing agency (UNDP) and the executing agency and partners.

7/13/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

Response:

The specific roles and responsibilities of each entities that make up the EZCERTV Project organizational structure are described in Sec. VII (Governance and Management Arrangements) of the Project Document.

As stated in Sec VII of the Project Document, UNDP (as the GEF Agency) will oversee the implementation of the project. It will not be executing any project activity apart from the required GEF Agency project cycle management services since the project will be implemented under the UNDP's National Implementation Modality (NIM). UNDP has no role in the execution of the project activities. It will ensure compliance by the implementing partner (i.e., executing agency), which is MARA with the specific instructions that must be followed regarding the project's financial management requirements, as well as ensure that the GEF Minimum Fiduciary Standards Requirements are met by MARA and other designated responsible party/parties at all stages of project implementation.

As the Implementing Partner, MARA will require the cooperation and services of several responsible parties to implement or support the implementation of the project activities. The roles and responsibilities of MARA and the responsible parties are described in Sec VII of the EZCERTV 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

6/17/2021 MY:

Yes. This project is consistent with the national priorities of China.

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Not completed at this time.

Please provide information on Knowledge Management with the following requirements:

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

7/13/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

Annex I of the CEO Endorsement Request Document is about the EZCERTV Project's Knowledge Management. It covers the following topics: (1) Documentation and Dissemination of Lessons Learned and Best Practices; (2) Learning from Relevant Projects/Programs/Initiatives/Evaluations; (3) Gathering, Assessment and Documentation of Information, Lessons, Best Practice & Generated Expertise During Project Implementation; (4) Development of a Sound GHG Emissions Accounting Tool and Methods for Low/Zero Carbon Energy Technology Applications in Rural Towns and Villages in China; (5) Development of Knowledge Exchange, Learning & Collaboration Among the Partner Provinces; (6) National Strategic Communications and Knowledge Sharing. These correspond to the 7 items suggested in the comment.

The last topic also mentions the plan for strategic communication. Specifically, among the planned project activities is Activity 3.1.4: Development and operationalization of a project management and information communication platform for zero-carbon villages

and towns. In this activity, a project information management platform will be designed, established, operated, and maintained. A multimedia-combined project information and knowledge sharing, and media integration mechanism will also be established to strengthen project management capacity, facilitate information exchanges among managers, and improve the informatization level of project management. Part of the planned project activities relevant to strategic communication is Activity 3.2.2:

Organization and conduct of international capacity building, communication and information sharing programs on the development of zero-carbon villages and towns with "Belt and Road" countries. An overall communication plan to publicize the benefits and achievement of the EZCERTV project, and to devise a promotional strategy to increase rural community participation in zero-carbon rural development initiatives will be developed and implemented in Activity 3.3.2.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The ESS analysis and information entitled " Social and Environmental Screening Template" is presented at an attachment of the project and is uploaded to the GEF Portal.

Agency Response

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. The M&E Plan is budgeted and presented in the CEO ER document.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. the socioeconomic benefits of the project are elaborated at the section of Benefits in the CER ER document.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Annexes are all attached to the CEO ER, but the contents of some of the Annexes need to be revised or improved. See the relevant comments in the previous boxes.

Agency Response

The referred annexes have been properly identified (Annex 9 of the Project Document) and re-emphasized (Annexes G and I of the CEO Endorsement Request).

Annex 9 has been revised to also include the additional information that are requested in the comment. Annexes G & I are already available in the submitted CEO Endorsement Request Document.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Yes. It is shown in Annex A of the CEO ER document.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

At the PIF stage, the PM put the following comments for the agency to address, and all of them were cleared at the PIF stage:

11/4/2019 MY:

1. By the time of CEO Endorsement, the GEF Implementing Agency (UNDP) needs to present (i) a detailed explanation of the mechanism through which the Executing Entities (the Ministry of Agriculture and Rural Affairs and other local organizations) will select the grant proposals and disburse the funds; and (ii) how GEF Implementing Agency (the UNDP) will ensure that the Minimum Fiduciary Standards Requirements (to be approved in December 2019 by Council) are met by each of the Executing Entities at all levels of the project implementation.

2. As the agency knows, the implementation and execution roles on GEF projects are meant to be separate per policy and guideline. The GEFSEC will analyze any requests for dual role playing by an agency at the time of CEO endorsement and only approve those cases that it deems warranted on an "exceptional" basis. We strongly encourage the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any and all options for execution that do not include the government with the GEFSEC early in the PPG phase. The technical clearance of this PIF in no way endorses any alternative execution arrangement.

11/5/2019 MY:

Yes.

The Agency acknowledged the receipt of the first bullet of comment and will take action at the CEO ER stage accordingly.

In the PIF, the Agency has deleted all words and language that are related to "*providing administrative and logistical services*".

All comments were addressed and the PM recommends technical clearance.

The project reviewer appreciates it if the agency can check the above comments again and make sure the CEO ER document still complies with the above comments.

7/13/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response The project proponents have checked and responded adequately to the above comments and have made the appropriate revisions in the CEO ER Document based on the responses provided.

Council comments

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Please double check if any council members have made written comments on the project at and after the Council meeting to approve this project. If so, please respond the comments at the section of Annex B: Response to Project Reviews.

7/13/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response All comments of the GEF Council members have been addressed and the comments and suggestions provided were all considered in the design of the EZCERTV Project activities. All stated actions in the project proponent's responses to the comments/suggestions were also incorporated in the design of the project activities.

STAP comments

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

Not completed at this time.

STAP made comments on the project at the PIF approval stage. Please address the comments at the section of Annex B: Response to Project Reviews.

7/13/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response The sole comment in the STAP review regarding Climate Risk analysis has been addressed. The original CEO Endorsement Request already included Annex H, which summarizes the results of such analysis.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

N/A

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

N/A

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

N/A

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Yes. The status of PPG utilization is reported at **Annex C**.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Yes. A project map is shown in the CEO ER document. But a paragraph of description is needed. See the relevant comment above.

Agency Response The required paragraph stating that the planned project sites in the provinces of Heilongjiang, Liaoning and Yunnan are far from the geographical borders with China's neighboring countries, and that there are no known territorial disputes with the neighboring countries that border these provinces.

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

6/17/2021 MY:

N/A

Agency Response

Comment:

1.Core Indicators and Project Development Objective:

The project clearly indicates the changes made from PIF to CEO Endorsement in the names of indicators and some of the targets but does not do it for the main Core Indicators in the main template. Please add it as an additional context.

Response:

A table presenting the changes in the value of the Core Indicators during the PIF stage and PPG stage has been added to Annex F (Changes from the PIF) of the CEO Endorsement Request Document. It also includes the explanation of, and justification for, the changes.

Please consider making the Project Objective more specific in terms of what improvement in SDGs the results framework will be able to measure. This suggestion is in line with the Evaluation Policy requirement: "The Objectives and intended results of GEF-financed activities should be specific and measurable, so as to make it possible to monitor and evaluate the project and program effectively." In doing so, also consider rewording "increase economic opportunities and livelihoods" to: "increase economic and livelihood opportunities."

Response:

The EZCERTV Project is in line with the GEF-7 climate change mitigation (CCM) objective of promoting innovation and technology transfer to achieve sustainable energy breakthroughs, and specifically to: (1) Decentralized renewable power with energy storage; and (2) Accelerating energy efficiency adoption. In this regard, while this project will contribute to the achievement of SDGs 7, 8, 11, 13 and 2, the main SDGs targeted is Goal 7: "Ensure access to affordable, reliable, sustainable and modern energy for all"; and to a lesser degree Goal 13: "Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy". Hence, apart from the general gender equity core indicator, the indicators of the Project Objective are related to GHG emission reduction and the extent of application of renewable energy interventions. With that, the project proponents believe that having such indicators for the Project Objective is in line with the GEF Evaluation Policy requirement for indicators to be specific and measurable, so as to make it possible to monitor and evaluate the project and program effectively.

Regarding the last statement in the comment, it is not clear where the phrase "increase economic opportunities and livelihoods" come from. Hence, the suggestion is rather

vague. The Project Results Framework does not have such phrase, nor the entire Project Document nor the CEO Endorsement Request Document. Nonetheless, the project proponents agree to the proposed revision of such phrase.

Comment:

2. Co-financing: *Source: ?MARA? ? please write the full name of the ministry.*

Response:

The full name of MARA, which is Ministry of Agriculture and Rural Affairs, is now stated in Table 6 (List of Project Co-Financing).

Comment:

3. Gender equality: *It is noted that the project elaborates on gender consideration and includes information on gender indicators and targets (table 1). In terms of actions, it refers to table 2, which is not included in the portal sections. In addition, the project indicates that initial surveys and assessment of potential gender issues of the project have been carried out and refers to the SESP for further information. The SESP only includes some information on how the project is likely to improve gender equality and women's empowerment but does not include information on specific gender assessments. Please provide table 2 describing the gender action plan and activities and also provide further information on the specific gender assessments carried out.*

Response:

A Gender Action Plan document was prepared and submitted to the GEF Portal. It includes 2 tables. According to the comment, only Table 1 is available; and Table 2 is missing. The same Gender Action Plan document (with the 2 tables included) will be resubmitted and it will be also included in the portal sections.

Comment:

4. Budget Table: *Please submit a budget table following the template in the Guidelines of the GEF Project Cycle Policy.*

Response:

Annex 8 of the EZCERTV Project Document that was submitted to the GEF Portal is the GEF Budget Table using the GEF Budget template. The revised Project Document that will be resubmitted to the GEF Portal also includes the same Annex 8. The table also included in Annex E in the portal sections.

8/12/2021 MY:

Not completed at this time. Please continue addressing the comments from the PPO:

The three first comments provided on July 23 were addressed. However, now that the budget was provided, we have the following comments on it:

a- There are several figures that overlap among components / M&E / PMC, so it is not possible to clearly distinguish what is charged to which source ? please amend the budget.

Response to 8/12/2021 MY:

The pertinent documents on the EZCERTV Project were reviewed, and the Agency did not find any overlapping figures in the budget table. This apparent overlapping of budget figures must have something to do with the GEF Portal itself.

The Agency has consulted with GEF IT Support team and received advice to copy-paste the table into the portal as an image to ensure a good visual/reading quality and avoid formatting error. The table is also uploaded into the Portal as a supplementary annex (Annex 8)

Comment:

b. Office / conferencing equipment for communications should be charged to PMC (not to M&E) ? please ask the Agency to amend.

Response:

Based on the screenshot in Attachment 1, PDF file which generated from GEF portal and also from the Excel budget table both in UNDP and GEF formats (see link), there is no US\$ 30,000 equipment under M&E. The US\$ 30,000 equipment cost is listed under Component 2.

Comment:

c. As presented in the budget (?contingency to cover exchange rate fluctuations and expenses to support other aspects of the component outputs and contingency to related inputs to the activities and target outputs?), miscellaneous expenses cannot be covered by GEF resources. Please ask the Agency to remove these budget items.

Response:

Budget items on miscellaneous expenses have been removed. The changes in the project budget are now reflected in Sec. IX of the Project Document. The revised GEF Budget table is copy-pasted to Annex E of the portal and excel file has been uploaded into the Portal as a supplementary annex (Annex 8) to avoid formatting error.

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request
6/17/2021 MY:

Not at this time. Please address the comments above.

7/13/2021 MY:

Not yet, but almost finished.

The PM cannot find the risk and opportunity analysis on COVID-19. The Agency indicated that the analysis result is shown in Annex G of the CEO ER document, but Annex G of the GEF CEO ER document was designed for NGI. Please double check it and submit the analysis results.

7/28/2021 MY:

Almost finish the technical clearance.

Having reviewed this FSP CEO endorsement, the PPO Unit of the GEF provided the following comments. Please address them.

1. Core Indicators and Project Development Objective:

o The project clearly indicates the changes made from PIF to CEO Endorsement in the names of indicators and some of the targets, but does not do it for the main Core Indicators in the main template. Please add it as an additional context.

o Please consider making the Project Objective more specific in terms of what improvement in SDGs the results framework will be able to measure. This suggestion is in line with the Evaluation Policy requirement: "The Objectives and intended results of GEF-financed activities should be specific and measurable, so as to make it possible to monitor and evaluate the project and program effectively." In doing so, also consider rewording "increase economic opportunities and livelihoods" to: "increase economic and livelihood opportunities."

2. Co-financing:

Source: "MARA" ? please write the full name of the ministry.

3. Comment on gender equality:

It is noted that the project elaborates on gender consideration and includes information on gender indicators and targets (table 1). In terms of actions, it refers to table 2, which is not included in the portal sections. In addition, the project indicates that initial surveys and assessment of potential gender issues of the project have been carried out and refers to the SESP for further information. The SESP only includes some information on how the project is likely to improve gender equality and women's empowerment but does not include information on specific gender assessments. Please provide table 2 describing the gender action plan and activities and also provide further information on the specific gender assessments carried out.

4. Budget table:

Please submit a budget table following the template in the Guidelines of the GEF Project Cycle Policy.

The UNDP can put its responses in the previous Box for the question "**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**" or in an attached document.

8/12/2021 MY:

Not completed at this time. Please continue addressing the comments from the PPO:

The three first comments provided on July 23 were addressed. However, now that the budget was provided, we have the following comments on it:

- a- There are several figures that overlap among components / M&E / PMC, so it is not possible to clearly distinguish what is charged to which source ? please amend the budget.
- b- Office / conferencing equipment for communications should be charged to PMC (not to M&E) ? please amend budget.
- c- As presented in the budget (?contingency to cover exchange rate fluctuations and expenses to support other aspects of the component outputs and contingency to related inputs to the activities and target outputs?), miscellaneous expenses cannot be covered by GEF resources. Please remove these budget items.

9/17/2021 PM:

Cleared.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/17/2021	
Additional Review (as necessary)	7/28/2021	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	7/19/2021
Additional Review (as necessary)	8/12/2021
Additional Review (as necessary)	

CEO Recommendation

Brief reasoning for CEO Recommendations

The objective of the project is to accelerate zero-carbon transformation in China's rural area to contribute to global climate change mitigation and the achievement of the United Nations sustainable development goals. The project consists of three major components: (1) Policy formulation and Institutional Mechanisms on Zero Carbon Town and Village Development; (2) Renewable Energy and Energy Efficient Technology Applications for Zero Carbon Town and Village Development; (3) Facilitating Rural Zero Carbon Development and Lifestyle Popularization and Knowledge Dissemination. Expected outputs include: (1) Formulated, approved, and enforced policies on the promotion and support of zero carbon town and village development in line with China's rural revitalization strategy and goal of achieving carbon neutrality before 2060; and (2) Completed and operational zero carbon technology demonstration involving the installation of about 167.2 MW of renewable energy (RE) based power generation capacity in 120 rural villages and four towns for energy production and utilization showcasing the cost-effective application of new zero-carbon energy delivery mechanisms and decentralized RE-based energy generation and distribution (through mini/microgrids) as well as energy storage. With \$8.93 million of grant, this project will mobilize a total of \$89.6 million of co-financing from the private sector, the government and CSOs. The project is innovative because this project is the first one in China to initiate zero carbon energy policy, develop roadmaps for the policy and strategies, and demonstrate zero-carbon technologies in rural China. The project will be sustainable because 86% of the co-financing, namely \$77.1 million, is under the category of ?investment mobilized?. The project will be scaled up because 130 villages have applied for demonstration and scaling up of the net-zero carbon energy technologies; eight of the 130 villages were selected, and the rest are on the waiting list for scaling-ups. The project aims at mitigating 4.08 million tonnes of CO2 and save 13,200,000,000 MJ of energy during its lifetime operation.

COVID-19 risk analysis: During the detailed design and development of the Project, a more comprehensive analysis on the potential risks of Covid-19 was carried out based on the knowledge learned by the project development team members about the nature and impacts of the pandemic. Based also on the analysis, the project team found two potential risks that may impact the project during implementation: (1) non-availability of technical expertise and consequential changes in the project's schedule of activities; and (2) non-availability of the expected financing from the government and co-financing from all stakeholders. To mitigate the risks, the Ministry of Agriculture (MARA) and Rural Affairs of China attached greater importance to the implementation of the project and provided relevant technical resource persons, capital, and institutional support. The partner provinces also committed co-financing and technical support for this project.

COVID-19 opportunities: During the COVID-19 pandemic, due to the reduction of the number of in-person meetings and gathering, the opportunities for the wide use of internet-based communications became apparent. This also presented opportunities for both public and private sector entities, as well as the academe, research community, and CSOs to enhance the application of such technologies in their day-to-day business activities. Based on the results of the assessments of potential Covid-19 risks, the lessons learned and experience of these entities during the Covid-19 pandemic can be used also to determine opportunities for mitigating the impacts of Covid-19. For example, for the GEF Project, Covid-19 could result in the concern of people about respiratory diseases from the use of coal and improper use solid biomass fuels for cooking and heating in rural houses, and infectious diseases from rotting agricultural waste in farmlands, and livestock industries in rural communities presents an opportunity for the local government, rural industries and agricultural companies to work together to address these pollution issues and at the same time contribute to zero carbon economy development of the rural areas. In the design of the GEF Project, the lessons learned, experiences and knowledge gain during the Covid-19 pandemic also provide opportunity for the project proponents and their partners to formulate effective mitigating actions to prevent and/or remedy any negative impacts of the pandemic (assuming it persists for a long time) on the project interventions that are intended directly to bring about GHG emissions, as well as actions that will sustain and maintain the project achievements.