

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

Program Manager

Ming Yang

Focal Area

Climate Change

Project Type

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.

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%

Agency Response

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.

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

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.

Agency Response

Gender Equality and Women's Empowerment

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

Secretariat Comment at 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.

Agency Response

Coordination

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

Secretariat Comment at 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.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at 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

Agency Response

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
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.

Agency Response

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.

Agency Response

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.

Agency Response

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

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

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.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

6/17/2021

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations