

Promoting Carbon Reduction Through Energy Efficiency (EE) Techniques in Baghdad City

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10392

Countries

Iraq

Project Name

Promoting Carbon Reduction Through Energy Efficiency (EE) Techniques in Baghdad City

Agencies

UNDP

Date received by PM

6/8/2021

Review completed by PM

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

6/10/2021 MY:

Yes. The project is still aligned with the GEF CCM focal area objectives.

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

6/10/2021 MY:

Not at this time.

The project scope, structure and design have been changed. Some of the changes such as the removal of energy efficiency improvement in appliances and equipment have not been justified.

In addition to building design, construction and retrofitting are of course very important, but improving energy efficiency in appliances and equipment is also very important in

the building sector to significantly reduce GHG emissions. In Iraq, many households are using window mounted air conditioners in summer and using kerosene heaters in winter for heating. Energy efficiency standards and codes for appliances and equipment are necessary to improve energy efficiency in the residential sector in the country. Please justify why these activities were removed from the PIF..

Similarly, removing solar components is not justified. Why the output of "equipping national laboratories with testing facilities for solar" is removed? If there is no satisfactory justification, please put the sub-component back.

For all the changes or revisions, please justify the changes with convincing arguments and evidence.

In Component 2, please indicate the number of buildings and total square meters of these buildings that will be retrofitted under the GEF project support. Please take into account the last bullet of comments of the German Council member to select a number of public buildings such as public libraries, schools and hospitals to demonstrate EE retrofitting during the implementation period of the GEF project. The implementation period only lasts a few years, but NOT the lifetime of the GEF project which may be 10 years or 20 years.

Please make sure the co-financing from the Baghdad Renewable Energy and Sustainability Center (BRESC) is efficiently and effectively used in these buildings.

For Project Management Cost (PMC), to comply with the GEF policy, please revise the amounts from GEF (\$147,238) and co-financing (\$14,000) to make the ratios (\$147,238/\$2,944,779 \$14,000/\$27,296,000) more or less identical.

For Component 3, please elaborate the number of training workshops to conduct and the total numbers of people to be trained directly under the GEF project.

For Component 4, the budget seems to very high. Please consider reallocating some of the budget to Component 2 (INV). Please split the GEF budget to match the outputs of 7.1 and 8.1. More comments may come after it is done.

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

6/10/2021 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

6/10/2021 MY:

Not completed at this time. It seems that the identified co-financing does not meet the expected co-financing for the project. The following table shows the co-financing to be provided by the Ministry of Environment:

Source of Co-Financing for the Project			
Source of Co-Finance	Name of Co-Finance	Type of Co-Finance	Amount (\$)
Recipient Government	Salaries of (20) Staff of National Technical Team	In kind	1,800,000
Recipient Government	Computers; Stationary; Internet; Communications	In kind	510,000
Recipient Government	Electricity; Rent of Offices	In kind	360,000
Recipient Government	Provision of Cars and Transportation inside Baghdad	In kind	300,000
Recipient Government	Organizing International Consultative Meetings and Workshops	In kind	40,000
Total Co-Financing			3,010,000 Three million ten thousand USD

The GEF is thankful to the government for providing 20 government technical staff at the salary costs of \$1.8 million. This amount of money is approximately the total salary of the 20 staff for five years (calculated at about 26,900,000 Iraqi Dinar per year per person). But the GEF does not think It is appropriate for the GEF/UNDP project to keep 20 full time staff from the government for the implementation of the project. The GEF will provide project management cost (PMC) to the project. The project does not need the government to contribute computers and internet. The GEF Project Management Cost will cover these costs. Also, please elaborate why the project needs the government to contribute \$360,000 for electricity and conference room uses, and \$300,000 for car uses. Please minimize and split the uses of the government resources put them item by item in the outputs of the components of the project.

The \$1 million in-kind contribution from the Ministry of Higher Education seems not convincing. Firstly, the opportunity cost of the use of the 540 square meter building

from 2021-2026 amounts to \$1 million, which is extremely high in the country. After 2026, who will pay for the opportunity costs of the building? How can the government ensure the sustainability of the GEF Project after the the implementation of the project is over? Second, the letter should be signed by someone in the Ministry of Higher Education, the owner of the building.

Per the co-financing letter, the \$23,000,000 of the Baghdad Renewable Energy and Sustainability Center (BRESC) with other private investors is planned to invest in 30 buildings for retrofitting. In the CEO ER document, please show and indicate these 30 buildings that will be retrofitted with the \$23 million investment by the private sector. Please clearly indicate the number of buildings to be retrofitted in Component 2 (INV). The retrofitting of the 30 buildings should be completed in the GEF project implementation period.

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

6/10/2021 MY:

Yes. The country has reserved enough CCM STAR resources for the project.

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

6/10/2021 MY:

Yes. The report is available on page 65.

But please justify why about \$40,000 PPG unused and uncommitted.

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

6/10/2021 MY:

Not completed at this time. Direct carbon emission reduction target was significantly reduced from 78300 tonnes of CO₂ to 1933 tonnes of CO₂. Please justify the dramatic reductions. In order to reduce one tonne of CO₂ in buildings with energy efficient technologies and energy efficiency policies in this project, the GEF needs to invest in \$189. This number shows that the project is NOT cost-effective in terms of achieving global environment benefits in the EE area. In the GEF EE portfolio, the average cost of GEF investment for reducing one tonne of CO₂ is about one US dollar. There might be something wrong in GHG accounting. Otherwise, please consider redesigning the project.

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

6/10/2021 MY:

Not completed.

In the baseline scenario and the proposed alternative scenario, please elaborate the necessities of establishing the energy efficiency center, the retrofitting of 30 buildings for project demonstration, etc. that are associated with the project components. Please revise the CEO ER document accordingly.

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

6/10/2021 MY:

Not completed at this time.

There is a baseline scenario, but the scenario is not so closely linked to the project components (what the GEF project is going to do and to deliver). Please revise it.

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

6/10/2021 MY:

Not completed at this time.

There is an alternative scenario, but the scenario is not so closely linked to the project components. Please elaborate what the GEF project will demonstrate energy efficiency improvement for the 30 selected buildings, and how the demonstration will be scaled up in the country.

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

6/10/2021 MY:

Yes. The project is aligned with the 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

6/10/2021 MY:

Not at this time.

The project developer did not understand the question:

"5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF,

LDCE, SCCF, and co-financing;".

The question is about justification of using GEF grant \$3 million on the top of existing baseline scenario of the country to deliver agreed and additional global environment benefits. It is not about project budget for years of 2021-2026. The project developer need to learn GEF operations policy and learn from UNDP other experts in project development. Section 5) on page 30 must be re-written.

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

6/10/2021 MY:

Not completed.

The carbon emission reductions due to EE codes and standards (1,798 ktCO₂e on page 31) needs to be justified. How was this amount calculated? What are the methodology, assumptions, data, etc.? Consequential GHG emission reduction refers to the reduced CO₂ throughout the country due to the impact of the GEF project.

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

6/10/2021 MY:

Not completed.

The paragraph on Innovativeness on page 32 is not clear. Please use example to justify the following statement in the paragraph ""Promoting Carbon Reduction Through EE Techniques in Iraq is an innovative project as it aims to provide tailored practices and develop fit-for purpose innovative regulatory, organizational, and operational solutions

that can lead to overcoming the lack of the optimized energy and buildings sector usually linked to low carbon development".

Here is an example of an innovative practice in the US for EE promotion in the residential sector. The local power distribution company (or utility) hires technicians to replace non-efficient lamps with efficient LED lamps for households free of charge, no matter how many lights a household has. This kind of business practice has never happened before in the US, and it can be claimed innovative.

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
6/10/2021 MY:

Yes. The map is attached on pages 64-65.

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
6/10/2021 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

6/10/2021 MY:

Not completed at this time.

In the CEO ER document, please 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.

In the CEO ER document, 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.

In the CEO ER document, 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

6/10/2021 MY:

A Gender Analysis and a Gender Action Plan have been undertaken and prepared. They are uploaded onto the Portal. But please double check and elaborate preliminary issues or findings on gender-specific context of the project, describe plans to address gender issues during the project development phase. For example, please show any planned gender responsive measures/activities to address gender gaps and promote gender equality and women's empowerment that is related to the project.

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

6/10/2021 MY:

Yes. A private entity (Baghdad Renewable Energy and Sustainability Center) has been engaged as a financier and a stakeholder.

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

6/10/2021 MY:

Not completed yet.

1. COVID-19

Please brief the measures to cope with COVID-19 by responding the following three questions:

1.1 General: Describe briefly how the pandemic overall is addressed in the project, including associated impacts, risks and opportunities. Projects are required to identify and establish likely impacts and risks from COVID-19, and how they will be dealt with in the context of delivering global environment benefits and climate adaptation and resilience benefits.

1.2 Risk analysis: 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 city; 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 project is expected to include

consideration to the risks that COVID-19 poses for all aspects of project implementation.

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

2. Climate Risk Analysis

Please do more analysis on Climate Risk Screening. Specifically, please double check to ensure that climate risks are identified, listed and described per the guidance of STAP. See <https://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>

This includes but not limited to:

2.1 Outlining the key aspects of the climate change projections/scenarios at the project locations, which are relevant for the type of intervention being financed (e.g. changes in temperatures, rainfalls, increased flooding, sea level rise, saltwater acquirer contamination, increased soil erosion, etc.).

2.2 Showing risks with a time horizon if feasible/data available (e.g. up to 2050).

2.3 Listing key potential hazards for the project that are related to the aspects of the climate scenarios listed above. This means elaborating a narrative that describes how the climate scenarios indicated above are likely to affect the project, during 2020-2050.

2.4 Describing plans for climate change risk assessment and climate risk mitigation measures. The STAP guidance shows more details on it.

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

6/10/2021 MY:

Yes. It is stated / presented on pages 50-51.

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
6/10/2021 MY:

Not completed at this time.

Please write arguments to support the statement that the project is consistent with the nationally committed conventions or agreements listed on page 52, under the section of 7. Consistency with National Priorities.

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
6/10/2021 MY:

Not at this time. Please provide

1. an overview of existing lessons and best practice that inform the project concept
2. plans to learn from relevant projects, programs, initiatives & evaluations
3. proposed processes to capture, assess and document info, 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/program 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

6/10/2021 MY:

Yes, the issue is addressed in Annex 1. Social and Environmental Screening (Template).

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

6/10/2021 MY:

Yes. It is on page 54.

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

6/10/2021 MY:

Not completed at this time.

Please briefly list the socioeconomic benefits due to the GEF project at the national and local levels. Please elaborate how these local benefits translate in supporting the achievement of global environment benefits (CO2 emission reduction) or climate change adaptation benefits.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

Yes. Annexes A-H are attached to the CEO ER document.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

Yes. The Project Results Framework is attached to Annex A. But it may need to be revised with the revision of the design of the project.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

At the PIF stage, the GEF PM made some comments that should be addressed at the CEO ER stage. These comments are copied and pasted below:

10/29/2019 MY:

More details of financial measures and incentive mechanisms for the operation of the EE Center, after the GEF project implementation period is over, must be provided at CEO endorsement request.

A notice to the Agency:

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.

Please address these comments if not yet.

In addition, from October 2020 onwards, the GEF started to use revised review criteria with higher standards. To meet the standard, the agency needs to address more issues that are related to Theory of Change (TOC).

Referring to STAP's primer on the issue of TOC - <https://www.stapgef.org/theory-change-primer> , Please draw a chart to demonstrate TOC for this project and write a couple of paragraphs to explain the TOC. Thank you.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

Not completed yet.

The statement of "Furthermore, private sector co-finance will be used to replicate the adopted EE measures in 30 buildings during the project's lifetime." may not be accepted by the German Council member. Please follow the following German Council comments to revise the design of the project: Germany also asks to examine the possibility of defining a number of public buildings (for example schools) that can serve as pilot projects for the implementation of energy efficiency measures, such as building insulation, cooling, and lighting. This would also help to create a pool of companies that are familiar with the technologies and can continue to use them in other buildings.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

Not completed.

For an FSP, STAP will provide comments. It seems that the responses to STAP comments are missing. Please check it again.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

A Table on PPG utilization is attached at Annex C on page 63.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

6/10/2021 MY:

Yes. Project maps and coordinates are provided on pages 64 and 65.

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

6/10/2021 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

6/10/2021 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

6/10/2021 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

6/10/2021 MY:

Not at this time. Please address the above comments.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/15/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations