

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

Review PIF 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

**Agenices**

UNDP

**Date received by PM**

10/11/2019

**Review completed by PM**

10/29/2019

**Program Manager**

Ming Yang

**Focal Area**

Climate Change

**Project Type**

FSP

## **PIF**

### **Part I – Project Information**

#### **Focal area elements**

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

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

10/12/2019 MY:

Yes, it is aligned with CCM-1-3 Promote innovation and technology transfer for sustainable energy breakthroughs for accelerating energy efficiency adoption.

## **Agency Response**

### **Indicative project/program description summary**

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

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

10/12/2019 MY:

Not completed at this time.

Please consider combining Components 2 and 3 into one, since they are both in capacity building and institutional development. With that, the budget for the two components can be reduced. The savings of the budget can be allocated to Component 4: Investment.

Some budget in Table B may be reserved for M&E and acknowledge management.

10/29/2019 MY:

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

## **Agency Response**

### **UNDP response 29/10/2019**

Thanks for these helpful comments. Components 2 and 3 are combined, and their initial budget reduced by \$300,000 and transferred to Component 4 (which is now component 3) on Investment. The budget for Investment outputs represents now 55% of total GEF budget.

M&E and Knowledge Management were initially embedded into Component 2. It is still there, and explicitly labeled now.

### **Co-financing**

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

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

10/12/2019 MY:

Not completed at this time.

The co-financing ratio at the current state is less than 1:6. Please consider increasing this ratio to 1:7.

10/29/2019 MY:

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

**Agency Response**

**UNDP response 29/10/2019**

Thanks for this comment. Consultations were conducted at national level and the private sector accepted to increase its co-financing from \$9 million to \$15 million. This does not only increase the ration to 1:7, but also shows the strong involvement and commitment of the private sector in this project.

**GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

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

10/12/2019 MY:

Yes. Tale D is in line with GEF financing policies and guidelines. They are within the GEF resources.

### **Agency Response**

**The STAR allocation?**

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

10/12/2019 MY:

This country has \$8.69 million in STAR allocation.

### **Agency Response**

**The focal area allocation?**

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

10/12/2019 MY:

This country has \$3.55 million in CCM allocation. This project will use all of the GEF 7 STAR CCM funding.

### **Agency Response**

**The LDCF under the principle of equitable access**

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

10/12/2019 MY:

N/A

**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

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

10/12/2019 MY:

N/A

**Agency Response**

Focal area set-aside?

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

10/12/2019 MY:

N/A

**Agency Response**

Impact Program Incentive?

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

10/12/2019 MY:

N/A

**Agency Response**

Project Preparation Grant

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

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

10/12/2019 MY:

Yes. It is \$150,000 (for no more than \$6 million project)

**Agency Response**

Core indicators

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

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

10/12/2019 MY:

Yes.

**Agency Response**

Project/Program taxonomy

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

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

10/12/2019 MY:

Yes. It is on page 24.

### **Agency Response**

#### **Part II – Project Justification**

**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?**

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

10/12/2019 MY:

Yes. It is on pages 4-7.

### **Agency Response**

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

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

10/12/2019 MY:

Yes. It is on pages 8-9.

### **Agency Response**

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

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

10/12/2019 MY:



Not completed at this time. It is suggested that Components 2 and 3 be merged into one, since they are all in capacity building and institutional development. Some of GEF funding for these two components should be allocated to the establishment of EE test center, namely for Investment (Component 4).

10/29/2019 MY:

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

### **Agency Response**

#### **UNDP response 29/10/2019**

This is done accordingly, as mentioned above.

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

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

10/12/2019 MY:

Yes, it is aligned with CCM-1-3 Promote innovation and technology transfer for sustainable energy breakthroughs for accelerating energy efficiency adoption.

### **Agency Response**

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

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

10/12/2019 MY:

Yes. It is stated on page 12.

### **Agency Response**

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

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

10/12/2019 MY:

Yes. It is stated on page 13.

However, more detailed calculation on GHG reduction is needed after the PPG when more accurate data is available.

**Agency Response**

**7. Is there potential for innovation, sustainability and scaling up in this project?**

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

10/12/2019 MY:

Not completed at this time.

For Sustainability, please elaborate how the EE center (to be built with the GEF funding) will be sustainable in operation. Who will pay the M&O costs of the center after the GEF project implementation period is over?

10/29/2019 MY:

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

**Agency Response**

**UNDP response 29/10/2019**

Thanks for these helpful comments. Sustainability is indeed very important and a key element of project success. The below paragraph is added into the Sustainability section, page 14.

Sustainability will also be ensured financially, through output 1.3 on Financial measures and incentive mechanisms. This will constitute a cornerstone of sustainability, especially for the EE center to be built under Component 3. The Center will be established in close partnership with Government (namely Ministry of Higher Education and Scientific Research) and the Private sector (construction companies, energy companies). Financial measures and incentive mechanisms will design cost effective recovery systems for the center, in term of payment services, certifications, labelling, operation and maintenance (O&M). This will allow its financial sustainability beyond project closure.

So specifically on the center, it will be managed by the Government with close partnership with private sector, to ensure sustainability after project closure. The center will work on a fee-based model for certain of its clients, e.g. offering audit, certification and labelling services.

More details for these Financial measures and incentive mechanisms will be provided at CEO endorsement request.

#### **Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

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

10/12/2019 MY:

Yes. It is in Baghdad. A map is attached.

#### **Agency Response**

**Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

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

10/12/2019 MY:

Yes. It is stated on pages 14-15.

**Agency Response**

**Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

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

10/12/2019 MY:

Yes. It is stated on pages 15-16.

**Agency Response**

**Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

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

10/12/2019 MY:

Yes. It is stated on pages 16.

**Agency Response**

**Risks**

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

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

10/12/2019 MY:

Not completed at this time.

Please identify any risks and consequences of climate change that might prevent the project objectives from being achieved or may be resulting from project/program implementation. Please comply GEF policy requirements on dealing climate risk.

10/29/2019 MY:

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

**Agency Response**

**UNDP response 29/10/2019**

Thank you. Climate risk as described below is added in the risk table, pages 17-18.

The ambient temperature in Iraq is expected to increase in the future due to climate change. Prolonged heat waves, erratic precipitation, higher than average temperatures and increased disaster intensity are possible climate change effects in the country. In addition to increase in temperature, other climate effects such as intense droughts, declining precipitation, desertification, salinization, and the increasing prevalence of dust storms may also be observed. As a mitigation strategy, the EE building codes will be an effective form of adaptation to this climate impact. Adaptation measures which will be incorporated into this project include; 1) introduction of climate-responsive building techniques and elements to reduce the effect of heat and reduce demand on energy for cooling; 2) Promotion of the use of energy-saving devices, and raising awareness on the long-term benefits of energy efficient devices; 3) amendments to sector policies and regulations, such as building

codes, to reflect climate change risks and to direct people towards insulating buildings to reduce energy demand; and 4) zoning and development changes to reflect increased vulnerability of specific locations in the country.

#### **Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

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

10/12/2019 MY:

Yes. It is stated on pages 17-18.

#### **Agency Response**

##### **Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

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

10/12/2019 MY:

Yes. It is stated on pages 18-19.

#### **Agency Response**

##### **Knowledge Management**

**Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?**

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

10/12/2019 MY:

Yes. It is stated on pages 19-20.

**Agency Response**

**Part III – Country Endorsements**

**Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

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

10/12/2019 MY:

Yes. The endorsement letter is saved in the GEF Portal "Documents".

**Agency Response**

**Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

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

10/12/2019 MY:

N/A

**Agency Response**

**GEFSEC DECISION**

**RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

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

10/12/2019 MY:

Not at this time.

Please address comments above.

10/29/2019 MY:

Yes, comments were addressed and the PIF was revised accordingly. The PM recommends technical clearance for this PIF.

**ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**



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

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.

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		