

Sustainable Cities Impact Program

Review PIF and Make a recommendation

Basic project information

GEF ID

10391

Countries

Global (Argentina, Brazil, China, Costa Rica, India, Indonesia, Morocco, Rwanda, Sierra Leone)

Project Name

Sustainable Cities Impact Program

Agenices

UNEP, ADB, UNDP, World Bank

Date received by PM

10/11/2019

Review completed by PM

Program Manager

Aloke Barnwal

Focal Area

Multi Focal Area

Project Type

PFD

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**

The PFD reflects the impact program approach well. It proposed a sound theory of change which demonstrates strong potential of GEBs using a dual yet very synergistic approach of country child projects and the global project. The program design builds on the GEF 6 IAP well and strengthens key aspects of GEF 7 IP strategy such as making cities central to the program, delivering diversified GEBs, making integrated urban planning the base for interventions and supporting integrated and multi-sectoral investments for impactful outcomes. There is strong emphasis on creating enabling policies and investment climate to improve access to finance and foster partnership with private sector. Finally, the project implementation arrangement appropriately utilizes the comparative strengths of city based organizations and UNEP and advances the global partnership approach of the impact program for transformational change. The agency is requested to mainstream gender, inclusion and private sector engagement strategy across the program design more effectively to integrate these important urban development aspects in the program design.

Nov 6: No further comments.

Agency Response

November 1, 2019

Done. We have mainstreamed gender, inclusion and private sector engagement throughout the document and the design. Please refer to the response to question 2.

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

The four components on policy and governance; city level sustainable infrastructure investments; innovative financing and business models; and global policy influencing and knowledge sharing are quite comprehensive and interlinked. For each component the PFD adequately describes how city level investments and the global project will contribute to its outcomes.

The budget distribution across the program components is also balanced. Around 70% of the funding is for technical assistance to cities and global activities and 30% is for direct investments at city level to pilot and scale up innovative urban sustainability solutions. This ratio looks fair in conjunction with \$2.1 billion co finance (1:13 co-finance ratio) majority of which are investment mobilized for infrastructure investment.

The PFD has scope to strengthen its focus on global value add beyond its focus on the selected 24 cities in 9 countries. As mentioned in the comment above, elements of key cross cutting elements such as gender and inclusion and private sector engagement need to be made more explicit in program outcomes and activities.

Nov 6:

1. The global platform should play a much wider role in providing assistance to cities globally and not limiting to on-demand support to child project cities only. The agency is requested to modify the technical assistance role of the global platform (PFD component 1 and Global project component 1) to make the scope broad. The support needs to be strategic to ensure that benefits from the global platform goes beyond the sum of benefits from each country project. A detailed strategy of such technical assistance to cities can be elaborated at the full scale proposal stage in the global child project.

2. The component 3 in the Sierra Leone project is linked to disaster emergency response and preparedness (not a core objective of the trust fund) which has a significant co-finance from the GEF agency and a very small financing from the GEF Trust Fund. The agency is requested to modify this component to knowledge management and capacity building component. Within this component, the support for any data analysis and management and other capacity building for disaster resilience and linkage with the global platform could be included. Also, this component will be consistent with the PFD component 4.

Agency Response

November 1, 2019

Done. We have revised outcome language and activities to better reflect aspects of inclusiveness, gender considerations and private sector engagement. The word 'inclusive' is now included in outcome 1 and indicator 2; in outcome 4 and indicators 8 and 10, and we have included 'gender' in indicator 9. Gender and city initiatives are now included in baseline activities. Gender is referenced in the alternative section and now becomes part the program approach; and in the description of components 1, 2, 3 and 4.

References to private sector have been made in the barrier section, and the alternative section under components 1, 2, and 3. Component 3 has very extensive linkages to private sector, innovative financing, and business models.

November 7, 2019:

1. We have revised PFD sections on the value added of the program; Component 1, Component 2 and the Knowledge Management section in the PFD to reflect the concept of participating cities as the beneficiaries of support from the global child project. Participating cities include both child project cities and non-child project cities giving the SCIP the room to work with a wide range of cities in Component 1. We have also strengthened the concept of a needs assessment and other research to define strategic topics of support in Component 1. This means SCIP support has the flexibility to select important strategic and relevant topics as areas of support and deliver them to a wide range of cities, and not just focus on the needs of child project cities.

2.

2. We will ask the IA (World Bank), to revise their Component 3, during project development and make it consistent with component 4 of the PFD.

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

The co-financing is adequately documented. The co-finance ratio is 1:13 which is satisfactory and majority (95%) of the co-finance is investment mobilized which is quite good.

Where GEF Agency is the lead agency for the country project, the source of co-financing should be identified as “GEF Agency” and not from “Donor Agency” (see WB loan for Indonesia).

Also, some of the in-kind co-financing has been marked as “investment mobilized” (WRI, C40 and ICLEI). However, where co-financing truly meets the definition of "in-kind", it should be classified as "recurrent expenditures" rather than "investment mobilized". For further details, please refer to the Co-Financing Guidelines (http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)

November 6:

The co-financing source for Morocco is not specified e.g. several ministries, bilateral/multilateral donors. For Argentina, the co-financing from the GCF is mentioned as grant in table C, however in the description it says loan in the concept note. PFD also says loan. Please make it consistent. Please also remove the reference of IADB loan in the description as it is not mentioned in the table.

Table C in the PFD indicates co-financing from WRI, C40 and ICLEI as in-kind but tags it as investment mobilized. If it is in-kind then the nature of funding will be recurrent expenditure. Please also make it consistent with the global child project concept.

Agency Response

November 1, 2019

The source of co-financing for the World Bank loan in Indonesia has now been listed as ‘GEF Agency’. The co-financing source for World Bank grant in Sierra Leone has also been listed as ‘GEF Agency’.

Where co-financing entries are listed as in-kind we have now changed the classification to recurrent expenditures in table C of the PFD.

November 7, 2019

We have approached the IA UNDP for the Morocco child project and they have listed the planned co-financiers. However, they still do not know the specific amounts for each of them and they said they will define the specific amounts during the project development phase.

The Argentina child project has been adjusted as requested. The IADB loans have been removed and the GCF co-finance has been aligned in both PFD and child project as ‘loans’.

Table C in the portal has been amended to reflect the co-finance from WRI, ICLEI and C40 as grants/investment mobilized.

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

The GEF financing proposed is within the resources available for the sustainable cities impact program and as per GEF policies and guidelines.

In Table D, ADB is having STAR allocation for India project. However, this is not mentioned in Annex A. The Agency is requested to add ADB in Annex A also under the India project.

Nov 6: No more comments

Agency Response

November 1, 2019

ADB has been added as a GEF Agency in Annex A, under the table 'List of Child Projects under the Program'.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

The STAR allocation from each focal areas is within the allocated STAR for respective countries within the program.

Nov 6: Please review the following:

- Child project concept of Morocco : The STAR amount in Table D is inconsistent with the STAR amount mentioned in the PFD.
- In the PFD Annex A Sub-total and Total amount is different.

Agency Response

November 7, 2019

The Morocco child project has been revised and it is now with the correct figures and sum-ups, making this consistent with the PFD amounts.

The PFD Annex A has also been corrected.

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

Mentioned above. The focal area allocations is within the allocated budget and the distribution of the focal area STAR is commensurate to the impact program objectives and GEBs.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

The impact program incentives proposed for the program is within the allocated budget. The justification for use of IP incentives in the program is described across the program components. The Agency is requested to elaborate more on the global value add in the proposed alternate scenario which will be facilitated by the incentive.

Nov 6: No more comments

Agency Response

November 1, 2019

The global value of the program has been elaborated more at the beginning of the alternative section, now stretching to over 7 paragraphs up to the Theory of Change.

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 PPG is not requested in the PFD.

Agency Response

November 1, 2019

There are no locations in the PFD framework to ask for PPG funds, so the Lead Agency will request PPG funding in the separate form provided by the GEF for this.

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

The agency is requested to review the GEB and beneficiaries estimates in light of the integrated programming approach. All the indicators need to comply with GEF's results guidelines and should include only direct benefits per GEF's policy. The Agency may like to revise the beneficiary estimate to nearest rounded number. GEBs for global project also needs to be included.

Nov 6: The indirect emissions from the China project seems very high. Please see if the agency would like to revise it. If it's justified, no action needed. For the Sierra Leone project, the agency is requested to estimate some direct GHG emission mitigation as it is the only project in the portfolio with no direct GHG emission reduction benefit.

Agency Response

November 1, 2019

Country child projects have provided direct impacts only for hectares of land as per the GEF guidelines. However the global child project includes small indirect benefits for ha of land as it will not have any direct impacts.

For greenhouse gas emissions reductions or emissions avoided, child projects quote both direct and indirect benefits as per GEF guidance, however direct and indirect impacts have been combined into a single figure in table E of the PFD.

GEB estimates for the global child project for both green house gas emissions reductions and hectares of land have been calculated based on the capacity of additional cities to the child project cities, to use knowledge products and apply best practices.

The Lead Agency has requested all Implementing Agencies to use the GEF guidance for direct beneficiaries and to include benefits coming from policies and plans of the child projects.

The direct beneficiaries' figures have been rounded in table E of the PFD.

November 7, 2019

Points well noted. We will reach out to the World Bank (IA for China) and ask them to either validate their emissions reduction calculations or review them during the development phase. This might entail a reduction of their estimations. Likewise, for Sierra Leone, we will reach out again to the World Bank (IA for Sierra Leone) and ask them to review their emissions reduction calculations and assess if they can include direct emissions from project interventions during the development phase.

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 Yes

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

The root causes and barriers are well explained in the PFD. The agency is requested to include issues related to gender and private sector engagement in this section.

Nov 6: No more comments

Agency Response

November 1, 2019

Gender and private sector references are now included in the root causes and barriers section.

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

Secretariat Comment at PIF/Work Program Inclusion

The baseline scenario lists various initiatives by UNEP, C40, WRI and ICLEI and also some of other partners such as UN-Habitat, WBCSD, Global Covenant of Mayors, etc. The baseline could be strengthened by highlighting global leadership on sustainability by Mayors and also certain country and city led urban transformation initiatives taking cue from the country child project concepts e.g. Transform Freetown, Smart City Mission India, Urbanization for All by Indonesia, Cluster Cities approach by China, etc.

A number of barriers have been highlighted in the baseline scenario which could be merged with the barriers sector in the PFD.

The baseline should present the global urban sustainability landscape highlighting the baseline situation on which the project will build and catalyze the efforts to integrate sustainability in the urbanization process.

Nov 6: No more comments

Agency Response

November 1, 2019

Reference has been made to mayoral and city leadership in addressing climate change, sustainability and environmental challenges in the baseline scenario and in baseline initiatives. References from mayoral and city leadership from the child projects has also been included in baseline scenario.

Baseline barriers have been moved to the barriers section of the PFD and re-arranged around issues that are being addressed in the program alternative.

Baseline programs are now presented as initiatives rather than partner organisation, with more of a focus of the actions the program will be building on.

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

Secretariat Comment at PIF/Work Program Inclusion

The program justification is elaborated well highlighting the opportunities, key barriers and the baseline. The Agency is requested to elaborate on issues related to private sector leadership opportunities and barriers in urban sustainability and gender aspects in the justification section.

Nov 6: No more comments.

Agency Response

November 1,2019

Component 3 of the project focuses on how to support child projects with financing and business models, and the private sector is at the heart of this. Private sector is also now referenced in components 1 and 2 and well.

Regarding the inclusion of gender please see response to question 2 above.

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

Secretariat Comment at PIF/Work Program Inclusion

Yes, the program is aligned with the sustainable cities impact program strategies of integrated urban planning, implementing innovative integrated urban sustainability solutions, enhancing capacity of cities to access finance and strengthening global partnerships for knowledge sharing and global policy influencing. The global project and country projects are well linked can jointly deliver the impact program strategies.

Nov 6: No more comments

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

The incremental cost reasoning is elaborated well under the specific program components.

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

The GEBs are assessed as reasonable and achievable. Only direct GEBs need to be provided e.g. in case of GHG emission reduction.

Nov 6: Please modify the Adaptation Rio Marker to CCA 1 as resilience is not the primary objective.

Agency Response

November 1,2019

We have provided both direct and indirect emissions reductions of the SCIP in table E of the PFD. However we have combined the two numbers into a single figure.

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

Secretariat Comment at PIF/Work Program Inclusion

The innovation aspects of the program is well described. The Agency is requested to re-structure and consolidate the points e.g. merge the three different sections on digital technology to one.

The scaling up justification is satisfactory.

However, the sustainability argument needs to be strengthened further. The emphasis is primarily on the global project with limited focus on city level and country level sustainability of program interventions.

Nov 6: No more comments

Agency Response

November 1, 2019

The digital technology section has been merged under the innovation section, and the sustainability section has been strengthened.

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

Yes. Please revise the map with name of cities and remove the logos of agencies.

Nov 6: No more comments

Agency Response

November 1, 2019

The map has been revised to include city names, and IA logos have been removed.

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

Yes. The means of engagement is also elaborated well.

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

As mentioned above, the gender equality and women's empowerment aspect in the program needs to be mainstreamed in the PFD across different sections. It needs to be made more explicit in outcomes, barriers, baseline, theory of change, initiatives, risks, etc.

Currently, gender is included more from a safeguard perspective rather than proactive empowerment and leadership perspective.

While the proposed gender strategy is good, the PFD should provide more specific framework of how gender will be integrated across different components and phases of the program.

The Agency is requested to elaborate on these.

Nov 6: No more comments

Agency Response

November 1,2019

Gender has been included in many places throughout the document, and sections and locations have listed in the response to question 2. We feel gender has become more of an action area than before, and we have used the detailed comments coming from the GEF's gender expert to guide us on where and how to include gender.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

- Overall, the private sector considerations are quite well articulated and logical and the approach looks very practical. The absence of an alignment between the companies mentioned in the PFD and what we see in the actual child projects is obvious. The child projects seem somewhat dislocated in their private sector engagement and many of the companies cited do not have operations in these cities.
-
- How the private sector companies have been incorporated through GEF 6 would also yield a great deal of insight - what might the learnings be on their success stories and then where might their engagement have been enhanced and what was missing in that approach? Are there logical extensions and continuities?
-
- The private sector is well documented in relation to their specific industry sectors such as water and waste management but perhaps absent are the major advisory firms, global associations and architectural and construction firms such as Arup, Cardno, FIDIC, etc. which specialize in design, planning and standards setting.
-
- There are many platforms mentioned which have private sector partners. It would be logical to convene these groups rather than establish a separate advisory group – confusion is likely and there could be a misalignment created by setting up a new entity.

Nov 6: The agency is requested to indicate an approach of engaging with the private sector not only to draw their expertise but also to influence them to integrate sustainability in their own businesses and investments within urban areas. Details of this could be provided in the global child project later at the CEO endorsement stage.

Agency Response

November 1, 2019

References to private sector engagement in cities is now included in the private sector section of the PFD, rationalising and fitting these engagements into a broader strategy to provide more coherence to private sector engagement across the program. References to architectural and construction firms are now included within this structure as well. During the development phase of the SCIP, the lead agency and CBO's will engage with the World Bank to draw lessons learned from their engagement with the private sector in GEF 6 to further inform the GEF 7 strategy.

Reference to creating new private sector platform has been removed now. The project will use existing initiatives, and for consultation will use networking and UNEP's consortium of private sector partners to reach out for consultations and guidance.

November 7, 2019

As requested, we have made revisions in the private sector engagement sector to reflect engagement with existing initiatives that work already with promoting sustainability for business.

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

Risks are well identified. The risk of coordination between country projects and the global program should be low ideally.

No more comments. Risks adjusted.

Agency Response

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

The PFD says: **"UNEP cities unit, WRI, C40 and ICLEI will be the co-executing agencies, with WRI acting as the Lead"**. We have two comments on this:

- Please specify that this is for the global project and not for the entire program.

- Since UNEP is the lead GEF Agency for the program, as per GEF policy UNEP cannot be an executing agency also. This is permissible only in very exceptional scenario. The Agency is requested to justify this.

PFD proposes: "In-country Child Projects will be implemented by UNEP, UNDP, IADB, ADB and the World Bank".

Given that IADB is not a co-implementation agency in the Argentina project, the lead agency is requested to remove IADB's reference as implementation agency in this section and across the PFD.

Nov 6: No more comments. Please note the previous comment related to IADB for the Argentina project. Their co-finance is mentioned in the text but not in the table in Table C of co-financing in the child project concept.

Agency Response

November 1, 2019

Together with WRI, ICLEI and C40, UNEP will be a co-execution partner for the Global Child project, through UNEP's cities unit. UNEP's cities unit role as a co-executing partner for the global child project is justified as follows:

i) it's a global child project which will encourage cities to engage, embrace and own the concept of integrated planning and investment that is the core of the program. As such, it relies on global set aside funding and does not detract from STAR allocations; ii) The program will generate a body of credible knowledge and experience on the topic and use this to expand its partnership beyond the cities and countries participating in the Impact Program; iii) UNEP's Cities Unit would execute a small portion of the global child project funds (<6%) leveraging its mandate, access and convening power to engage strategic actors, expand partnership of the global platform on cities with important players and leverage processes for influencing global urban sustainability policies through the United Nations Environment Assembly, the High Level Panel Political Forum on Sustainable Development, COPs of UNFCCC, CBD and UNCCD and the SDG related forums and negotiations.

Regarding the comment on IADB, IADB's role as co-implementing agency in Argentina has been removed from PFD.

November 7, 2019

The Argentina child project has been revised to address the comment. Reference to the lender (IADB) has been removed since Table C already captures the co-finance by referencing the borrower, in this case, Ministry of Interior, Public Works and Housing (PROMEBA, PROCREAR, FONAVI & DAMII).

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

The alignment with national priorities and strategies related climate change, biodiversity, urban development and transformational change is well described.

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

The knowledge management approach is sound with a dedicated knowledge related role to be played by the global platform and by a number of country level urban platforms created under the program.

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

Three countries- China, Sierra Leone and Argentina's letters of endorsement are not provided. The agency is requested to submit them.

Nov 6: No more comments

Agency Response

November 1, 2019

All Letters of Endorsement are now being submitted together with the PFD and the Child Projects.

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

NA

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

The agency is requested to address the comments above and resubmit the PFD.

The program Commitment Deadline should be revised to 6/19/2021.

Nov 6: The agency is requested to address the additional comments above and resubmit the PFD.

Nov 8: Yes, the PFD is recommended for technical clearance.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

- Detailed strategy to be elaborated for providing technical assistance to cities (beyond child projects) through the global platform.
- Indicators and targets need to be firmed up for various country projects and the global project.
- The country projects are expected to align the project components more strongly with the program strategy and the EOIs at the CEO Endorsement stage.

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Review

Agency Response

Additional Review (as necessary)

