

# Low-carbon economy of Ukraine for climate change prevention: Facilitating investment to scale-up innovative cleantech solutions for low-carbon economy and climate action

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10454

**Countries**

Ukraine

**Project Name**

Low-carbon economy of Ukraine for climate change prevention: Facilitating investment to scale-up innovative cleantech solutions for low-carbon economy and climate action

**Agencies**

UNIDO

**Date received by PM**

6/18/2021

**Review completed by PM**

9/3/2021

**Program Manager**

Ming Yang

**Focal Area**

Climate Change

**Project Type**

MSP

**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

6/25/2021 MY:

Yes, the project remains aligned with the GEF7 CCM focal area strategy.

8/30/2021 MY:

Please address the following comments from the GEF PPO:

The budget Table in Annex E is unreadable. Please amend and upload a version (i.e. template in the guidelines) that is easy to understand ? we will be in a position to provide comments on the budget once we can read it the version in Portal, which has to be the same that is in the Document?s tab and in ProDoc (if there is one in ProDoc). Kindly be reminded that the purpose of the template is for the Secretariat to be able to

analyze which items (consultants, travel, etc.) are going to be paid from which sources (Project's components, M&E, PMC).

10/6/2021 MY:

Yes, comments were addressed.

### Agency Response

1 September 2021:

A new version of the budget has been uploaded in both the CEO document and annexure.

### 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

6/25/2021 MY:

Yes. The project structure/design is appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document. The GEF SEC appreciates the quantitative information for the targeted benefits of the project. Is it possible to change the statement of "at least 35% women-led" into "at least 49% women-led" ?

**9/14/2021 PM:**

**No.** Please address the following comments:

While the Agency has now provided a readable budget in the CEO Endorsement document, this version does not allow the GEF to identify which items (consultants, travel, etc.) are going to be paid from which sources (Project's components, M&E, PMC). Also, please note the version in CEO Endorsement document has to be the same that the version in the Agency's Project Document. While consolidating the budget, you may want to consider presenting the budget per outcome instead of per output, so the budget table will be slimmer and will fit within the margins of the CEO Endorsement document.

For further guidance on the budget summary, the Agency can review the budget table format in pages 46 ? 47 and paragraph 2 in page 42 of the GUIDELINES ON THE

PROJECT AND PROGRAM CYCLE POLICY -

[https://www.thegef.org/sites/default/files/documents/GEF\\_Guidelines\\_Project\\_Program\\_Cycle\\_Policy\\_20200731.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf)

- On the excel sheet budget, we realized that Project Coordinator and Project Assistant are mainly charged to the project's components with some marginal charge to PMC. The general principle is that costs associated with the execution of the projects (project's staff, utilities, etc.) are meant to be covered by both portions of the Project Management Cost (PMC) ?the GEF portion and the co-financing portion?. Please revise.

10/6/2021 MY:

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

Agency Response

Regarding the gender indicators, they were established based on sound evidence gathered throughout the work on the gender analysis report (Annex J), environmental and social management plan (Annex K), and stakeholder consultations (Annex L) during the PPG phase. It might be considered to increase the gender targets after the first year of project implementation - in case there is new evidence that a higher target could be achievable. All indicators and targets, including in particular those related to the share of women-led enterprises, will be closely monitored and evaluated as to ensure a high level of ambition.

28 September 2021:

- The budget was revised and re-uploaded as well as included in Annex E.
- The Terms of Reference (ToRs) for the Project Management Unit (PMU) members reflect how they will contribute to the implementation of project's components. Please see the ToRs attached.

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

Secretariat Comment at CEO Endorsement Request

6/25/2021 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

6/25/2021 MY:

Yes. Co-financing letters are uploaded onto the GEF Portal.

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

6/25/2021 MY:

Yes. The GEF has reserved sufficient 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

6/25/2021 MY:

Yes. Annex C is attached to the CEO AR 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  
6/25/2021 MY:

Yes. The core indicator targets are presented on page 15 of the CEO AR document.

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  
6/25/2021 MY:

Yes. It is presented on pages 20-22.

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  
6/25/2021 MY:

Yes. It is presented on pages 29-34.

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  
6/25/2021 MY:

Yes. It is presented on pages 38-41.

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

6/25/2021 MY:

Yes. The project is well aligned with the GEF7 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

6/25/2021 MY:

Yes. It is presented on pages 57-58.

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

6/25/2021 MY:

Yes. It is presented on pages 58-60.

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

6/25/2021 MY:

Yes. It is presented on pages 60-62.

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

6/25/2021 MY:

Yes. The map is shown on page 64. The project activities will take place in Kiev, which will not cause any territory disputes with other 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

6/25/2021 MY:

Yes. it is presented on pages 66-67.

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

6/25/2021 MY:

Yes. It is presented on page 69.

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  
6/25/2021 MY:

Yes. It is presented on pages 74-77.

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  
6/25/2021 MY:

Yes. It is presented on pages 78-79.

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  
6/25/2021 MY:

Not completed at this time.

Plases 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:

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. Showing risks with a time horizon if feasible/data available (e.g. up to 2050).
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.
4. Describing plans for climate change risk assessment and climate risk mitigation measures during PPG. The STAP guidance shows more details on it.

8/20/2021 MY:

Yes, comments were addressed and issues were cleared.

#### Agency Response

Additional information (marked yellow) was included in paragraphs 190-200 as well as in Table 17. As requested and in close alignment with the STAP guidance, it covers: 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.); listing key potential hazards for the project that are related to the aspects of the climate scenarios (Table 17); and describing approaches to climate change risk assessment and risk mitigation measures (Table 17).

#### 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

6/25/2021 MY:

Not completed at this time.

The private sector stakeholders such as the owners of the SMEs are very important in the project. It seems that Figure 6 in the CEO AR does not include SMEs. Please add these stakeholders. In addition, other bilateral/multilateral initiatives in the project area should be elaborated and included in the coordination.

8/20/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response Figure 6 was amended. Additional information was included in paragraphs 210-212 and marked yellow. It is also to be noted that the relevant bilateral and multilateral initiatives, with which GCIP 2 Ukraine will coordinate, are listed in Tables 6 and 21.

**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

6/25/2021 MY:

Yes, as shown on page 88, the project is consistent with the national priorities of Ukraine.

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

6/25/2021 MY:

Not completed at this time.

In the section of Knowledge Management, please rearrange the information in the following way:

1. an overview of existing lessons and best practice that inform the project document
2. plans to learn from relevant projects in Ukraine
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 in Ukraine
7. plans for strategic communications

8/20/2021 MY:

Yes, comments were addressed and issues were cleared.

**Agency Response** The information was rearranged as requested. Also, additional information was included. The revised paragraphs 222-232 are marked yellow.

**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

6/25/2021 MY:

Yes. It is presented on pages 91-92.

**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  
6/25/2021 MY:

Not completed at this time.

On page 93, please also elaborate how these socioeconomic benefits will translate in supporting the achievement of GEBs or adaptation benefits.

8/20/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response The requested information was added in paragraph 241 and marked yellow.

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

Yes. All Annexes are attached to the CEO AR document.

Agency Response  
**Project Results Framework**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

Yes. It is attached in Annex A.

Agency Response  
**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

N/A

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request

6/25/2021 MY:

Yes. Council comments are addressed in Annex B.

Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request

6/25/2021 MY:

Yes. STAP's comments are addressed in Annex B.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

6/25/2021 MY:

N/A

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

6/25/2021 MY:

N/A

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

N/A

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

Yes. PPG utilization is attached in Annex C.

Agency Response  
**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
6/25/2021 MY:

Yes. A map is attached on page 104.

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  
6/25/2021 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  
6/25/2021 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

6/25/2021 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

6/25/2021 MY:

Not at this time.

Please address comments in the boxes above.

8/30/2021 MY:

Not completed at this time. Please address the comment in Box 1 of the review sheet.

9/14/2021 PM:

The GEF Sec is returning the project to the Agency to address the following additional comments:

- While the Agency has now provided a readable budget in the CEO Endorsement document, this version does not allow the GEF to identify which items (consultants, travel, etc.) are going to be paid from which sources (Project?s components, M&E,

PMC). Also, please note the version in CEO Endorsement document has to be the same that the version in the Agency's Project Document. While consolidating the budget, you may want to consider presenting the budget per outcome instead of per output, so the budget table will be slimmer and will fit within the margins of the CEO Endorsement document.

For further guidance on the budget summary, the Agency can review the budget table format in pages 46 ? 47 and paragraph 2 in page 42 of the GUIDELINES ON THE PROJECT AND PROGRAM CYCLE POLICY - [https://www.thegef.org/sites/default/files/documents/GEF\\_Guidelines\\_Project\\_Program\\_Cycle\\_Policy\\_20200731.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf)

- On the excel sheet budget, we realized that Project Coordinator and Project Assistant are mainly charged to the project's components with some marginal charge to PMC. The general principle is that costs associated with the execution of the projects (project's staff, utilities, etc.) are meant to be covered by both portions of the Project Management Cost (PMC) ?the GEF portion and the co-financing portion?. Please revise.

10/6/2021 MY:

Yes, comments were addressed and issues were cleared. The PM recommends technical clearance for this project.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>6/25/2021</b>	
<b>Additional Review (as necessary)</b>	<b>8/20/2021</b>	
<b>Additional Review (as necessary)</b>	<b>8/30/2021</b>	
<b>Additional Review (as necessary)</b>	<b>10/6/2021</b>	

**Additional Review  
(as necessary)**

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**

The objective of the project is to accelerate investments in and uptake of low carbon and clean technologies in Ukraine by supporting the development of innovative green financial and market mechanism for SMEs. The project has three components: (1) Transforming early-stage innovative cleantech solutions into commercial enterprises; (2) Cleantech innovation and entrepreneurship ecosystem (CIEE) strengthening and connectivity; and (3) Knowledge management, project monitoring and evaluation, and program coordination and coherence. With \$1.3 million GEF CCM funding, this project will mobilize more than \$10 million investment SMEs in Ukraine. The project aims at reducing 756,300 tonnes of CO<sub>2</sub> in its lifetime.

Possible impact of COVID -19: The capacity of stakeholders, and especially the beneficiaries, for remote work and online interactions could be weakened due to lack of close and face-to-face communications, but it can be strengthened by securing access to commercially available conferencing systems. The current design of the curriculum for entrepreneurs is based on online interactions and deliverables, using webinars and web platforms, and therefore COVID-19 is not expected to pose a significant risk to the conduct of the acceleration cycles.

Opportunities of COVID-19: Response to COVID-19 restrictions, such as remote working arrangements and no-contact business modalities will require solutions that can be turned into new business models. These opportunities will be analyzed at the national level and shared with the GCIP 2 Ukraine entrepreneurs. Examples of former GCIP alumni responding to new business opportunities by providing innovative solutions during the pandemic are summarized in a website: <https://www.unido.org/stories/cleantech-innovators-take-covid-19>. In addition, by the design to cope COVID -19, the GCIP 2 Ukraine engages private sector to promote and scale up cleantech products and services, and business models with resilience to climate change (e.g. circular business models). Information on relevant new business opportunities as well as policy/regulations will be added to the GCIP 2 Ukraine curriculum so that the entrepreneurs are fully informed of the market and policy trends