



## GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS\* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	<b>5059</b>		
Country/Region:	<b>Kazakhstan</b>		
Project Title:	<b>Nationally Appropriate Mitigation Actions for Low-carbon Urban Development</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>4670 (UNDP)</b>
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-6; CCM-4;</b>		
Anticipated Financing PPG:	<b>\$0</b>	Project Grant:	<b>\$5,930,000</b>
Co-financing:	<b>\$60,000,000</b>	Total Project Cost:	<b>\$65,930,000</b>
PIF Approval:		Council Approval/Expected:	<b>June 01, 2013</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Hiroaki Takiguchi</b>	Agency Contact Person:	<b>Marina Olshanskaya</b>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible? 2. Has the operational focal point endorsed the project?	KC/HT, August 20, 2012: Yes.  KC/HT, August 20, 2012: The endorsement letter was signed by the former Environment Minister, Mr. Ashim, in the amount of \$6,688,000. Is the project approved by the current government? Please submit the endorsement letter signed by the current OFP.  KC/HT, February 19, 2013: The endorsement letter from the current political/operational focal point has been submitted. Comment cleared.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	KC/HT, August 20, 2012: Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency	KC/HT, August 20, 2012: Please address the following:	

		<p>grant? Please consider using non-grant instruments.</p> <p>b) The attached endorsement letter requests UNDP to consider the possibility of using the PPP programs set-aside. How does UNDP respond to this request?</p> <p>KC/HT, February 19, 2013: a) b) The revised PIF includes non-grant instrument with the PPP program set-aside. In this regard, the GEF Council document (GEF/C.33/12) titled "Operational Policies and Guidance for the Use of Non-grant Instruments" states requirements for UN agencies to fund revolving funds (paragraph 29). In light of these requirements, please show the UNDP's capability to manage revolving loans.</p> <p>KC/HT, March 27, 2013: The request for PPP set-aside has been removed. In terms of revolving funds, UNDP has experience to manage them. Comment cleared.</p>	
	5. Does the project fit into the Agency's program and staff capacity in the country?	KC/HT, August 20, 2012. Yes.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> <li>the STAR allocation?</li> </ul>	KC/HT, August 20, 2012: Yes.	
	<ul style="list-style-type: none"> <li>the focal area allocation?</li> </ul>	KC/HT, August 20, 2012: Yes.	
	<ul style="list-style-type: none"> <li>the LDCF under the principle of equitable access</li> </ul>	NA	

	Technology Transfer)?		
	• Nagoya Protocol Investment Fund	NA	
	• focal area set-aside?	NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>KC/HT, August 20, 2012: Unclear. The project objective in the PIF is quite general. Please describe the objective more specific to align with the actual project concept. For example, if NAMA and MRVs are priorities to be addressed within the project framework, please consider summarizing such priorities in the objective.</p> <p>KC/HT, February 19, 2013: The PIF has been revised, focusing on NAMAs in urban sector. Comment cleared.</p>	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>KC/HT, August 20, 2012: Unclear. Please address the following comments:  a) The project does not include the GEF funding for CCM-4 objective, although the urban focus seems to be the core of this project design. How does the project achieve its objective without the GEF funding? Please explain.  b) The project indicates FA objectives CCM-6; CCM-4; CCM-3 and CCM-2 in Table A. However, section A.1.1. does not illustrate the CCM-2 and CCM-3 objectives/outcomes in detail. Please clarify.</p> <p>KC/HT, February 19, 2013:  a) b) The Focal Area Objectives and indicative GEF funding have been revised in line with the project Framework. Comment cleared.</p>	

	<p>9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?</p>	<p>KC/HT, August 20, 2012: Please refer to the NPFE conducted by Kazakhstan.</p> <p>KC/HT, February 19, 2013: The revised PIF has referred to NPFE. Comment cleared.</p>	
	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>KC/HT, August 20, 2012: This will be examined after receiving responses to the comments for other identified items.</p> <p>KC/HT, February 19, 2013: Please explain how the National Fund for Urban Modernization will sustain financing for low-carbon urban structure projects after the GEF project.</p> <p>KC/HT, March 27, 2013: Explanation has been provided. Comment cleared. The financial mechanisms to ensure replication should be described in detail at the CEO Endorsement stage.</p>	
<p>Project Design</p>	<p>11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>KC/HT, August 20, 2012: Unclear. What kind of low-carbon urban infrastructure will the project invest in? Please articulate.</p> <p>KC/HT, February 19, 2013: Urban mitigation measures have been identified (Table 6, page 10). In the Table, "waste production" sounds inappropriate as a NAMA. Does it mean "waste management"? Please clarify.</p> <p>KC/HT, March 27, 2013: The description has been corrected. Comment cleared.</p>	

	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>KC/HT, August 20, 2012: No. All of the GEF funding is allocated for technical assistance (TA). The total GEF funding (\$5.65M) should not go to TA only. Please redesign the proposal to include investment components financed by the GEF funding to achieve tangible global environmental benefits.</p> <p>KC/HT, February 19, 2013: The revised PIF proposed to allocate some of the GEF funding for investment in urban mitigation measures. Comment cleared.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>KC/HT, August 20, 2012: While the urban focus of this project may be a promising approach, further clarification is needed.</p> <p>a) Please clearly define urban NAMAs. Why is the GEF funding excluded from implementation of NAMAs? Please clarify.</p> <p>b) Details of the project framework will be reviewed after the proposal is redesigned.</p> <p>KC/HT, February 19, 2013:</p> <p>a) In the revised PIF, urban NAMAs have been defined. Is the exclusion level of installation or GHG emitters under domestic ETS "20,000 t CO<sub>2</sub> eq," not "20,000 US\$"? Please clarify.</p> <p>b) The project framework has been improved, focusing on urban NAMAs.</p>	

		<p>NAMAs. Does that mean 13 NAMAs financed through the National Fund for Urban Modernization (Component 3), one pilot project in Astana (Component 4) and one credited NAMA (Component 5)? Please clarify.</p> <p>c) Regarding non-grant instrument, please address the comment in box 4.</p> <p>d) MRV systems should be designed, suited to the types of NAMAs (e.g. unilateral NAMA, supported NAMA and credited NAMA). Keeping this in mind, activities of Component 5 should be described in detail at the CEO Endorsement stage.</p> <p>e) MRV of mitigation activities in cities and city-wide GHG emission inventories may require specific methodologies. If the PIF is cleared, the methodologies should be described in detail at the CEO Endorsement stage.</p> <p>KC/HT, March 27, 2013:  a) The unit has been corrected.  Comment cleared.  b) c) Explanation has been provided.  Comment cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>KC/HT, August 20, 2012:  Please submit the estimation of global environmental benefits (i.e. GHG emissions reduction with the applied methodology and assumptions).</p> <p>KC/HT, February 19, 2013:  Estimation of GHG emissions reduction has been provided. Is the direct emission reduction 187,500 t CO<sub>2</sub> eq (= 15*2500*0.5*10)? Please clarify.</p> <p>KC/HT, March 27, 2013:</p>	

		Comment cleared. Please provide GHG emissions reduction in detail with sound methodologies and assumptions at the CEO Endorsement stage.	
	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?	KC/HT, August 20, 2012: This will be examined after the proposal is redesigned.  KC/HT, February 19, 2013: Yes.	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	KC/HT, August 20, 2012: This will be examined after the proposal is redesigned.  KC/HT, February 19, 2013: Yes.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	KC/HT, August 20, 2012: Unclear. Please add the risks that the baseline projects such as domestic emission trading scheme (ETS) will not be materialized. How are they addressed with the GEF financed alternative?  KC/HT, February 19, 2013: The risk and mitigation measures have been added. Comment cleared.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	KC/HT, August 20, 2012: This will be examined after the proposal is redesigned.  KC/HT, February 19, 2013: Yes.	
	20. Is the project implementation/ execution arrangement adequate?	KC/HT, August 20, 2012: Unclear. Please clarify the coordination strategy amongst the executing agencies. Also indicate the leading agency.  KC/HT, February 19, 2013: Please explain which entity will operate	

		<p>Modernization, including revolving loans to Municipal Management Companies.</p> <p>KC/HT, March 27, 2013: Explanation has been provided. Comment cleared.</p>	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	<p>KC/HT, August 20, 2012: Project Management Cost is less than 5% of the indicative sub-total. However, the Agency fees exceed 10% of the project total. Please rectify.</p> <p>KC/HT, February 19, 2013: The Agency Fee has been corrected. Comment cleared.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>KC/HT, August 20, 2012: This will be examined after the proposal is redesigned.</p> <p>KC/HT, February 19, 2013: Yes. However, this might be revisited, subject to available financial resources.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	<p>KC/HT, August 20, 2012: This will be examined after the proposal is redesigned.</p> <p>KC/HT, February 19, 2013: In Table C (page 4), please identify the type of "Investment" (ex. grant, loan, etc.).</p>	



		The type of investment has been provided. Comment cleared.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	KC/HT, August 20, 2012: UNDP is providing \$700,000, which is 0.10% of the total co-financing. This amount does not reflect its role in the project. Please increase the co-financing by UNDP.  KC/HT, February 19, 2013: The UNDP's co-financing has increased. Comment cleared.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?	NA	
	• Convention Secretariat?	NA	
	• Council comments?		
	• Other GEF Agencies?	NA	
Secretariat Recommendation			
Recommendation at PIF Stage	<b>30. Is PIF clearance/approval being recommended?</b>	KC/HT, August 20, 2012: Not at this stage. Please address the comments in above mentioned boxes.  KC/HT, February 19, 2013: The PIF has been improved. Please address the comments in box 4, 10, 11, 14, 15, 20 and 25.  KC/HT, March 27, 2013: The PIF has been technically cleared and may be included in an upcoming	

		resources in the GEF Trust Fund.	
	31. Items to consider at CEO endorsement/approval.	KC/HT, March 27, 2013: Please address the following items by the CEO Endorsement stage: a) detailed design of financial mechanisms to ensure replication after the GEF project; b) specific activities under supported and credited NAMAs; c) MRV systems suited to the types of NAMAs; d) Sound methodologies and assumptions for GHG emissions estimation, especially for urban NAMAs.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	August 20, 2012	
	Additional review (as necessary)	February 19, 2013	
	Additional review (as necessary)	March 27, 2013	
	Additional review (as necessary)		
	Additional review (as necessary)		

\* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

#### REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat	<b>3. Is PPG approval being</b>	KC/HT, March 27, 2013:

	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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