



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

GEF ID:	5287		
Country/Region:	Panama		
Project Title:	Solar Water Heater Market Development and Energy Efficiency Project		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-2; CCM-3;		
Anticipated Financing PPG:	\$45,660	Project Grant:	\$1,927,000
Co-financing:	\$8,900,000	Total Project Cost:	\$10,872,660
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Alex Njuguna Waithera	Agency Contact Person:	Emile GUEI (GROUPE EOULEE)

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	ANW, February 27, 2013: Yes	
	2. Has the operational focal point endorsed the project?	ANW, February 27, 2013: Yes	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	ANW, February 27, 2013: Yes, the CC Allocation is US\$2,160,000 which is within the funding requested by the proposed project. The \$2,160,000 requested includes project preparation cost, project cost and agency fees.	
	• the focal area allocation?	N/A	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	N/A	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	N/A	
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	N/A	
	<ul style="list-style-type: none"> focal area set-aside? 	N/A	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	ANW, February 27, 2013: Yes, the project is aligned with CCM-2 and CCM-3 Strategic objectives.	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	ANW, February 27, 2013: Yes, the project is consistent with the Second National Communication of Panama which lists a range of climate change mitigation options in the energy sector, including solar PV and thermal energy as well as energy efficiency options (efficient boilers, water heaters, lighting and motors) and specifically mentioning solar heating as a mitigation option. The project is also in line with Panama's energy policy which promotes and provides incentives for renewable energy development.	
	<p>6. Is (are) the baseline project(s), including problem(s) that the baseline project(s) seek/s to address, sufficiently described and</p>	ANW, February 27, 2013: a) Please strengthen the demonstration of the incrementality of this project as solar water heating (SWH) is a commercially	

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Project Design	based on sound data and assumptions?	<p>viable and an available technology. b) Please clarify the key or the main barriers the proposed project intends to remove.</p> <p>ANW, April 5, 2013: a) According to the Agency, the technology has failed to make substantial inroad, despite efforts of some Panamanian companies and institutions to promote the technology, which is mainly due to its higher up-front cost in comparison with other water heating technologies. Comment cleared b) Barriers identified in the PIF. Comment cleared</p>	
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>ANW, February 27, 2013: a) Please clarify how the proposed project will work with local financial institutions to provide affordable financing to the end-user who will purchase the solar water heater equipment b) Please clarify how the project intends to reduce the cost of solar water heaters for the end-user in the long run</p> <p>ANW, April 5, 2013: a) Explanation provided. Comment cleared. b) Explanation provided. Comment cleared</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	ANW, February 27, 2013:Yes	

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	9. 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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	ANW, February 27, 2013:Yes	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	ANW, February 27, 2013:Yes	
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>ANW, February 27, 2013:</p> <p>a) The National Environment Authority (ANAM) is the executing partner for this project, however it is expected that the National Secretariat of Energy (SNE) will take the lead on energy issues. Please clarify how the project will engage SNE, especially when it comes to the review of policy and regulatory framework for solar water heaters.</p> <p>b) The body responsible for implementing technical standards (i.e. quality control standards for solar water heaters) is not mentioned. Please clarify the role of this body in the proposed project.</p> <p>ANW, April 5, 2013:</p>	

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		<p>a) Explanation provided. Comment cleared.</p> <p>b) The Body for standards and quality control is COPANIT that will be involved in particular in Output 2.1</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>ANW, February 27, 2013:</p> <p>a) Please clarify the innovativeness of this project.</p> <p>b) Please clarify the buy-in of the proposed project from the key stakeholder, especially the Government</p> <p>c) Please clarify how the project outcomes will be sustained after project closure</p> <p>d) Please clarify whether there are measures to secure the institutional and financial stability of the project</p> <p>e) Please clarify how this project will lead to large-scale replication and scaling up</p> <p>ANW, April 5, 2013:</p> <p>a) The innovativeness of this project lies in jumpstarting the market of SWH by simultaneously developing markets and strengthening the SWH technology support and supply system (suppliers, service providers, installers). Comment cleared</p> <p>b)Explanation provided. Comment cleared</p> <p>c) A brief explanation provided in the PIF. Comment cleared</p> <p>d) A brief explanation provided in the PIF. Comment cleared</p> <p>e) A brief explanation provided in the PIF. Comment cleared</p>	

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	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	ANW, February 27, 2013: Yes	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	ANW, February 27, 2013: a)The co-financing provided by UNEP is small with less than 1% of the total co-financing and in-kind only. Please increase the co-financing, and articulate why UNEP has a clear comparative advantage to undertake a national level project like this one. b) Also, please clarify how this project "compiles with UNEP's program of works (POW)," particularly by indicating POW's inclusion of this tye of work and activities at the national level. ANW, April 5, 2013: a) Co-financing by UNEP has been increased to USD 100,000 and comparative advantage has been elaborated in section B.3. Comment cleared b) Explanation provided in section B.3. Comment cleared.	

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	18. Is the funding level for project management cost appropriate?	<p>ANW, February 27, 2013: No, the project management cost provided is 10.94% of the GEF-grant subtotal funding which is higher than the 10% limit. Please revise the project management cost to 10% of the GEF-grant subtotal funding.</p> <p>ANW, April 5, 2013: The project management cost has been reduced to USD 175,000 (equivalent to 10% of the sub-total). Comment cleared</p>	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	ANW, February 27, 2013: Yes, a PPG of \$45,660 is requested.	
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	ANW, February 27, 2013: This is a grant.	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		

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	<ul style="list-style-type: none"> Other GEF Agencies? 		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	ANW, February 27, 2013: Not at this time, please address the comments in boxes 6,7,12,13,17 and18 ANW, April 5, 2013: The PIF has been technically cleared and is being recommended for CEO approval.	
	25. Items to consider at CEO endorsement/approval.	ANW, April 5, 2013: a) Confirmation and detailed analysis of GHG emission reduction figures b) A budgeted M&E Plan that monitors and measures results with indicators and target	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	February 27, 2013	
Review Date (s)	Additional review (as necessary)	April 05, 2013	
	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.**