Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 5)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: April 16, 2014 Screener: Lev Neretin

Panel member validation by: Ralph E. Sims
Consultant(s):

I. PIF Information *(Copied from the PIF)*
FULL SIZE PROJECT GEF TRUST FUND
GEF PROJECT ID: 5563
PROJECT DURATION : 2
COUNTRIES : Algeria
PROJECT TITLE: Algeria Energy Efficiency Project
GEF AGENCIES: World Bank
OTHER EXECUTING PARTNERS:
GEF FOCAL AREA: Climate Change

II. STAP Advisory Response *(see table below for explanation)*

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies): **Consent**

III. Further guidance from STAP

1. STAP welcomes this project in the Maghreb countries (Algeria, Libya, Morocco, Tunisia) towards addressing power plant demand such that energy efficiency is needed to reduce demand and reduce power outages, particularly in Algeria. Air conditioners are the main reason for demand growth. The market is growing, far from saturated, not regulated and some poor quality products are being sold. The aims of the project are to (i) encourage 15-20,000 consumers to purchase more efficient models using an incentive scheme ($1.6M); (ii) consumer test the different models in an existing laboratory ($1M); and (iii) creating awareness by customers and suppliers ($1M). The risks are clearly outlined and appear manageable.
2. It is assumed the all the air conditioners are air-to-air for space cooling rather than air-to-water for water heating. The coefficients of performance vary widely between models but the more efficient models can be more expensive. STAP proposes project proponents to consider the trade off between whether to have fewer, more efficient units funded or more less efficient models.
3. It seems many poor quality units have been purchased. Would it be worthwhile to encourage owners to replace these units with more efficient ones? It would be beneficial for the project to use these units be to undertake a study of present annual electricity demand per unit and likely savings if only efficient models are used.
4. This project is really aiming to reduce future electricity demand as it grows rather than make existing systems more efficient. Has any consideration been given to making the buildings more insulated with shade etc in order to reduce the cooling demand in total?
5. The description of project activities provides very few details and justification of why small household air conditioners are targeted by the project. Would replacing them will be most cost-effective and have the highest mitigation potential compared to other EE measures in buildings and appliances sectors? Market analysis of EE potential in different sectors in Algeria would benefit from this considered analysis including other potential projects in the country in this sector.
6. Project proponents could consider setting up regional instead of national certification laboratory to use economy of scale and attempt to "harmonize" performance standards at the regional level in Mahgreb countries, particularly because appliances markets are well connected.
7. The Project description is, again, insufficient to understand if local manufacturing capacity for EE air conditioners will be supported or most of the units are imported. Supporting incentives and measures will be different in both instances and have to be properly defined in project document.

STAP advisory	*Brief explanation of advisory response and action proposed*

response	
1. Consent	STAP acknowledges that on scientific or technical grounds the concept has merit. However, STAP may state its views on the concept emphasizing any issues where the project could be improved. Follow up: The GEF Agency is invited to approach STAP for advice during the development of the project prior to submission of the final document for CEO endorsement.
2. Minor revision required.	STAP has identified specific scientific or technical challenges, omissions or opportunities that should be addressed by the project proponents during project development. Follow up: One or more options are open to STAP and the GEF Agency: (i) GEF Agency should discuss the issues with STAP to clarify them and possible solutions. (ii) In its request for CEO endorsement, the GEF Agency will report on actions taken in response to STAP's recommended actions.
3. Major revision required	STAP has identified significant scientific or technical challenges or omissions in the PIF and recommends significant improvements to project design. Follow-up: (i) The Agency should request that the project undergo a STAP review prior to CEO endorsement, at a point in time when the particular scientific or technical issue is sufficiently developed to be reviewed, or as agreed between the Agency and STAP. (ii) In its request for CEO endorsement, the Agency will report on actions taken in response to STAP concerns.