



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*

THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4742		
Country/Region:	Armenia		
Project Title:	Green Urban Lighting		
GEF Agency:	UNDP	GEF Agency Project ID:	4669 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-2; CCM-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$1,600,000
Co-financing:	\$8,600,000	Total Project Cost:	\$10,200,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	David Elrie Rodgers	Agency Contact Person:	Marina Olshanskaya

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?	DER, December 14, 2011. Yes.	
	2. Has the operational focal point endorsed the project?	DER, December 14, 2011. Yes. Mr. Aram Harutyunyan, GEF OFP, signed an endorsement letter for \$1.815 M, inclusive of PPG of \$50,000 and fee of \$165,000, on September 20, 2011.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DER, December 14, 2011. Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DER, December 14, 2011. No non-grant instrument.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	DER, December 14, 2011. Yes.	

*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.

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Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DER, December 14, 2011. Yes.	
	• the focal area allocation?	DER, December 14, 2011. Yes. The request is within the STAR allocation of \$2.35 M for Armenia.	
	• the LDCF under the principle of equitable access	DER, December 14, 2011. NA	
	• the SCCF (Adaptation or Technology Transfer)?	DER, December 14, 2011. NA	
	• Nagoya Protocol Investment Fund	DER, December 14, 2011. NA	
	• focal area set-aside?	DER, December 14, 2011. NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	DER, December 14, 2011. Yes. The project is aligned with CCM-2, energy efficiency	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	DER, December 14, 2011. a) Table A is properly filled out with significant detail. b) Table D is not filled out. Please supply. DER, January 3, 2012. Table D is optional. Comment cleared.	
	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?	DER, December 14, 2011. Please clarify the statement on page 4 that the national policy emphasizes "the potential for energy saving via improvement of street lighting systems in Armenian cities and towns" with the statement on page 7 that "that no specific provisions regarding lighting can be found in the National Program on Energy Saving and Renewable Energy (2007)." DER, January 3, 2012. The comments	

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		clarified that the project is intended to fill the gap between identified potential and lack of provisions. Comment cleared.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DER, December 14, 2011. Please clarify the ability to sustain investments in urban lighting post-project. Will financial mechanisms, funding methods, and policies be developed and implemented? DER, January 3, 2012. Specific proposed policy and financial mechanisms are identified. Comment cleared.	
Project Design	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?	DER, December 14, 2011. a) It is clear there is significant baseline investment in beautification and urban development. Please clarify if any of the baseline co-financing is aligned with the purposes of the GEF project, or will be invested solely in beautification and urban development. b) Please clarify if capacity building and energy audits are part of the baseline co-financing and therefore no GEF funding is needed for those elements (see component 1.2, 1.4) DER, January 3, 2012. The baseline financing was clarified and justified. Comment cleared.	
	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?		

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	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?</p>	<p>DER, December 14, 2011.</p> <p>a) It will be important that the incremental project activities result in energy efficient lighting installations, not just replacement or new lighting programs with no energy savings benefit. For example, output 4.1 should deliver ""energy efficiency public lighting" projects. Please clarify.</p> <p>DER, January 3, 2012. Comment cleared.</p> <p>b) Component 1. Please clarify if the data collection and analysis system will be at the national or municipality level. Will each participating municipality have to implement their own system?</p> <p>DER, January 3, 2012. Comment cleared.</p> <p>c) Component 1.5 GEF funding should not be used for a tour; only co-financing can be used for this.</p> <p>DER, January 3, 2012. Only co-financing will be used. Comment cleared.</p> <p>d) Component 2. Please clarify if the policies and regulations will be adopted and enforced at the national or municipality level. Please clarify if building codes are at the national level and the proper ministries are involved. Please clarify if procurement rules will have to be adopted by each</p>	

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		<p>municipality. Clearly it is preferable if common approaches are developed and duplicated in each municipality to allow private sector partners to provide services under similar rules in different cities.</p> <p>DER, January 3, 2012. Policies will be at the national level. Comment cleared.</p> <p>e) Component 2.4 Please ensure consistency with global quality standards being developed by en.lighten, EU, IEA, and IPEEC.</p> <p>DER, January 3, 2012. Coordination and consistency described. Comment cleared.</p> <p>f) Component 2.5. Will these be national or municipal level mercury regulations?</p> <p>DER, January 3, 2012. National level regulations. Comment cleared.</p> <p>g) Component 3. Please clarify if these are national or municipal level financial models.</p> <p>DER, January 3, 2012. The financial models will be municipal based and then replicated. Comment cleared.</p> <p>h) Component 3. It is vital that the project establish financial mechanisms that can replicate successful pilots after project termination. Please clarify if that is what component 3 is designed to</p>	

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		<p>establish.</p> <p>DER, January 3, 2012. Yes. Comment cleared.</p> <p>i) Component 3. Please clarify why the financing pilot models proposed, the idea of a green community fund based on AAOs is included since the PIF documents that AAOs are said to have "a low capacity in technical and financial matters" and appear "not properly organized to finance and fund-raise for community-level lighting improvements" (page 7). Please clarify if other financial models will be considered.</p> <p>DER, January 3, 2012. Barriers to AAOs will be addressed and other models also included. Comment cleared.</p> <p>j) Component 3. During project design, please pursue co-financing commitments from the local banks mentioned in footnote 6 on page 9. Please clarify if those banks will be solicited to provide lines of credit for ESCO lighting projects.</p> <p>DER, January 3, 2012. Yes. Comment cleared.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>DER, December 14, 2011.</p> <p>a) Please see comments in box 13.</p> <p>b) Only the city of Yerevan is mentioned as providing cost-share, yet other municipalities are mentioned elsewhere in the document. Please</p>	

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		<p>clarify how much of the project activities will be focused on Yerevan and how much will be devoted to replication in other cities. If 90% of all lighting energy is consumed in Yerevan, it makes sense to prioritize that city.</p> <p>DER, January 3, 2012. Actions in Yerevan will provide a model for replication in other cities. Comments cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DER, December 14, 2011.</p> <p>a) Please clarify the basis for the estimated global environmental benefits.</p> <p>DER, January 3, 2012. The table provided offers initial estimates for direct and indirect benefits. At CEO endorsement, please provide clear justification for the high-level of indirect benefits due to replication. Comment cleared.</p> <p>b) Please clarify that output 4.1 will be for energy efficient lighting that provides energy savings over the baseline.</p> <p>DER, January 3, 2012. Clarification made. Comment cleared.</p>	
	<p>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?</p>	<p>DER, December 14, 2011. Please clarify the benefits of energy efficiency lighting vice the socio-economic benefits of safety and public amenities. The PIF seems to mix the two types of benefits.</p> <p>DER, January 3, 2012. Comment cleared.</p>	

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	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	DER, December 14, 2011. 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)	DER, December 14, 2011. Please address the potential issue that increased urban lighting will cause electricity consumption to rise even if energy efficient products are promoted. DER, January 3, 2012. Coordination with the local utility on smart metering is proposed. Comment cleared.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DER, December 14, 2011. a) There is insufficient detail regarding coordination of implementation among the various ministries with jurisdiction over important project activities. Please clarify how all those agencies will stay on track to meet the project time-table and get efficient lighting installed. DER, January 3, 2012. The project steering committee will manage the process. Comment cleared. b) We are concerned regarding duplication of effort on lighting in building codes which is the subject of another UNDP project. Please reduce or remove any funding for building codes related activities in this project. DER, January 3, 2012. The two projects focus on separate types of building codes which do not overlap. Comment cleared.	

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	20. Is the project implementation/ execution arrangement adequate?	DER, December 14, 2011. Yes.	
	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?	DER, December 14, 2011. The project management cost exceeds 5%. Please provide justification for any amount over 5% of the GEF requested amount of \$1.5 M. DER, January 3, 2012. The project management cost us 6.6% and the project is less than \$2M. Comment cleared.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DER, December 14, 2011. a) Please clarify if co-financing for component 3 is adequate. DER, January 3, 2012. Clarity provided. Comment cleared. b) Please clarify how the GEF funding for the investment in component 4 will be disbursed. DER, January 3, 2012. Clarity provided. At CEO endorsement, additional details are expected on the GEF investment components. Comment cleared.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if	DER, December 14, 2011. a) Please clarify if additional municipalities will be participating and	

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	confirmed co-financing is provided.	<p>whether they will be providing co-financing. Please clarify the names and amounts if possible.</p> <p>DER, January 3, 2012. With Yerevan as a model, other municipalities will be invited to participate. Comment cleared.</p> <p>b) Please clarify what kind of co-financing is being provided by private sector-the use of the term in-kind does not fully describe what kind of co-financing will be provided.</p> <p>DER, January 3, 2012. Private sector partners will provide cash. Comment cleared.</p> <p>c) During project design, please pursue co-financing commitments from the local banks mentioned in footnote 6 on page 9.</p> <p>d) During project design, please include an analysis of opportunities to replace LFL with LEDs. Due to labor savings from reduced maintenance, these technologies are rapidly becoming cost-effective.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DER, December 14, 2011. Yes.	
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?		

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Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?	DER, December 14, 2011. NA	
	• Convention Secretariat?	DER, December 14, 2011. NA	
	• Council comments?		
	• Other GEF Agencies?	DER, December 14, 2011. NA	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	DER, December 14, 2011. Not at this time. Please respond to the comments in boxes: 8, 9, 10, 11, 13, 14, 15, 16, 18, 19, 23, 24, and 25. DER, January 3, 2012. Yes. All comments have been addressed.	
	31. Items to consider at CEO endorsement/approval.	DER, January 3, 2012. a) At CEO endorsement please provide a clear description of the types of lighting being replaced and the GHG benefits of the new lighting being installed. Clear justification is also needed for the high-level of indirect benefits due to replication. b) Please provide a clear description of the private sector co-financing partners. c) Please ensure all municipalities that will be participating in the program are identified and provide some co-financing. d) As mentioned in box 25, during project design, please pursue co-financing commitments from the local banks mentioned in footnote 6 on page 9. e) The question of the enforcement means necessary for the implementation of policies and regulations should be addressed:	

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		<ul style="list-style-type: none"> - for the implementation of the municipal targets and action, - for the minimum efficiency requirements in urban development and building codes, - for the revised and approved public procurement rules favouring green products. <p>f) Please include coordination with World Bank Project 3973 in the project design.</p> <p>g) The proposal for innovative funding, such as revolving funds and ESCO financing is valuable. During project design, please study ways to maximize the use of GEF investment for the use of non-grant instruments (e.g., revolving funds) to achieve larger benefits. Please present those ideas at CEO endorsement.</p> <p>h) During project design, please include an analysis of opportunities to replace linear florescent lights (LFL) with LEDs. Due to labor savings from reduced maintenance, these technologies are rapidly becoming cost-effective.</p>	
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?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	December 14, 2011	
	Additional review (as necessary)	January 03, 2012	
	Additional review (as necessary)		
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* **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 Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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