



## GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9151		
Country/Region:	Bosnia-Herzegovina		
Project Title:	Catalyzing Environmental Finance for Low-Carbon Urban Development		
GEF Agency:	UNDP	GEF Agency Project ID:	5646 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-2 Program 3;		
Anticipated Financing PPG:	\$49,076	Project Grant:	\$2,370,000
Co-financing:	\$42,050,627	Total Project Cost:	\$44,469,703
PIF Approval:	May 04, 2016	Council Approval/Expected:	June 09, 2016
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Marcel Alers,

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	MY 6/11/2015 Yes, it is aligned with CCM-2 Program 3: Promote integrated low-carbon emission urban systems.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MY 6/11/2015 Yes, as indicated on page 6.	
Project Design	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability,	MY 6/11/2015 Not completed at this time. The PIF indicated the global	Done. Project objective have been revised to reflect "transformational" ambition of the project and paragraph added in the

<sup>1</sup> 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 the project's contribution toward achieving the Aichi Target(s)?

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

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	market transformation, scaling, and innovation?	<p>environment problems, drivers, barriers (pages 5-7), sustainability, scaling-up, and innovation (pages 11 and 12), but it does not describe market transformation. Please write one paragraph to justify this project will have impact on market transformation in terms of low-carbon urban development.</p> <p>In addition, the data for NAMA and SEAP on pages 6 and 7 are dated in 2010 and 2012. If the Agency can use more recent data, it will make the PIF stronger.</p> <p>MY 6/29/2015 Comments were cleared.</p>	<p>description of project strategy explaining how the project will facilitate market transformation, as follows:</p> <p>Objective: The objective of the proposed project is to leverage investment for transformational shift towards low-carbon urban development (LCUD) in BiH thereby promoting safer, cleaner, and healthier cities and reducing GHG emissions</p> <p>Strategy: To its end, proposed integrated strategy will enable transformational shift towards low-carbon urban development in BiH by identifying and testing technically and economically feasible low-carbon solutions in key urban sectors, and then promoting their wider uptake by municipalities and private sector via dedicated financial mechanisms and funding windows, as well as by accelerating implementation of a favorable policy and regulatory framework. In doing so, the project will facilitate transformation of market for low-carbon urban solutions by creating and expanding opportunities for businesses to get involved in provision of low-carbon services and products in cities, such as ESCOs, water and heat supply companies, waste management companies and urban transport operators.</p>
	4. Is the project designed with sound	MY 6/11/2015	

## PIF Review

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	incremental reasoning?	Yes, on page 9-12.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MY 6/11/2015 Not completed at this time.</p> <p>Please put quantitative information in Table B on pages 1, 2, and 3. For example, the targeted number of trained staff of EPFs, and the number of workshops for the training should be put in the Project Outputs on page 1. In particular, please clearly indicate the number of green buildings to be demonstrated under sub-component INV of Component 2 on page 2.</p> <p>MY 6/29/2015 Comments were cleared.</p>	<p>Done.</p> <p>Following quantitative indicators are included in the proposed project result framework.</p> <p>Component 1:</p> <ul style="list-style-type: none"> <li>- At least 30 staff of the Environmental Protection Funds (EPFs) trained on innovative finance options for LCUD</li> <li>- Annual GHG emission reduction of at least 15,000 tCO<sub>2</sub>/year from projects funded through new and innovative financial mechanisms established by EPFs</li> </ul> <p>Component 2:</p> <ul style="list-style-type: none"> <li>- At least 1,500 buildings covered by Energy Management Information System</li> <li>- At least 1-500 end-users trained and equipped to apply EMIS (i.e. 1 energy manager per building)</li> <li>- Green building package applied in at least 45 buildings</li> <li>- At least 22,000 tCO<sub>2</sub>e in direct GHG emission reduction from application of green building package</li> </ul> <p>Component 3:</p> <ul style="list-style-type: none"> <li>- At least 20 municipal waste managers trained in improved waste</li> </ul>

## PIF Review

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			<p>management techniques</p> <ul style="list-style-type: none"> <li>- At least 1,000 tCO<sub>2</sub>/year in GHG emission reduction from the green logistic scheme for municipal waste</li> </ul> <p>Component 4:</p> <ul style="list-style-type: none"> <li>- National awareness –raising campaign on LCUD conducted reaching out to at least 50% of BiH urban population (1,000,000 people)</li> </ul>
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>MY 6/11/2015 Not completed at this time. Please clearly indicate if this project is relevant to indigenous people.</p> <p>MY 6/29/2015 Comments were cleared.</p>	<p>Done.</p> <p>BiH is made up of three 'constituent' peoples, Bosniaks, Croats and Serbs, along with smaller minority groups, the largest of which are the Roma. There are no "indigenous people" in BiH, as defined by international conventions and protocols. However, a number of relevant civil society organizations will be closely involved in project design and implementation as follows.</p> <p>At project development stage consultation with relevant civil society organizations will be conducted to identify specific urban low-carbon development needs, as well as country and region-specific best-practices. CSOs will also be involved in the design of public outreach activities under Component 4. Following representatives of civil society from BiH will be involved in project design:</p>

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			<ul style="list-style-type: none"> <li>Regional Education and Information Center for Sustainable Development in South-East Europe (REIC): REIC is coordinating activities of the regional Urban Empathy project for BiH aimed at bringing together projects, policy makers &amp; stakeholders to share concrete results to improve the efficiency of sustainable urban policies in the Mediterranean region;</li> <li>Center for Development and Support (CRP): CRP is involved in several educational and awareness raising activities on the topics of sustainability and energy efficiency in BiH;</li> <li>Center for Education and Raising Awareness of Energy Efficiency (Energis): Energis is specializing in provision of technical services and implementation of energy efficiency projects in BiH</li> </ul>
Availability of Resources	7. 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>	MY 6/11/2015 Yes. The total STAR allocation of the country is \$4.23 million. As of June 11, 2015 this country had not used any STAR funds. The \$4.23 million is sufficient to cover the budget of this project.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	MY 6/11/2015 Yes. In climate change (CC), the STAR	

## PIF Review

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		allocation is \$2 million. As of June 11, 2015 this country had not used any STAR CC funds. The total GEF budget for the project is \$2.649 million including agency fees and PPG. Since the country is flexible, the Agency and the OFP can use some BD or LD STAR fund for this project to cover the gap.	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	MY 6/11/2015 Not applicable.	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	MY 6/11/2015 Not applicable.	
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	MY 6/11/2015 Not applicable.	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MY 6/11/2015 Not at this time. Please address comments in Boxes: 3, 5, and 6. In addition, please: 1. refine figure 1 on page 5. Some legends are missing in the figure. 2. justify why energy efficiency codes for buildings and fuel efficiency standards for vehicles are not considered in the project. 3. elaborate agency's capacity to complete the tasks in Component 1. The objectives of the component are to establish an MRV system and a revolving fund for LCUD projects. The GEF SEC welcomes this project! But please provide more information on it.	1. done. 2. In the Federation of Bosnia and Herzegovina, requirements related to the minimum energy performance of buildings, energy audits and energy certification of buildings have already been introduced through the recent Law on Physical Planning and Land Utilization, as well as several by-laws. These requirements are compatible with those of the EU, as provided for in the EU Building Performance Directive. In Republika Srpska, similar requirements have been introduced through the Law on Physical Planning and Construction (energy performance of new and existing buildings, certification of buildings, energy audits of buildings). However,

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		<p>MY 6/29/2015 Comments were cleared.</p> <p>The PIF shows that the UNDP will provide \$4.5 million cash co-financing for the project. The GEF SEC welcomes it. Please provide an official letter of the \$4.5 million cash co-financing at the CEO ER stage.</p> <p>The Program Manager recommends CEO clearance.</p>	<p>gaps and shortcomings remain with implementation of these requirements and enforcement of EE building policies and legislation remain weak. In this regard, GEF-supported work on introducing EMIS and implementing "green package" of measures for public buildings will directly contribute to the strengthening of enforcement capacities of relevant local authorities to monitor energy performance in buildings and ensure consistency with established minimum energy performance standards.</p> <p>With regard to fuel efficiency standards, similarly, such policies (in particular, Euro 3 standard) have already been introduced. Enforcement of standards is, however, also an issue, but it is not being dealt with at local/municipal level. However, local authorities can significantly contribute to introduction of other standards and policies to promote sustainable urban mobility (via municipal regulation), such as the use of alternative fuels in public transport, EE trucks, optimized routing of public transport within a municipality, as well as carbon emission free zones in the cities. Such municipal policies and regulations will be indeed supported and promoted by the project under Component 4.</p> <p>Status of relevant EE-related policies and standards in BiH and proposed project's</p>

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			<p>contribution to their better enforcement have been explained under Component 4 (Section 1.2).</p> <p>3. Proposed project will collaborate with UNDP's Global Low Emission Capacity Building Programme (LECB), which supports over 30 countries around the world with establishing national MRV systems for climate finance. Vast experience of LECB programme and lessons learnt will be leveraged to inform the design of MRV systems for LCUD finance in BiH, as envisaged under Component 1.</p> <p>The project will also learn from UNDP's prior work on supporting revolving funds and mechanisms in the area of sustainable energy. For example, UNDP-GEF project "Removing Barriers to the Increased Use of Biomass as an Energy Source" in Slovenia provides highly relevant experience and lessons regarding the design and implementation of revolving funds in the context of a former Yugoslavian country:  <a href="http://climatefinanceoptions.org/cfo/node/71">http://climatefinanceoptions.org/cfo/node/71</a> . Other relevant examples from Europe and CIS include the work in Armenia under on-going UNDP-GEF public lighting project to set-up revolving municipal account for EE street lighting retrofits and in Russia under completed</p>



PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
			UNDP-GEF project dealing with revolving municipal EE fund for educational buildings.
Review Date	Review	June 11, 2015	June 29, 2015
	Additional Review (as necessary)	June 29, 2015	
	Additional Review (as necessary)		

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	6/28/2017 MY: There is not any significant change.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	6/28/2017 MY: Yes.	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	6/28/2017 MY: Yes.	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes	6/28/2017 MY: Yes.	

## CEO endorsement Review

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	sufficient risk response measures? (e.g., measures to enhance climate resilience)		
	5. Is co-financing confirmed and evidence provided?	<p>6/28/2017 MY: Not completed at this time. 1. Please clearly indicate in grant or in-kind for the \$3,458,571 co-financing from the UNDP; 2. The co-financing letter from the Environment Fund of the Federation of Bosnia and Herzegovina (\$26,150,627) needs some clarification. Please clearly indicate how much cash or in-kind will be contributed by the Fund to the GEF project. The co-financing letter from the Fund for Environmental Protection and Energy Efficiency of Republic of Srpska (\$11,400,000) is a very good example.</p> <p>7/28/2017: Yes, comments were addressed.</p>	
	6. Are relevant tracking tools completed?	<p>6/28/2017 MY: Not completed at this time. Please make the GHG reduction numbers in the tracking tool and in the table on page 4 consistent.</p> <p>7/28/2017: Yes, comments were addressed.</p>	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	6/28/2017 MY: Not applicable.	
	8. Is the project coordinated with	6/28/2017 MY:	

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Agency Responses	other related initiatives and national/regional plans in the country or in the region?	Yes.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	6/28/2017 MY: Yes.	
	10. Does the project have descriptions of a knowledge management plan?	6/28/2017 MY: Yes.	
	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	<ul style="list-style-type: none"> <li>• GEFSEC</li> </ul>	6/28/2017 MY:  Not cleared at this time.  At the PIF review stage, the PM asked the agency to address the following issue: "The PIF shows that the UNDP will provide \$4.5 million cash co-financing for the project. The GEF SEC welcomes it. Please provide an official letter of the \$4.5 million cash co-financing at the CEO ER stage."  The co-financing letter from the UNDP does not show the right kind and amount. Please address the comment.	

<sup>3</sup> If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		7/28/2017: Yes, comments were addressed.	
	• STAP	6/28/2017 MY: Yes.	
	• GEF Council	6/28/2017 MY: Yes.	
	• Convention Secretariat	6/28/2017 MY: Not applicable.	
<b>Recommendation</b>	12. Is CEO endorsement recommended?	6/28/2017 MY: Not yet. Please address comments in Boxes: 5, 6, and 11.  7/28/2017: Yes, all comments were addressed. The project has been technically cleared and the PM recommends the CEO to endorse this project.	
<b>Review Date</b>	Review	June 28, 2017	
	Additional Review (as necessary)	July 28, 2017	
	Additional Review (as necessary)		