



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

GEF ID:	4493		
Country/Region:	China		
Project Title:	China Renewable Energy Scaling-Up Program (CRESP) Phase II		
GEF Agency:	World Bank	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-1; CCM-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$27,280,000
Co-financing:	\$444,100,000	Total Project Cost:	\$471,380,000
PIF Approval:		Council Approval/Expected:	May 01, 2011
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dimitrios Zevgolis	Agency Contact Person:	Xiaodong Wang

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?	DZ, April 4, 2011: China is a NAI party of the UNFCCC.	
	2. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DZ, April 4, 2011: This is a grant.	
	3. Has the operational focal point endorsed the project?	DZ, April 4, 2011: Yes, by letter signed on March 15, 2011. However, the Agency Fee is less than 10% of the total GEF grant. GEF grant and fees should be readjusted accordingly. DZ, April 7, 2011: The comment is addressed. The agency chose to keep the fee at 2,720,000 USD.	
Agency's Comparative	4. Is the Agency's comparative advantage for this project clearly described and supported?	DZ, April 4, 2011: This is the 2nd phase of a GEF project under implementation by the same agency.	

*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 9-8-2010

Advantage	5. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DZ, April 4, 2011: The agency is a MDB that will provide a loan of 200 million USD.	
	6. Does the project fit into the Agency's program and staff capacity in the country?	DZ, April 4, 2011: Yes.	
Resource Availability	7. Is the proposed GEF/LDCF/SCCF Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DZ, April 4, 2011: Yes.	
	• the focal area allocation?	DZ, April 4, 2011: Yes.	
	• the LDCF under the principle of equitable access?	N/A	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
Project Consistency	8. Is the project aligned with the focal area/multi-focal area/ LDCF/SCCF results framework?	DZ, April 4, 2011: No. Please use the descriptions of the focal area outcomes and outputs according to the CC-M results framework. DZ, April 7, 2011: Yes.	
	9. Are the relevant GEF 5 focal area/ LDCF/SCCF objectives identified?	DZ, April 4, 2011: Yes, CCM-1 and CCM-3.	
	10. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, and NCSA?	DZ, April 4, 2011: Yes.	
	11. Does the proposal clearly articulate how the capacities developed will contribute to the institutional sustainability of project outcomes?	DZ, April 4, 2011: Not clearly. Capacity building activities are requested to be solely financed by the GEF; this is not ensuring the sustainability of the outcomes. DZ, April 7, 2011: The comment is addressed; capacity building are cofinanced.	
	12. Is (are) the baseline project(s) sufficiently described and based on sound data and assumptions?	DZ, April 4, 2011: Please clarify which are the baseline project activities, i.e. those that are not funded by the GEF.	

Project Design		DZ, April 7, 2011: The comment is addressed; at the CEO Endorsement stage a detailed analysis of each activity (GEF-funded or cofinanced) should be provided.	
	13. Is (are) the problem(s) that the baseline project(s) seek/s to address sufficiently described and based on sound data and assumptions?	<p>DZ, April 4, 2011: While some barriers that the project seeks to address are clearly described (i.e. technical barriers such as the site integration and grid integration issues), the remaining policy barriers after the CRESPI are not clearly defined; please describe them.</p> <p>DZ, April 7, 2011: The comment is addressed; at the CEO Endorsement stage a detailed analysis of each remaining barrier after the CRESPI, and of the tangible outputs of the project addressing them, should be provided.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>DZ, April 4, 2011: The project has three main components.</p> <p>The first component is heavily co-financed with private sector and WB funding, however it is described as a TA and policy development component. If the cofinancing concern investment activities (e.g. installation of RE capacity), then these investment activities should constitute a separate component. Also, the need for policies about RE obligations mechanism and RE certificates is not justified; the CRESPI project claims the development of the feed-in tariff system; how these different policies are expected to fit in the RE market of the country?</p> <p>The second component is presented as a set of two subcomponents. Please present these two subcomponents as separate components with their own budget. Moreover, R&D activities are not eligible for GEF funding; please reformulate. Also, provide justification about the budget size of these TA</p>	

		<p>activities. Finally, any investment activities of this component (i.e. output 7) should be described separately as investment activities.</p> <p>The third component is solely financed by the GEF while it concerns institutional and private sector capacity building. Cofinancing should be leveraged under this component.</p> <p>DZ, April 7, 2011: The comments are addressed.</p>	
	<p>15. Are the incremental (in the case of GEF TF) or additional (in the case of LDCF/SCCF) activities complementary and appropriate to further address the identified problem?</p>	<p>DZ, April 4, 2011: The incrementality of the GEF funding cannot be assessed without addressing the project design issues.</p> <p>DZ, April 7, 2011: The comment is addressed.</p>	
	<p>16. Are the applied methodology and assumptions for the description of the global environmental benefits/adaptation benefits sound and appropriate?</p>	<p>DZ, April 4, 2011: The global environment benefits of this project are not described.</p> <p>DZ, April 7, 2011: The comment remains; at the CEO Endorsement stage a clear description of the benefits is expected.</p>	
	<p>17. Has the cost-effectiveness sufficiently been demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>	<p>DZ, April 4, 2011: Not yet. Please address the project design comments.</p> <p>DZ, April 7, 2011: The comment is addressed.</p>	
	<p>18. Is there a clear description of the socio-economic benefits to be delivered by the project and of how they will support the achievement of environmental/adaptation benefits (for SCCF/LDCF)?</p>	<p>DZ, April 4, 2011: Generally yes. A more analytical description is expected at the CEO endorsement request.</p>	
	<p>19. Is the role of civil society, including indigenous people and gender issues being taken into consideration and addressed appropriately?</p>	<p>DZ, April 4, 2011: These issues are not clearly addressed. A description is expected at the CEO endorsement request.</p>	

	20. 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)	DZ, April 4, 2011: Yes.	
	21. Is the provided documentation consistent?	DZ, April 4, 2011: Yes.	
	22. Are key stakeholders (government, local authorities, private sector, CSOs, communities) and their respective roles and involvement in the project identified?	DZ, April 4, 2011: Yes.	
	23. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DZ, April 4, 2011: Yes.	
	24. Is the project implementation/ execution arrangement adequate?	DZ, April 4, 2011: Yes, the project execution arrangements will be based on the lessons learned from the CRESP I.	
	25. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	26. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	27. Is the GEF/LDCF/SCCF funding level for project management cost appropriate?	<p>DZ, April 4, 2011: PM costs are solely funded by the GEF, with 10% of the total GEF funding. This level of GEF funding for PM is considered too high, given that the PM process can be improved and more cost-efficient based on the lesson from CRESP I. Also, PM costs should be cofinanced at a ratio equivalent to that of the total cofinancing to the GEF grant.</p> <p>DZ, April 7, 2011: GEF PM funding is 7.3% of the total GEF funding. PM cofinancing is 1.6 million USD, which is lower than the GEF funding. The agency argues that it is very difficult for the government of China to earmark funds for</p>	

		project management.	
	28. Is the GEF/LDCF/SCCF funding per objective appropriate to achieve the expected outcomes and outputs according to the incremental/additional cost reasoning principle?	DZ, April 4, 2011: This cannot be assessed yet. GEF funding mainly concerns TA activities, and some of it concerns policy developments. The cost assumptions for allocating this level of funding to policy making activities are not provided. DZ, April 7, 2011: The detailed costs and their justification should be provided at the CEO Endorsement stage.	
	29. Comment on indicated cofinancing at PIF. At CEO endorsement, indicate if cofinancing is confirmed.	DZ, April 4, 2011: Almost half of the cofinancing involves a WB loan, and another half the private sector contribution. Please provide a clear analysis of the activities that will receive this cofinancing. DZ, April 7, 2011: The comment is addressed.	
	30. Is the budget (GEF/LDCF/SCCF funding and co-financing) per objective adequate to achieve the expected outcomes and outputs?	DZ, April 4, 2011: This can be assessed after the project design comments are addressed. DZ, April 7, 2011: The detailed costs and their justification should be provided at the CEO Endorsement stage.	
Project Monitoring and Evaluation	31. Has the Tracking Tool been included with information for all relevant indicators, as applicable?		
	32. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	33. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
	34. Is PIF clearance/approval being recommended?	DZ, April 4, 2011: Not yet. The above comments should be addressed.	

Recommendation at PIF Stage		DZ, April 7, 2011: Comments are addressed in general; some points will require to be addressed at the CEO Endorsement stage. PIF clearance is recommended.	
	35. Items to consider at CEO endorsement/approval.	At the CEO Endorsement stage, detailed analysis of each activity (GEF-funded or cofinanced), its analytical cost, and its specific outputs that address each remaining barrier after the CRESP I, should be provided.	
Recommendation at CEO Endorsement/ Approval	36. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	37. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	April 04, 2011	
	Additional review (as necessary)	April 07, 2011	
	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.

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)	

* 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.