



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

GEF ID:	5121		
Country/Region:	China		
Project Title:	Energy Conservation, Greenhouse Gas Mitigation and Soil Carbon Sequestration in Staple Crop Production		
GEF Agency:	World Bank	GEF Agency Project ID:	144531 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-1; CCM-1; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$5,100,000
Co-financing:	\$25,000,000	Total Project Cost:	\$30,100,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Franck Jesus	Agency Contact Person:	Jiang Ru

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	MY, September 24, 2012: Yes.	
	2. Has the operational focal point endorsed the project?	MY, September 24, 2012: Yes. But the subject title in the endorsement letter is different from that in the PIF. Please revise the title in the PIF. FJ - 01 February, 2013: Cleared	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	MY, September 24, 2012: Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	MY, September 24, 2012: There is not any non-grant instrument in the project.	

	5. Does the project fit into the Agency's program and staff capacity in the country?	MY, September 24, 2012: Yes.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	MY, September 24, 2012: Yes. The country has an amount of \$211,690,000 STAR allocation. As of September 24, 2012, it has utilized \$146,372,727, and has a reminder of \$65,317,273.	
	• the focal area allocation?	MY, September 24, 2012: Yes. The country has an amount of \$149,600,000 in CC-M allocation. As of September 24, 2012, it has utilized \$105,717,499, and has a reminder of \$43,882,501. FJ - 01 February, 2013: Yes. The country has an amount of \$149,600,000 in CC-M allocation. As of February 2, 2013, it has utilized \$113,945,499, and has a reminder of \$35,654,501.	
	• the LDCF under the principle of equitable access	MY, September 24, 2012: N/A	
	• the SCCF (Adaptation or Technology Transfer)?	MY, September 24, 2012: N/A	
	• Nagoya Protocol Investment Fund	MY, September 24, 2012:	

		N/A	
	<ul style="list-style-type: none"> • focal area set-aside? 	MY, September 24, 2012: N/A	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>MY/FJ, September 24, 2012: Not at this time.</p> <p>a) Please clarify whether the farmers technologies to be introduced are already clearly identified and designed or whether their identification and design would require research and development work, since the GEF does not fund for research and development activities.</p> <p>b) Please clarify whether outputs c and d of the first project's component (table B) aim only at calculating the impact of the project on emissions or may also be considered (and designed) as input to a national green house gas (GHG) monitoring of LULUCF related emissions. In the later case, please consider adding CCM5 (Output 5.1: Carbon stock monitoring systems established) as one of the project's objectives in table A.</p> <p>c) Please also consider whether the second project's component on policy development (table B) may better correspond to objective CCM5. It seems that part of the activities of this component go beyond simply developing an enabling policy environment and mechanisms for technology transfer and aim at fostering large scale diffusion.</p> <p>FJ - 01 February, 2013: Cleared</p>	

	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	MY/FJ, September 24, 2012: Please address comments in Box 7. FJ - 01 February, 2013: 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?	MY/FJ, September 24, 2012: Please clarify the consistence of this project with the national strategies and plans in China's third National Communications. FJ - 01 February, 2013: Cleared	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	MY, September 24, 2012: Yes. Component 3 of the project is to contribute to application of the project capability and knowledge in other part of the country.	
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?	MY/FJ, September 24, 2012: a) On page 5, the PIF describes the project baseline for China in general. Please clarify the geographical project boundary and describe where the baseline of existing farmers technologies and their related GHG emissions for the targeted crop productions. b) Part B.6 page 9 mentions two World Bank projects under preparation that are supposed to address inadequate agricultural practices and expect to provide clear contributions to climate change mitigation. Please clarify why these two projects are not considered and taken into account in the baseline. FJ - 01 February, 2013: a) Thank you for the clarifications on	

		<p>comment on technology baseline is not addressed yet and seems postponed to the CEO endorsement stage. However, given the technology focus of the project, an even rough description of the baseline of existing farmers' technologies is needed.</p> <p>b) The response provided indicates that two World Bank projects mentioned Part B.6 focus on issue areas other than emission reduction. However, these project descriptions clearly mention "enhanced low carbon agricultural practices" for the first one and "pollution control perspectives with clear contributions to climate mitigation". Clear synergies and potential overlap still appear. Please clarify.</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	<p>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?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>MY/FJ, September 24, 2012:</p> <p>Please address Q11 to enable to assess this question.</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>MY/FJ, September 24, 2012:</p> <p>a) Please clarify the project's boundary. On page 1, in Table B (project framework), please indicate where the \$23 800 000 will be invested and on</p>	

where the technology demonstration and deployment will take place.

b) Please clarify what type of policy instrument the project intends to support and how this would induce changes in farmers' practices. Currently, the exact nature of the technical codes and standards, and of the technical procedures and regulations considered for component 2 remain to be clarified.

c) Please clarify what type of instrument the project intends to support for the payment of ecosystem services.

d) Please clarify whether the project will only support the development of policy proposals in Component 2 or whether it will also support their concrete implementation with the appropriate stakeholders. The GEF wishes to avoid providing support to purely conceptual policy design.

e) Please clarify how the farmers technologies considered by the project have been chosen and briefly justify their expected benefit in terms of GHG emissions

f) Please address Q7 to allow further assessment of this question.

FJ - 01 February, 2013:

a) Thank you for the clarifications provided. Please indicate how, beside the policy instrument support of Component 2, the project will ensure that the adoption of the technology demonstrated in Component 1 may be sustained beyond the project duration.

b) Please clarify the current interest, potential buy in, and eventual past success of the Chinese government for

		<p>considered.</p> <p>c) The previous comment was not addressed. Please roughly describe the type of instrument the project is considering to support for the payment of ecosystem services.</p> <p>d) Cleared</p> <p>e) Cleared</p> <p>f) Cleared</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>MY, September 24, 2012: Not at this time.</p> <p>Please see comments in Boxes 11, 13, and 14.</p> <p>FJ - 08 February, 2013: Cleared.</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>MY, September 24, 2012: Yes.</p> <p>This project will likely have a great socio-economic positive impact for the poor and women in the countryside.</p>	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	<p>MY, September 24, 2012: Yes.</p>	
	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)	<p>MY, September 24, 2012: Yes.</p>	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>MY/FJ, September 24, 2012:</p> <p>Please clearly explain why this project would not be redundant with two World</p>	

		<p>mentioned Part B.6 page 9 since these projects that are supposed to address inadequate agricultural practices and expect to provide clear contributions to climate change mitigation.</p> <p>FJ - 01 February, 2013: Please address 11 b).</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	20. Is the project implementation/ execution arrangement adequate?	MY, September 24, 2012: 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?	<p>MY/FJ, September 24, 2012: Not at this time.</p> <p>Please revise the amount to comply with the GEF policy on project management cost since they should represent less than 5 % of the GEF Grant (currently at 8.5%).</p> <p>FJ - 01 February, 2013: The comment has not been addressed yet. Please revise the project management cost amount to less than 5% of the GEF Grant.</p> <p>FJ - 08 February, 2013: Cleared.</p>	

	<p>24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>MY/FJ, September 24, 2012: Not at this time. As per the PIF, the type of co-financing is unknown. a) Please refer to the average level of co-financing in the past for CC-M projects in China, and consider using that ratio in this project. b) Please clarify and justify the type of private sector co-financing considered for the project. c) Please strongly consider including a substantive co-financing from the World Bank since no World Bank co-financing is presented at this stage.</p> <p>FJ - 01 February, 2013: a) The co-financing ratio is 1:4.9 b) Cleared. d) Please note that the project needs to apply the new GEF fee policy and adjust agency fees to 9.5% of the GEF grant.</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>MY/FJ, September 24, 2012: Please address Q24.</p> <p>FJ - 08 February, 2013: Cleared.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>MY/FJ, September 24, 2012: No. No World Bank co-financing is presented at this stage.</p> <p>FJ - 08 February, 2013: The World Bank does not provide any co-financing for this project. However: - this is an innovative and first project</p>	

		China with the Ministry of Agriculture - the Chinese government is not willing to use a loan for this activity at this stage - the project is expected to lead to further development through IBRD or other MDB projects once it allows to assess the potential impact of the considered technologies	
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?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	MY/FJ, September 24, 2012: Not at this time. Please address the above comments. FJ - 08 February, 2013: Yes.	
	31. Items to consider at CEO endorsement/approval.	FJ - 08 February, 2013: a) At CEO endorsement stage, details are expected on (i) the baseline of farmers' use of technologies and the associated GHG emissions, (ii) the technologies to be supported by the project and their expected GHG gains. b) At CEO endorsement stage, details are expected on (i) the calculation of the GHG emissions from the project activities.	

		<p>the methodology used to make this calculation, and (iii) the assumptions associated with this calculation.</p> <p>c) At CEO endorsement stage, details are expected on the synergies with other related projects and on how the project will avoid redundancy with these other projects.</p> <p>d) At CEO endorsement stage, details are expected on (i) the type of policy instruments to be supported, (ii) the sustainability of the technology improvements to be supported by the project, and (iii) on the type of instrument the project intends to support for the payment of ecosystem services.</p> <p>e), Clear descriptions of how exactly this project will help China refine its engagement with the World Bank on future loan projects are expected at CEO endorsement stage.</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*	September 24, 2012	
	Additional review (as necessary)	February 01, 2013	
	Additional review (as necessary)	February 08, 2013	
	Additional review (as necessary)		
	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.

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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