



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

GEF ID:	<b>5360</b>		
Country/Region:	<b>China</b>		
Project Title:	<b>Promoting Energy Efficient Electric Motors in Chinese Industries</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>5121 (UNDP)</b>
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-2;</b>		
Anticipated Financing PPG:	<b>\$150,000</b>	Project Grant:	<b>\$3,500,000</b>
Co-financing:	<b>\$17,700,000</b>	Total Project Cost:	<b>\$21,350,000</b>
PIF Approval:		Council Approval/Expected:	<b>November 01, 2013</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Ming Yang</b>	Agency Contact Person:	<b>Manuel L. Soriano</b>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
<b>Eligibility</b>	1. Is the participating <b>country eligible</b> ?	MY 4/2/2013: Yes.	
<b>Resource Availability</b>	2. Has the <b>operational focal point</b> endorsed the project?	MY 4/2/2013: Yes.	
<b>Resource Availability</b>	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
<b>Resource Availability</b>	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>	MY 4/2/2013: Yes.  China's GEF total STAR allocation was \$211.69 million. As of April 2, 3013, China had utilized \$171.53 million, 81% of the allocated resources.	
<b>Resource Availability</b>	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	MY 4/2/2013: Yes.  China has \$149.6 million of STAR allocation in climate change focal area. As of April 2, 3013,	

		allocation in CC. The remainder was \$29.07 million which was enough to cover the budgeted amount of this current project.	
	<ul style="list-style-type: none"> <li>the LDCF under the principle of equitable access</li> </ul>	MY 4/2/2013: Not applicable (N/A)	
	<ul style="list-style-type: none"> <li>the SCCF (Adaptation or Technology Transfer)?</li> </ul>	MY 4/2/2013: N/A	
	<ul style="list-style-type: none"> <li>the Nagoya Protocol Investment Fund</li> </ul>	MY 4/2/2013: N/A	
	<ul style="list-style-type: none"> <li>focal area set-aside?</li> </ul>	MY 4/2/2013: N/A	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>? <i>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 progress toward achieving the Aichi target(s).</i></p>	<p>MY 4/2/2013:  Yes, with CCM-2: Promote market transformation for energy efficiency in industry and the building sector.</p>	
	<p>5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>MY 4/2/2013: Not yet at this time.</p> <p>The project is consistent with a number of energy policies and strategies of China including China's 12th Five-Year Plan (2011 to 2015);</p> <p>But the PIF does not contain review information on China's national strategies and plans or reports and assessments under the Technology Needs Assessment (TNA) (see <a href="http://www.worldbank.org/projects/P120932/china-technology-needs-assessment-tna?lang=en">http://www.worldbank.org/projects/P120932/china-technology-needs-assessment-tna?lang=en</a>) and in the Second and the Third National Communications. Please review the country's TNA and the National Communications, and clarify consistency with national needs and priorities as</p>	

		<p>MY 4/10/2013:</p> <p>Cleared.</p>	
<p>Project Design</p>	<p>6. Is (are) the <b>baseline project(s)</b>, including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>MY 4/2/2013: Not clear at this time.</p> <p>1. Please change the monetary unit from CNY to US\$;</p> <p>2. Please clarify the following statement copied from paragraph 2 on page 5 of the PIF:</p> <p>"The Government of China intends to remove the Y and Y2 series electric motors from the market. The local electric motor manufacturers and retailers are required not to produce and sell these outdated electric motor products. "</p> <p>Does the government plan to ban the production and trade of Y and Y2 motors? If so, please indicate how the government will do it.</p> <p>The information presented in the table on page 6 is calculated on the basis of an assumption: "a. Current local retail price. HEM price is typically 1.4 to 1.5 of SEM price; REM price is typically 1.2 to 1.35 of SEM price." If the government wants to ban the use of SEMs (Y and Y2 motors), how can we make such as an assumption? In other words, the calculation may have over-estimated the benefits of the HEM and REM motors. Please clarify.</p> <p>3. Please clarify the energy efficiency rates of an HEM and an REM. The table on page 6 shows that an HEM and an REM have the same efficiency (20720 kWh/yr). An HEM is more efficient than an REM.</p> <p>MY 4/10/2013:</p> <p>Cleared.</p>	<p>MY 4/2/2013: N/A</p>

	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	MY 4/2/2013: Almost. Please add "TA" onto row No. 4 on page 2.  MY 4/10/2013: Cleared.	
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	MY 4/2/2013: Not yet at this time.  Please see the comments in Box 6.  In addition, please consider the following: 1. at the end of paragraph 2 on page 9 (Component 1..), add "(4) development of a government white paper or a government document to ban the production and trade of Y and Y2 electric motors in China"; and 2. at the end of paragraph 3 (component 2...), add "(g) labeling motors with efficiency indicators."  MY 4/10/2013:  Cleared.	
	9. Is there a clear description of: a) the <b>socio-economic benefits</b> , 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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	MY 4/2/2013: Yes.	

	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)</p>	<p>MY 4/2/2013: Yes.</p>	
	<p>12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?</p>	<p>MY 4/2/2013: Not really at this time.</p> <p>Please consider coordinating the project with National Communications projects in China.</p> <p>MY 4/10/2013: Cleared.</p>	
	<p>13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b></p> <ul style="list-style-type: none"> <li>• Assess whether the project is innovative and if so, how, and if not, why not.</li> <li>• Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>• Assess the potential for scaling up the project's intervention.</li> </ul>	<p>MY 4/2/2013: Not at this time.</p> <p>Please clarify further the innovation, sustainability, and scaling-up:</p> <p>For sustainability, please indicate what will happen after the project is over in the provinces which this project covers. These provinces include Shangong, Hunan, Shanghai, etc.</p> <p>As for scaling-up, please justify what will likely take place in China nationwide during and after the project implementation in terms of energy efficiency of electric motors.</p> <p>MY 4/10/2013: Cleared.</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		

	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	MY 4/2/2013: Yes.  The requested GEF grant was \$3.5 million; the budgeted co-financing is \$17.7 million, with \$12.2 million cash from the Chinese government, the Chinese private sector, and the agency.	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	MY 4/2/2013:  Yes. The UNDP puts \$300,000 cash in the project.	
	18. Is the funding level for <b>project management cost</b> appropriate?	MY 4/2/2013: Yes. It is 5% of the subtotal of the GEF grant.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	MY 4/2/2013: Yes.	
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar	MY 4/2/2013: N/A	

Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	<ul style="list-style-type: none"> <li>• STAP?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Convention Secretariat?</li> </ul>		
	<ul style="list-style-type: none"> <li>• The Council?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Other GEF Agencies?</li> </ul>		
Secretariat Recommendation			
Recommendation at PIF Stage	24. <b>Is PIF clearance/approval being recommended?</b>	MY 4/2/2013: Not yet.  Please see comments in Boxes: 5, 6, 7, 8, 12, and 13.  MY 4/2/2013: Yes All cleared.	
Recommendation at CEO Endorsement/Approval	25. Items to consider at CEO endorsement/approval.		
	26. <b>Is CEO endorsement/approval being recommended?</b>		
	First review*	April 02, 2013	
Review Date (s)	Additional review (as necessary)	April 10, 2013	
	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.**