



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

GEF ID:	5669		
Country/Region:	China		
Project Title:	Enabling Solid State Lighting Market Transformation Promotion of Light Emitting Diode Lighting		
GEF Agency:	UNDP	GEF Agency Project ID:	5120 (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;		
Anticipated Financing PPG:	\$150,000	Project Grant:	\$6,242,694
Co-financing:	\$26,250,000	Total Project Cost:	\$32,642,694
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Manuel L. Soriano

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating <b>country eligible</b> ?	MY 1/9/2014. Yes.	
	2. Has the <b>operational focal point</b> endorsed the project?	MY 1/9/2014. Yes. The OFP endorsed the following amounts: PPG: \$250,000 Project: \$6,140,000 Fees: \$610,000 Total: \$7,000,000	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>	MY 1/9/2014. Yes. As of January 9, 2014, China had a remainder of \$30,156,920	

\*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

<sup>1</sup> Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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		in STAR.	
	<ul style="list-style-type: none"> <li>the focal area allocation?</li> </ul>	MY 1/9/2014. Yes. As of January 9, 2014, China had a remainder of \$20,072,982 in climate change focal area.	
	<ul style="list-style-type: none"> <li>the LDCF under the principle of equitable access</li> </ul>	MY 1/9/2014. N/A	
	<ul style="list-style-type: none"> <li>the SCCF (Adaptation or Technology Transfer)?</li> </ul>	MY 1/9/2014. N/A	
	<ul style="list-style-type: none"> <li>the Nagoya Protocol Investment Fund</li> </ul>	MY 1/9/2014. N/A	
	<ul style="list-style-type: none"> <li>focal area set-aside?</li> </ul>	MY 1/9/2014. 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>?</p> <p><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>	MY 1/9/2014. Yes, with CCM-2: Promote market transformation for energy efficiency in industry and the building sector.	
	<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>	MY 1/9/2014. Yes. It is in line with the National Energy Conservation and Emission Reduction Strategies, the National Climate Change Program, the 2nd National Communications to the UNFCCC, and the development plans of Energy-saving Industries in the "12th Five-Year Plan".	
	<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</p>	MY 1/9/2014. Not at this time. Please provide data source and justification for the following scenario assumptions: 1. In the baseline scenario: Solid State	

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Project Design	assumptions?	<p>Lighting products have a market penetration rate of 3% (page 4) in 2012; 2. In the Incremental Reasoning scenario and the Alternative Scenario: the products have penetration rates of 17% (20%-3%) and 16% or 20% (pages 8 and 14).</p> <p>MY 1/22/2014 Yes. Comments addressed.</p>	
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	<p>MY 1/9/2014. Not at this time.</p> <p>In the "expected output" in Project Component 3 (INV) on page 2, there are three expected outputs. Only the first output is related to capital investment (INV) for tangible assets. Please split the \$3,372,100 (GEF \$) and \$16,000,000 (Co-financing \$) and allocate them onto the three individual outputs.</p> <p>Please also:</p> <ol style="list-style-type: none"> <li>articulate the number of SSL products and the total MW capacity of the lamps to be demonstrated; and</li> <li>indicate the number of venues to put these products for demonstration.</li> </ol> <p>Furthermore, are there any national SSL Product Testing and Certification Centers in China? If not, some capital investment may be required to support the establishment of such a center. The current budget for investment (INV) seems not enough to develop a national testing center. Please consider reallocating some funds from Components 1, 2, and 4 to Component 3.</p>	

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		<p>MY 1/22/2014 Not completed at this time. Please also put the following numbers in the relevant places in Table B on pages 1 and 2: The estimated total number of SSL products: 714,000units; Total capacity: 5 MW (at 7W/lamp); and Demonstration sites: 50 cities/towns in 30 provinces.</p> <p>MY 1/23/2014. Yes. Cleared.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>MY 1/9/2014. Not at this time. Please see comments in Box. 6.</p> <p>MY 1/22/2014 Yes. Cleared this time.</p>	
	<p>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?</p>		
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>MY 1/9/2014. Not Yet. Please address the role of public participation (lighting associations for example) and indicate if CSOs, women, and indigenous peoples are relevant to the project.</p> <p>MY 1/22/2014 Yes. Cleared this time.</p>	

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	<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 1/9/2014. Not at this time.</p> <ol style="list-style-type: none"> <li>1. On pages 16-17, the last two rows are not rated with "Level of risk"</li> <li>2. Please take into account the following risks: (a) Failure of the market transformation policy and mechanism to facilitate supporting and incentivizing the local production of high quality SSL products; (b) Not enough capacity at testing centers to test the increasing amount of SSL products from market producers.</li> </ol> <p>MY 1/22/2014 Yes. Cleared.</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 1/9/2014. Yes.</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 1/9/2014. Not at this time.</p> <p>The Agency mixed together innovative aspects, sustainability, and potential for scaling up.</p> <p>Please use one paragraph to address each of the following areas:</p> <ol style="list-style-type: none"> <li>1. innovation,</li> <li>2. sustainability, and</li> <li>3 potential for scaling up.</li> </ol> <p>MY 1/22/2014 Yes. Comments addressed.</p>	

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	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	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?	<p>MY 1/9/2014. Not at this time.</p> <p>The GEF funding and co-financing for INV in Table B may need to be increased. See comments in Box 7.</p> <p>MY 1/22/2014 Yes. Comments addressed.</p>	
	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?	<p>MY 1/9/2014. Yes.</p> <p>The co-financing ratio (1:4.2) is not very high compared with other China/GEF projects. But all co-financing in this project is in grant (not in-kind).</p>	
	18. Is the funding level for <b>project management cost</b> appropriate?	<p>MY 1/9/2014. Yes. 5%.</p>	
	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	<p>MY 1/9/2014. Yes, with a normal requested amount.</p>	

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	PPG fund?		
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?	MY 1/9/2014. 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:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	MY 1/9/2014. Not at this time.  Please see comments in Boxes 6, 7, 8, 10, 11, 13, and 16.  MY 1/22/2014 Not completed at this time. Please address comments in Box 7.  MY 1/23/2014. Yes. All comments were addressed.	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/	26. Is CEO endorsement/approval being recommended?		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Approval	First review*	January 09, 2014	
Review Date (s)	Additional review (as necessary)	January 22, 2014	
	Additional review (as necessary)	January 23, 2014	

\* **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.**