



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

GEF ID:	9749		
Country/Region:	China		
Project Title:	China Distributed Renewable Energy Scale-up Project		
GEF Agency:	World Bank	GEF Agency Project ID:	162299 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-1 Program 1; CCM-1 Program 2;		
Anticipated Financing PPG:		Project Grant:	\$7,278,600
Co-financing:	\$80,000,000	Total Project Cost:	\$87,278,600
PIF Approval:		Council Approval/Expected:	November 01, 2017
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Laurent Granier

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? ¹	DER, 2/17/17. Yes.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	3/13/2017 MY: Yes, it will facilitate China's target in its NDC: enlarging non-fossil energy share from 11% in 2015 to 20% in 2030.	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability,	3/13/2017 MY: Yes. China has done on-shore, off-shore RE scale up. It is time for the	

¹ 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)?

² Need not apply to LDCF/SCCF projects.

PIF Review

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	market transformation, scaling, and innovation?	country to scale RE via distributed systems.	
	4. Is the project designed with sound incremental reasoning?	<p>DER, 2/17/17</p> <p>GEF Comments on China Distributed Renewable Energy Scale-Up Project P162299 PMIS# 9749</p> <p>This project is timely and important. It addresses a key gap in renewable energy policy and practice in China, helping address the policies and financial models needed to accelerate PCN has been logged into the GEF PMIS system which meets the March 3 deadline for receipt of projects. If this project is to be considered for the May work program, technical clearance is needed by March 31. To achieve technical clearance, we will need the following:</p> <ol style="list-style-type: none"> 1) An indicative estimate of GHG emissions reductions for Table F of the GEF Template. 2) An updated letter of endorsement that reflects the likely reduced project amount due to the shortfall in funding. 3) The Project Management Cost is higher than the 5% limit of \$688,000. Please lower the cost or justify why the PMC should be so high. 4) Because of the high value of learning from the pilots, please ensure 	

PIF Review

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		<p>adequate resources are allocated to documentation and reporting on the pilots.</p> <p>5) Based on the PCN write-up, this is a stand-alone project with substantial co-financing to be realized during project design and implementation. It would be helpful to understand why the originally proposed WB loan did not materialize and what this might portend for National Government commitment to implementation of the project.</p> <p>6) We note an expected Board approval date of November 30, 2017. Please be aware that there are two remaining GEF work programs in 2017, one in May 2017 and one in December 2017. Therefore, to meet the expected Board approval date, this project would have to be ready for technical clearance by the March 31, 2017 deadline. The technical content appears ready, therefore it is all the more critical to ensure the letter of endorsement reflects an agreed amount between the Bank and the OFP.</p> <p>3/13/2017 MY: Please provide more details on estimation of the total GHG emission reduction target (1 million tonnes of CO2) for this project.</p>	

PIF Review

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		<p>Please consider reducing the amount of GEF grant for this project, due to two reasons. First, there is shortfall of GEF6 CCM resource for all countries except LDCs and SIDS. Second, this project does not have any WB/China loan as co-financing.</p> <p>4/10/2017 MY: Yes, GHG emission reduction target has been revised and the budget for the project has been reduced. However, in the GEO Endorsement Request stage, please provide more detailed calculation on GHG emission reductions, and materialize the indicative co-financing including \$14.6 million of equity and \$58.4 million loans from the private sector.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>3/13/2017 MY: Not at this time. In Table B on pages 1 and 2, please articulate the investment (INV) sub-component, indicating the budgets and outcomes.</p> <p>4/10/2017 MY: Not at this time. In Table B on pages 1 and 2, please articulate and justify the use of \$87.28 million for the project outcomes for</p>	

PIF Review

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		<p>Components 1 and 2. For Component 1, is the decentralized RE policy for whole China? Alternatively, will a number of decentralized RE policies be developed for different cities, or provinces, or regions? For Component 2, please describe and breakdown the budget and allocate the budget for different pilot scalable business and financing models and candidate cities.</p> <p>9/11/2017 MY: Yes, comments were addressed.</p>	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?		
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"> • The STAR allocation? 	<p>DER, 2/17/17. Not clear. The OFP must make a decision on the STAR allocation to be made for this project.</p> <p>3/13/2017 MY: Not at this time.</p> <p>1. The agency fees exceed 9% of the GEF budget. Please reduce it accordingly.</p> <p>2. Due to shortfall of GEF resources, this project's budget needs to be reduced. Please consult with the OFP regarding real resource availability for this project.</p>	

PIF Review

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		4/10/2017 MY: Yes. Project budget has been reduced accordingly.	
	<ul style="list-style-type: none"> • The focal area allocation? 		
	<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> • Focal area set-aside? 		
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>DER, 2/17/17. Not at this time. Please address the comments above and supply a letter of endorsement.</p> <p>3/13/2017 MY:</p> <p>Not at this time. Please address comments in Boxes 4, 5, and 7.</p> <p>At this juncture, the GEF is unable to complete reviewing the project for technical clearance as sufficient resources may not be available for this project. Please note that council decision GEF/C.51/04 - Update on GEF-6 Resource Availability requests the Secretariat to effectively and proactively manage the projected shortfall in GEF-6. As mandated, the Secretariat will keep the issue under review and will advise of any changes that may arise. Until then, this review</p>	

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		<p>sheet will be logged and the project will remain pending in the GEF PMIS system. Please consult with the OFP regarding resource availability for this project.</p> <p>4/10/2017 MY: Not at this time. Please address the comments in Box 5.</p> <p>9/11/2017 MY: All comments have been addressed.</p> <p>The PM recommends PIF technical clearance.</p>	
Review Date	Review	February 17, 2017	
	Additional Review (as necessary)	March 13, 2017	
	Additional Review (as necessary)	April 10, 2017	

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?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council • Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?		
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

³ 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.