



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

GEF ID:	9423		
Country/Region:	Egypt		
Project Title:	Egyptian Programme for Promoting Industrial Motor Efficiency		
GEF Agency:	UNIDO	GEF Agency Project ID:	
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;		
Anticipated Financing PPG:	\$50,000	Project Grant:	\$2,750,000
Co-financing:	\$16,800,000	Total Project Cost:	\$19,600,000
PIF Approval:	September 28, 2016	Council Approval/Expected:	October 27, 2016
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Rana Ghoneim

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	MY 3/8/2016 Yes. The project is aligned with CCM Program 1 of Objective 1.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MY 3/8/2016 Yes, the project is consistent with Egypt's Intended Nationally Determined Contributions to the UNFCCC and Egypt's national energy efficiency action plan.	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental	MY 3/8/2016 Not at this time. Several issues have	

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.

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	degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>been perceived in the PIF:</p> <ol style="list-style-type: none"> 1. The PIF presents too much information from international organizations such as the IEA but insufficient information on industrial motors in Egypt. Please give detailed description on motor population (in different ranges of capacity, such as less than 1 kW/unit, 1kW-10kW/unit, 10kW-50kW/unit, etc.), efficiency of these motors, why these motors are not efficient, how these motors can become efficient, etc. 2. Data used in the PIF are dated (2008, 2010, 2012, etc.) Please collect and use updated data in 2015 or 2014. 3. Use facts to support arguments. 4. Focus on Industrial Motor Efficiency when talking about global environmental degradation, issues of sustainability, market transformation, scaling, and innovation. <p>MY 3/28/2016 Not at this time. Please:</p> <ol style="list-style-type: none"> 1. Use a table (matrix) to show industrial motor population in a dynamic way with different ranges of capacity, such as less than 1 kW/unit, 1kW-10kW/unit, 10kW-50kW/unit, etc., efficiency of these motors, reasons why these motors are not efficient, measures to make these 	

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		<p>motors more efficient. This is the project baseline in terms of motor efficiency in the country.</p> <p>2. Consider estimating GHG emissions from each group of motors in the baseline in the forthcoming 10 or 15 years. That is the baseline GHG emissions.</p> <p>MY 4/7/2016</p> <p>Not completed at this time.</p> <p>1. Use a table (matrix) to show industrial motor population in a DYNAMIC way with different ranges of capacities, such as less than 1 kW/unit, 1kW-10kW/unit, 10kW-50kW/unit, etc., efficiency of these motors, reasons why these motors are not efficient, measures to make these motors more efficient. This is the project baseline in terms of motor efficiency in the country. There is a table on page 10 of the new version of the PIF, but that is not enough. Please show the baseline in a dynamic way. Multiple tables may be used for this purpose.</p> <p>2. Please describe how the figures in the Table on page 10 come from. Please provide sources of data for the Table.</p>	

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		<p>3. From the dynamic baseline (to be developed), please estimate GHG emissions from each group of motors with two scenarios: with and without GEF investment. Please do the calculation carefully. Per the current PIF, the project will mitigate 1,141 million tonnes of CO₂, which is more than 500% of total GHG emissions of Egypt in 2014! Please provide an Annex to show detailed methodology, parameters, assumptions and calculation steps for the figure.</p> <p>4. Again, the first four paragraphs in the Section of Project Description starting on page 5 are talking about international energy and CO₂ emissions. It is too much. Please consider reducing this kind of information at the beginning, but add information that will significantly contribute to the baseline of the project. Please reduce the four paragraphs into one or two paragraphs. Then, use two or three paragraphs to discuss about energy and carbon emissions in Egypt and in the industrial sector. Throughout the PIF, information on total electricity consumption and total GHG emissions in Egypt and in the Egyptian industrial sector is not available. Please add this information.</p>	

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		<p>Using percentage figures in such a document is not sufficient. Please use absolute numbers and percentage figures together. For example, the following statement "In Egypt, the industrial sector is responsible for a significant part of the national energy demand increase reaching 38% in 2012." does not give a full picture to readers about energy consumption or demand in the industrial sector.</p> <p>Again, when talking about energy intensity reduction, please use absolute figures as well as percentages (on page 7).</p> <p>Please write a rationale to clearly justify why the GEF should invest in EE motors in the industrial sector by using quantitative information.</p> <p>Please write one paragraph on each of the following topics: sustainability, market transformation, scaling, and innovation; use them to replace Section 6) on page 16.</p> <p>While write the innovation paragraph, please consider two elements: (1) promoting ESCO model in the market, and (2) bringing transformation change on users' behavior towards EE industrial</p>	

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		<p>motors. While writing the scaling up paragraph, please consider incorporating the agreement that was signed in December 2015 between the World Bank and the government for the \$3 billion loan-based energy program. Then, justify how this GEF project will be scaled-up in that forthcoming program.</p> <p>MY 8/4/2016 Not at this time. Please re-write the paragraph of "Potential for scaling-up" on page 18. The project developer may need to get help from her colleague, Mr. SINGH, Rana Pratap while doing so.</p> <p>MY 8/22/2016 Yes, comments were addressed and the PIF was revised.</p>	
	4. Is the project designed with sound incremental reasoning?	<p>MY 3/8/2016 Not at this time. The dynamic baseline for energy efficiency market is not clear. Presenting a few existing projects in industrial energy efficiency is not enough to justify the baseline of this project.</p> <p>In the baseline presentation, please describe clearly all barriers that are preventing Egypt from using energy efficient motors. This might be due to old, inefficient, or lack of standards, or lack of government policy and</p>	

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		<p>financing mechanisms, etc.</p> <p>Please demonstrate energy saving and GHG emission reduction potentials in a dynamic baseline. Then, incremental reasoning can be justified and presented.</p> <p>MY3/28/2016 Not completed. Comments will be provided after the Agency finishes addressing the comments in Box 3.</p> <p>MY 4/7/2016 Not completed.</p> <p>Doing analysis or study on ESCO development is necessary, but it is not enough for this project. Please consider engaging an ESCO to do the INV sub-component in Component 3.</p> <p>More comments will be provided after the Agency finishes addressing the comments in Box 3.</p> <p>MY 8/4/2016 Yes. Comments were address and issues were cleared.</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MY 3/8/2016 Not at this time.</p> <p>1. The INV in Component 3 is actually a TA. Please revise it to capital investment, such as installing</p>	

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		<p>energy efficient motors in selected 20 enterprises side-by-side with inefficient motors which can really show energy consumption from the two groups of motors.</p> <p>2. Establishing energy service companies (ESCOs) is very important for energy efficient motor promotion. Please consider setting up and building ESCOs capacity as one of the key tasks in the project.</p> <p>3. In Component 2, please add targeted numbers under the column of Project Outputs. For example, after revision, the outputs of 2.1.4 might look like: "2.1.4 Three hundred (300) qualified system optimization practitioners trained." Please check all Project Outputs and add relevant numbers.</p> <p>4. Please add the following as a component or sub-component in the project: Design new energy efficient motor standards and a policy roadmap for the country to enforce the energy efficient motor standards.</p> <p>MY 3/28/2016 Not completed at this time. Please indicate clearly the number of EMDS and EE motors that will be installed in each of the 20 enterprise sites. Please consider establishing or</p>	

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		<p>engaging an ESCO to do the installation work of the EMDS and EE motors for the 20 enterprises. The GEF project should have both market based action and desk-based study on ESCOs.</p> <p>MY 4/8/2016 Not completed at this time. Again, since ESCO companies are available in Egypt, please consider engaging an ESCO to do the installation work of the EMDS and EE motors for the 20 enterprises. The GEF project should have both market based action on ESCOs.</p> <p>MY 8/4/2016 Not completed at this time. The project management cost (PMD) is budgeted at \$175,000, or 6.8% of the subtotal of the GEF funds. This amount is not acceptable per the GEF policy. Please check the GEF policy and revise it accordingly.</p> <p>MY 8/22/2016 Yes, comments were addressed. The Agency argued that the project implementation period will be longer than usual and the government of Egypt supports the budget of \$175,000 for the project management cost. After consulting Quynh Xuan</p>	

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		Thi Phan, the PM concurs the rate of 6.8%.	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>MY 3/8/2016 Not completed. Please describe how this project will benefit indigenous people, and how CSOs will be involved in the project.</p> <p>MY 3/28/2016 Yes, comments were addressed.</p>	
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>MY 3/8/2016</p> <p>Yes, as of 3/8/2016, Egypt has a remainder of \$12.76 million in STAR.</p>	
	<ul style="list-style-type: none"> The focal area allocation? 	<p>MY 3/8/2016</p> <p>Yes, as of 3/8/2016, Egypt has a remainder of \$8.46 million in CCM focal area.</p>	
	<ul style="list-style-type: none"> The LDCF under the principle of equitable access 	<p>MY 3/8/2016 Not applicable.</p>	
	<ul style="list-style-type: none"> The SCCF (Adaptation or Technology Transfer)? 	<p>MY 3/8/2016 Not applicable.</p>	
	<ul style="list-style-type: none"> Focal area set-aside? 	<p>MY 3/8/2016 Not applicable.</p>	
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>MY 3/8/2016 No. Please address the comments in Boxes: 3, 4, 5, and 6. Please check the numbers in Table C on page 3. There are errors in the</p>	

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		<p>Table.</p> <p>MY 3/28/2016 Not at this time. Please continued addressing the comments in Boxes 3, 4 and 5.</p> <p>MY4/8/2016 Not at this time. Please complete addressing the comments in Boxes 3, 4 and 5, then submit the revised PIF.</p> <p>MY 8/4/2016 Not at this time. Please address comments in Boxes: 3 and 5. Please ask another energy efficiency professional to read and check the PIF carefully. Some English expressions in the PIF are not clear. For example, one sentence in paragraph 3 on page 6 reads "In fact, the Egyptian industry presents a high-energy intensity of 0.6 (TPES/GDP) compared to OECD countries which range among 0.19." What does 0.6 (TPES/GDP) mean? TPES was not spell out in the PIF. It generally stands for Total Primary Energy Supply. "0.6 TPES/GDP" may represents 0.6 tonnes of oil equivalent in total primary energy supply of the country per thousand dollars of GEP output.</p>	

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		<p>By the way, the PIF should be numbered for each paragraph.</p> <p>Finally, in the next submission, it is better to identify and secure \$8 million loans or 47.6% of co-financing from "Others" resources for the project. If not, the PM would put this project with less priority even if it is recommended for technical clearance.</p> <p>Please further address the following questions that were formed by the CCM team on August 4, 2016 for all CCM projects:</p> <ol style="list-style-type: none"> 1. Does the applying country have an INDC? 2. When was the INDC submitted to the UNFCCC? 3. Has the country signed the Paris agreement? 4. Has the country provided an indication that the INDC will used as is for its first NDC, or is it expected that the INDC will be updated before submittal? 5. How does the project propose to align with and contribute to implementation of the INDC. Please document how project activities align with specific priorities, measures or 	

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		<p>policies in the INDC, or if the INDC is at a general level, please describe alignment using both the INDC and other national policies.</p> <p>MY 8/22/2016</p> <p>Yes, all comments were addressed and issues were cleared. The PM recommends PIF technical clearance.</p>	
Review Date	Review	February 08, 2016	
	Additional Review (as necessary)	March 28, 2016	
	Additional Review (as necessary)	April 07, 2016	

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?	4/25/2018 MY: There are a few minor changes. With more efforts on ESCOs, the changes are reasonable.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	4/25/2018 MY: Yes.	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	4/25/2018 MY: Yes.	
	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)	4/25/2018 MY: Yes, on pages 35-36.	
	5. Is co-financing confirmed and evidence provided?	4/25/2018 MY: Not at this time. The co-financing letters from the CIB and the MSME Development Agency are not convincing. It seems that these letters have little to do with the GEF/UNIDO project. Who made the assumptions in the foot-notes of 6 and 7? Please ask the assumption makers to justify the assumptions. Please provide more convincing co-financing letters. 6/7/2018 MY: Yes, all comments were addressed and issues were cleared.	
	6. Are relevant tracking tools completed?	4/25/2018 MY: Not at this time. Per the TT, it seems that the calculation of GHG emission reductions is not correct. Please provide details of the calculation.	

CEO endorsement Review			
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		6/7/2018 MY: Yes, all comments were addressed and issues were cleared.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	4/25/2018 MY: N/A	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	4/25/2018 MY: Yes.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	4/25/2018 MY: Yes.	
	10. Does the project have descriptions of a knowledge management plan?	4/25/2018 MY: Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	4/25/2018 MY: N/A	
	• STAP	4/25/2018 MY: Yes.	
	• GEF Council	4/25/2018 MY: Yes.	
	• Convention Secretariat	4/25/2018 MY: N/A	
Recommendation	12. Is CEO endorsement recommended?	4/25/2018 MY: Not at this time. Please address comments in boxes 5 and 6.	

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.

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>6/7/2018 MY:</p> <p>Yes, all comments were addressed and the project has been technically cleared.</p> <p>The PM recommends the CEO to endorse the project.</p>	
Review Date	Review	April 25, 2018	
	Additional Review (as necessary)	June 07, 2018	
	Additional Review (as necessary)		