



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

GEF ID:	9038		
Country/Region:	El Salvador		
Project Title:	San Salvador Low-emission Urban Development Path		
GEF Agency:	UNDP	GEF Agency Project ID:	5462 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-2 Program 3;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$2,420,548
Co-financing:	\$37,914,000	Total Project Cost:	\$40,434,548
PIF Approval:	April 28, 2017	Council Approval/Expected:	May 01, 2017
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Milena Vasquez	Agency Contact Person:	Marcel Alers

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	XT, 10 March 2015: The PIF proposes to promote green, low emission and climate resilient investments for the integrated sustainable urban development, which is in line with CCM-2, program 3. However, there is a lack of coherency among the three focal areas in terms of an integrated approach. The justification for the use of SFM incentive funds is not clearly made. The project is not focused on SFM	

<sup>1</sup> 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)?

## PIF Review

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		<p>related issues but is rather an urban development concept centered around climate change mitigation efforts. The introduction of an LD element is not fully integrated into the proposal and is insufficient to warrant SFM incentive support.</p> <p>Further, it is not articulated how an investment framework that values low-carbon and resilience will be delivered by the project.</p> <p>MGV, 19 October 2015: The revised PIF only includes CCM programming. The project is aligned with CCM-2 Program 3: Promote integrated low-emission urban systems; however, the project still does not demonstrate or operationalize financial mechanisms to support GHG reductions (see CCM Results Framework).</p>	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	<p>XT, 10 March 2015: Yes.</p> <p>MGV, 19 October 2015: Yes.</p>	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>XT, 10 March 2015: The PIF needs to put the El Salvador case in a global context and articulate its linkage with the drivers of global environmental degradation.</p>	

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

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		<p>MGV, 19 October 2015: The revised PIF articulates the rapid urbanization of the AMSS in a global context.</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>XT, 10 March 2015: The incremental reasoning is not clear especially with regards to the proposed GEF investments in BRT corridors, feeder routes, and efficient street and highway lighting. There is a lack of clarity on what baseline projects will cover and what GEF investment will accomplish. Further, there is limited description of incremental reasoning for forest related issues. What exactly would be implemented on the ground is not clear. The only mention of activities are development of management plans in component 2. How will these be translated into GEBS?</p> <p>MGV, 19 October 2015: While the revised PIF describes the baseline activities more clearly, the incremental reasoning for the GEF project does not present an integrated approach to urban planning, but rather incremental efforts for each of the baseline projects.</p> <p>1) Please clarify the connections between the baseline projects and how the GEF intervention will provide an integrated and holistic</p>	

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		<p>approach to sustainable urban development to the AMSS, noting that these baseline activities seem to be fully formed and some are already under implementation.</p> <p>2) In addition, please clarify the difference between baseline activities and co-financing for project components, as they seem to come from the same sources.</p> <p>The comment on incremental reasoning for forest related issues is cleared as these components have been removed.</p> <p>MGV, May 2, 2016:            1) Baseline activities and incremental reasoning have been clarified. Comment cleared.            2) Financing for baseline activities and co-financing for project components has been detailed. Comment cleared.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>XT, 10 March 2015:            1) On proposed integrated approach and investment framework, please check comments in box 1.            2) Outcomes 1.2 and 1.3 are not clearly defined. Specifically, what kind of SUD strategy recommendations do you envision? Do they come in the form of guidelines, enforcement measures and</p>	

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		<p>incentives?</p> <p>3) Why is outcome 2a categorized into the Integrated Sustainable Urban Development Investment component? Is it part of the SUD strategy recommendations? Further, outcome 2.3, Analysis of Results and Impacts, should be grouped to component 3, knowledge sharing.</p> <p>4) There are significant discrepancies between table B and the outputs summary on page 11.</p> <p>5) Linked to comment 1), since there is no coherent story that coalesces all the elements this project tries to cover into a wholesome piece, the proposed outcomes seem to lack focus and priority.</p> <p>6) Please explain what kind of awareness raising and communication strategy that require an investment of \$1,060,544. Are there any baseline projects related to toolkits and courses that this project can build on?</p> <p>7) In terms of funding allocation, GEF grant for 2b can be significantly increased by trimming down amount for components 2a and 3.</p> <p>8) The description of LD and SFM related GEBs is very limited. It is not clear what GEBs are to be delivered. The extent of the overall area very small in relation to the requested SFM amount.</p>	

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		<p>MGV, 19 October 2015:</p> <p>1) Not cleared. The project still does not demonstrate or operationalize financial mechanisms to support GHG reductions.</p> <p>2) Cleared.</p> <p>3) Project components and outputs have been rearranged. Comment cleared.</p> <p>4) Table B and the Outputs summary have been revised. Comment cleared.</p> <p>5) Not cleared. While all the project components and expected investments can fit thematically under a "sustainable urban development" umbrella, the connection between Component 1 and the rest of the projects' outputs is missing and thus the approach does not seem to be integrated. In addition, there is no connection between the two elements in Component 2, waste-to-energy and energy efficiency in water distribution. Similarly, there is no connection between the two elements in Component 3, improved access to the upcoming BRT and public sector energy efficiency. Thus it is not clear why these outputs are arranged in this way.</p> <p>6) The component on "promotion and capacity development" has been reduced to \$667,204 and more</p>	

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		<p>funding has been allocated to the other project components. Comment cleared.</p> <p>7) Not cleared. While funding has been rearranged, there still appears to be too much funding allocated on TA components and not enough on the INV components to achieve the outputs listed.</p> <p>8) LD and SFM components have been removed. Comment cleared.</p> <p>9) Under Component 2, a waste-to-energy project has been listed as a key output; however, given that the feasibility study for such a project has not been carried out yet and no analysis on the potential for waste-to-energy in the AMSS region has been presented, this output cannot be included as such.</p> <p>MGV, May 2, 2016:</p> <p>1) The project now includes a mechanism to increase financial flows to support low-carbon investments. Comment cleared.</p> <p>5) The project has been redesigned to show a more integrated approach. Comment cleared.</p> <p>7) Funding has been rearranged. Comment cleared.</p> <p>9) Waste-to-energy project has been removed. Comment cleared.</p>	
	6. Are socio-economic aspects,	XT, 10 March 2015: Yes.	

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	including relevant gender elements, indigenous people, and CSOs considered?	MGV, 19 October 2015: Yes.	
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• The STAR allocation?</li> </ul>	<p>XT, 10 March 2015: Yes.</p> <p>MGV, 19 October 2015: Yes, however the flexibility policy allows El Salvador to use only up to \$2 million from other focal areas. Therefore, the project amount must be reduced by \$70,000 to reflect this. This would leave El Salvador with \$71,888 leftover.</p> <p>MGV, May 2, 2016: The above comment is incorrect, as El Salvador has full flexibility. Please disregard. On the contrary, we encourage El Salvador to use all of its STAR allocation. With the current project, there would be \$1,888 left over.</p> <p>MGV, May 31, 2016: The programming of resources has been increased to enable El Salvador to use all of its STAR allocation. A new Endorsement Letter has been submitted.</p>	
	<ul style="list-style-type: none"> <li>• The focal area allocation?</li> </ul>	<p>XT, 10 March 2015: Yes.</p> <p>MGV, 19 October 2015: Yes.</p>	



## PIF Review

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	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	<p>XT, 10 March 2015: N/A</p> <p>MGV, 19 October 2015: N/A</p>	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	<p>XT, 10 March 2015: N/A</p> <p>MGV, 19 October 2015: N/A</p>	
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	<p>XT, 10 March 2015: N/A</p> <p>MGV, 19 October 2015: N/A</p>	
<b>Recommendations</b>	<p>8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?</p>	<p>XT, 10 March 2015: No. The project requires significant reconfiguration.</p> <p>MGV, 19 October 2015: No. Please answer the comments on Boxes 4, 5, and 7. In addition please consider the following comments:            1) Please fix Table D and E to match Table A, as all funds programmed are now under Climate Change.            2) The funding breakdown in Table B does not add up to \$3,616,895 - please fix.            3) Please separate the type of co-financing from each source into in-kind and grant amounts.</p> <p>The Secretariat recommends a phone consultation to discuss this project concept before a re-submission. Unless the project can be significantly redesigned to achieve a fully integrated approach, this project may not be recommended for further development.</p>	

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		<p>MGV, May 2, 2016: All comments cleared. This project is ready for clearance. Before proceeding, we encourage El Salvador to use all of its STAR allocation. With the current project, there would be \$1,888 left over. The remaining \$1,888 could be added to the investment component. If this is desirable, a new letter of endorsement would be required.</p> <p>MGV, May 31, 2016: A new letter of endorsement has been submitted reflecting the use of all of its STAR allocation for this project. The P.M. recommends CEO PIF clearance.</p> <p>MGV, March 21, 2017: An adjusted PIF and letter of endorsement has been submitted reflecting the available resources due to the shortfall. The P.M. recommends CEO PIF clearance.</p>	
<b>Review Date</b>	Review	March 20, 2015	
	Additional Review (as necessary)	October 19, 2015	
	Additional Review (as necessary)	May 02, 2016	

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>Project Design and Financing</b>	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?		

## CEO endorsement Review

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	10. Does the project have descriptions of a knowledge management plan?		
<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

<sup>3</sup> 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.