GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*

THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	**4893**		
Country/Region:	**India**		
Project Title:	**Promoting Industrial Energy Efficiency through Energy Management Standard, System Optimizaton and Technology Incubation**		
GEF Agency:	**UNIDO**	GEF Agency Project ID:	
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Climate Change**
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		**CCM-1; CCM-1; CCM-2; CCM-2; Project Mana;**	
Anticipated Financing PPG:	**$0**	Project Grant:	**$4,465,455**
Co-financing:	**$27,360,000**	Total Project Cost:	**$31,825,455**
PIF Approval:		Council Approval/Expected:	**June 01, 2012**
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Ming Yang**	Agency Contact Person:	**Sanjaya Shrestha,**

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	MY, 3/22/2012. Yes.	
	2. Has the operational focal point endorsed the project?	MY, 3/22/2012. Yes.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	MY, 3/22/2012. Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	MY, 3/22/2012. There is no non-grant istrument in the project.	

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

[1] Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	5. Does the project fit into the Agency's program and staff capacity in the country?	MY, 3/22/2012. Yes.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	MY, 3/22/2012. Yes.	
	• the focal area allocation?	MY, 3/22/2012 India has enough STAR CC allocation funds for the project. As of March 22, 2012, India has used US$17.95 million out of US$93.75 million STAR CC allocation funds. The country has a remainder of more than US$ 70 million.	
	• the LDCF under the principle of equitable access	MY, 3/22/2012. NA	
	• the SCCF (Adaptation or Technology Transfer)?	MY, 3/22/2012. NA	
	• Nagoya Protocol Investment Fund	MY, 3/22/2012. NA	
	• focal area set-aside?	MY, 3/22/2012. NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	MY, 3/22/2012. Yes, but there is a bit of work to do. Please delete bullet 2.3 in Table A on page 1, and put the funds in the bullet to other rows in Table A. MY, 4/10/2012. PIF revised and cleared.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	MY, 3/22/2012. Yes.	
	9. Is the project consistent with the recipient country's national	MY, 3/22/2012. Yes.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?		
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	MY, 3/22/2012. Not at this time. India is a large country. The numbers of people to be trained during the project (60 experts to implement ISO 50001, 60 in system optimization, and 400 industrial technical personnel) are not enough. Please specify sustainability of the project. Will these trained people become trainers during and the project implementation? If so, how will this on-going training be guaranteed? MY, 4/10/2012. PIF revised and cleared. The project will provide training for 1,400 local professionals.	
	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	MY, 3/22/2012. Yes.	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Design	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	MY, 3/22/2012. Yes, but not enough. Although there are descriptions on baseline and incremental reasoning, the linkage of these two scenarios are not strong. As UNIDO's engagement in India on this subject (without GEF) is not clearly described, the baseline for UNIDO cannot be deciphered from the current PIF. This leads to lack of clarity and specificity in the incremental reasoning section. Please describe this in detail. There is no methodology showing how the GHG emission reductions will be achieved from the baseline scenario to GEF financing scenario. Please clarify how the 721,650 metric tons of direct CO2 emission reductions are estimated, so are the 2,098,438 metric tons of indirect CO2 emission reduction. MY, 4/10/2012. PIF revised and cleared.	
	14. Is the project framework sound and sufficiently clear?	MY, 3/22/2012. Not very clear at this time. Please specify what kind of investments will take place with the $1,700,000 GEF funds and $13,000,000 co-financing funds. Is it a soft asset or hard asset investment? Please also allocate additional GEF resources on the investment portion, rather than general capacity building	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		and awareness raising. MY, 4/10/2012. PIF revised and cleared.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	MY, 3/22/2012. Not a this time. See Box 13. Please define the applied methodology and assumptions clearly. MY, 4/10/2012. PIF revised and cleared.	
	16. Is there a clear description of: a) the socio-economic benefits, 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?	MY, 3/22/2012. Yes.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	MY, 3/22/2012. Yes.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	MY, 3/22/2012. It does not take into acccount the risks very well. For example, the rating for "Financial Risk" is not realistic. As per the PIF, it is rated "Low", and it can be mitigated by UNIDO's training program to build capacity for the industry. The efficiency gap (short of investment) in Indian industry is not only due to the lack of capacity. There are a lot of other barriers. Please revise it. MY, 4/10/2012. PIF revised and cleared.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	MY, 3/22/2012. Yes. But please stress that this project is different from others and justify the value-added of this project to the country. MY, 4/10/2012. PIF revised and cleared.	
	20. Is the project implementation/ execution arrangement adequate?	MY, 3/22/2012. Yes.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	MY, 3/22/2012. Yes.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	MY, 3/22/2012. Please specify if the in-kind contribution of "the National Government" and "Others" contain cash (refer to Table C on page 3). MY, 4/10/2012. PIF revised and cleared.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	MY, 3/22/2012. The co-financing amount is not acceptable at this time. Overall, the ratio of GEF funds to co-financing funds is 1:4.7. For the component of Investment (on page 2), the ratio is 1.7:13, or 1:7.6. Please raise both ratios.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		Also, the UNIDO co-financing is extremely low, raising questions about the UNIDO baseline and ability and commitment of the Agency to manage a $25 million project with only $60,000 in-kind and $60,000 cash co-financing. MY, 4/10/2012. PIF revised and cleared. The ratio of GEF funds to co-financing funds has been raised to 1:6.2 For the component of Investment, the ratio of GEF funds to co-financing funds has been raised to 1:11.3 44.7% of the GEF resource has been budgeted for investment.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	MY, 3/22/2012. Not at this time. The Agency will bring only $120,000 (50% cash and 50% in-kind contribution) to the $25 million project. The role of the Agency is to coordinate the implementation of the project. Please see comment in Box 25. MY, 4/10/2012. PIF revised and cleared. The agency raised its co-financing. It will bring $100,000 cash and $360,000 in-kind contribution to the project.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	**30. Is PIF clearance/approval being recommended?**	MY, 3/22/2012. Not at this time. Please see comments in Boxes 7, 10, 13, 14, 15, 18, 19, 24, 25, and 26. MY, 4/10/2012. The agency addressed all the issues and the PIF is cleared.	
	31. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	March 22, 2012	
	Additional review (as necessary)	April 10, 2012	
	Additional review (as necessary)		
	Additional review (as necessary)		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	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.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	MY, 4/10/2012: Not at this time. More activities should be planned and undertaken for the calculation of global environment benefits on top of baseline assessment. The PPG will become clearer and more readable, if the activities for GHG reduction calculation due to GEF financing are separated from the activities for baseline assessment. This should be reflected in the whole document including Table B (Proposed project preparation activities) and Annex A (tasks to be performed).
	2.Is itemized budget justified?	MY, 4/10/2012: Not at this time. Please justify why it costs GEFTF $37,000 and co-financing funds $ 40,000 to prepare project documents.
Secretariat Recommendation	**3.Is PPG approval being recommended?**	MY, 4/10/2012: Not at this time. Comments and issues indicated in Boxes 1 and 2 need to be cleared.
	4. Other comments	
Review Date (s)	First review*	
	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.