



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

GEF ID:	4900		
Country/Region:	India		
Project Title:	Scale Up of Access to Clean Energy for Rural Productive and Domestic Uses		
GEF Agency:	UNDP	GEF Agency Project ID:	4605 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-3; CCM-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,006,849
Co-financing:	\$32,500,000	Total Project Cost:	\$36,506,849
PIF Approval:		Council Approval/Expected:	April 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Hiroaki Takiguchi	Agency Contact Person:	Butchaiah Gadde

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	HT, April 24, 2012: Yes.	
	2. Has the operational focal point endorsed the project?	HT, April 24, 2012: Yes, an endorsement letter was signed by OFP Mr Pande in the amount of \$4.5 million.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	HT, April 24, 2012: Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	HT, April 24, 2012: The project includes loans as one of the financial mechanisms. Will the GEF funding be used for loans? Please clarify. It is unclear whether UNDP has a capacity to manage loans.  HT, July 12, 2012: The revised PIF explains that the GEF resources will not be used for loans.	

	5. Does the project fit into the Agency's program and staff capacity in the country?	HT, April 24, 2012: Yes.	
Resource Availability	6. 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>	HT, April 24, 2012: Yes.	
	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	HT, April 24, 2012: Yes.	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• Nagoya Protocol Investment Fund</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• focal area set-aside?</li> </ul>	N/A	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>HT, April 24, 2012: Not clear. While the proposal identifies CCM-3 (Promote Investment in Renewable Energy) as the focal area, the project framework uses the ambiguous term "clean and modern energy." Does the proposal focus on renewable energy? If that's the case, which renewable energy does the project target? Please clarify.</p> <p>HT, July 12, 2012: While the types of renewable energy that will be developed in the project have been provided, the PIF proposes to cover various renewable energy services. In order to achieve tangible results, please consider focusing on a few types of energy services</p>	

		<p>HT, August 28, 2012: Given the explanations in the revised PIF, please redesign the proposal so that it highlights lightening, cooking and irrigation. Although the proposal doesn't need to exclude other technology options, it should be designed to respond to the most basic energy services.</p> <p>HT, December 13, 2012: The proposal has focused on the targeted technologies. Also, per the GEFSEC/UNDP/MNRE in-person discussion in New Delhi on November 7, 2012, the PPG phase will identify the technology packages and candidate villages before CEO endorsement request is submitted. Comment cleared.</p>	
	<p>8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?</p>	<p>HT, April 24, 2012: Please address the comment in box 7.</p> <p>HT, July 12, 2012: See the comment in box 7.</p> <p>HT, August 28, 2012: See the comment in box 7.</p> <p>HT, December 13, 2012: Comment cleared.</p>	
	<p>9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?</p>	<p>HT, April 24, 2012: Please refer to the UNFCCC National Communication and the National Portfolio Formulation Exercise (NPFE) done by India.</p> <p>HT, July 12, 2012: The comment has not been addressed yet. Please address the comment.</p>	

		<p>The NPDF has been referred in the revised PIF. Please refer to the UNFCCC National Communication which the Government of India submitted to the UNFCCC Secretariat on May, 2012.</p> <p>HT, December 13, 2012: The PIF has referred to the National Communication. Comment cleared.</p>	
	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>HT, April 24, 2012: This will be examined after receiving responses to the comments for other items.</p> <p>HT, August 28, 2012: The Component 4 "Awareness and institutional capacity development" will contribute to the sustainability of project outcomes. Comment cleared.</p>	
Project Design	<p>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?</p>	<p>HT, April 24, 2012: Please explain the investment part of the baseline project.</p> <p>HT, July 12, 2012: The revised PIF explains that the five initiatives serve as the baseline projects. Please articulate which initiative will contribute to which project component.</p> <p>HT, August 28, 2012: Explanation on the baseline project has been provided. Comment cleared.</p>	
	<p>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?</p>		

	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?</p>	<p>HT, April 24, 2012: This will be examined after receiving responses to the comments for other items.</p> <p>HT, August 28, 2012: The revised PIF (footnote 18 on page 9) seems to describe that the GEF project will provide income-generating activities and enterprise promotion. Will these activities produce global environmental benefits? GEF funding is limited to incremental costs to achieve global environmental benefits. Please revise the text in order to avoid misunderstanding.</p> <p>HT, December 13, 2012: The misleading description has been corrected. Comment cleared.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>HT, April 24, 2012: Please address the following comments:</p> <p>a) Please clarify what types of energy the proposal will focus on. Approaches to meet the project objective will vary, depending on the types of targeted energy. The description of the global environmental benefit explains the project will implement a variety of interventions, which seems unrealistic. It is advisable to use more concrete terms rather than "clean and modern energy."</p> <p>Component 1: b) What entities will execute this component? How to select states, districts and villages? Please explain. c) Please describe what GEF-funding</p>	

power, biomass energy, cook stoves etc.).  
d) Without strong incentives, the private sector would not prepare business proposals. Will the capital loan be enough to involve the private sector? What is the rationale? Please justify.

Component 2:  
e) How will the expected outcomes and outputs be related to other components? Please explain.  
f) Please be more specific about the testing facilities. Is the establishment of the facility TA? Will it be operated by GEAC?

Component 3:  
g) What entities will execute this component?  
h) Please describe what GEF-funding will invest in (ex. solar power, wind power, biomass energy, cook stoves etc.).  
i) What are incentives to involve energy technology enterprises and service providers? How are their business models established? Please explain.  
j) The total funding of the investment component is \$12.1 million. If the funding is allocated to 100 villages evenly, the allocation per village is \$0.12 million. Will this amount of funding be enough to achieve the objective? Please justify.

Component 4:  
k) What entities will execute this component?

- a) While the types of targeted renewable energy have been provided, they vary significantly from solar home system to micro hydropower. In order to achieve tangible results, please consider focusing on a few types of energy services.
- b) The revised PIF explains MNRE is the executing agency of the component. Please describe it in main text rather than footnote. In addition, the Outputs 1.1.3 and 1.1.4 duplicate with 1.4.1 and 1.4.2. Please streamline them.
- c) d) The explanation should be added in main text rather than footnote how to use the GEF financing. More importantly, please narrow down the number of targeted villages and pilot projects. Implementing pilot projects in 100 villages seems difficult to manage. Given that the GEF plays a catalytic role, replication should be realized after the GEF financing.
- e) Relevance among components has been provided. Comment cleared.
- f) Notion of the testing facilities has been provided. Comment cleared.
- g) How will MNRE collaborate with NGOs/institutions? Please clarify.
- h) i) How is the Output 3.1.5 (Implementation of technology packages in 100 villages) different from the Output 1.4.3 (Installation of energy systems in 100 villages)? Is it possible to combine the activities? Please explain.
- j) The question still remains. Please consider narrowing down the number of targeted villages.
- k) Explanation has been provided.

		<p>HT, August 28, 2012:</p> <p>a) See the comment in box 7.</p> <p>b) The MNRE's role has been added. Explanation on the Outputs has been provided. Comment cleared.</p> <p>c) d) The number of the targeted villages has been narrowed down. Comment cleared.</p> <p>g) Explanation has been provided. Comment cleared.</p> <p>h) i) The explanation is still unclear. Does the Output 1.4.3 means the installation of 10 biomass gasifiers for power and 20 biomass gasifiers for thermal applications? If the installation of the gasfieres is included in the Output 3.1.5, what energy systems will be installed under the Output 1.4.3? Please be specific.</p> <p>j) The number of the targeted villages has been narrowed down. Comment cleared.</p> <p>HT, December 13, 2012:</p> <p>a) Comment cleared.</p> <p>h) i) It has been explained that the installation of the energy systems is part of technology package (Output 3.1.3). Comment cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>HT, April 24, 2012:</p> <p>Please explain how to estimate the direct CO2 emission reductions of 921,568 tCO2.</p> <p>HT, July 12, 2012:</p> <p>a) The anticipated GHG reductions are estimated based on the assumption that the applications will be implemented in 60 underserved villages and 30 un-</p>	



		<p>proposes: 100 pilot projects in 60 underserved villages and 40 un-served villages (Component 1); and the implementation of technology packages in 60 underserved villages and 40 un-served villages (Component 3). Please revise the proposal to ensure consistency.</p> <p>b) The GEF amount (USD 6.718 million) is incorrect. Please revise it.</p> <p>HT, August 28, 2012:</p> <p>a) Will all the applications (solar package for lighting, PV pumping for irrigation, biomass-cookstove and biomass gasifiers) be implemented in 60 targeted villages? Or will each village choose the best application? Please clarify.</p> <p>b) The GEF amount has been corrected. Comment cleared.</p> <p>HT, December 13, 2012:</p> <p>a) Explanation has been provided. In the CEO endorsement stage, please articulate which technology packages are proposed to be implemented in which villages with rationales. In addition, please justify the cost-effectiveness of the project with more detailed methodologies and assumptions. Comment cleared.</p>	
	<p>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?</p>	<p>HT, April 24, 2012: Yes.</p>	

	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>HT, April 24, 2012: Not clear. To achieve the project objective, public participation should be fully taken into consideration. Please explain what entities contact households and communities in what ways.</p> <p>HT, July 12, 2012: Explanation has been provided. Comment cleared.</p>	
	<p>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)</p>	<p>HT, April 24, 2012: Please add unsuccessful involvement of the private sector as a risk and mitigation measures.</p> <p>HT, July 12, 2012: The risk has been added. Comment cleared.</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>HT, April 24, 2012: No. Please describe the lessons learned from the past and on-going GEF projects in India.</p> <p>HT, July 12, 2012: Still not clear. Please describe how the specific renewable energy activities in the proposal (ex. solar lantern, PV pumping, biomass gasifiers, micro hydropower) have been implemented in the past and on-going projects and, in doing such exercises, redesign the proposal so that the proposal makes a difference from other projects.</p> <p>HT, August 28, 2012: Please address the following comment. a) The previous comment has not been addressed. Please describe how the specific renewable energy activities in the proposal (ex. solar lantern, PV</p>	

		<p>hydropower) have been implemented in the past and on-going projects.</p> <p>b) The Agency's response describes that dispersed nature of selection of villages diluted the efforts and could not get adequate technical back-up support. Please explain how the proposed PIF address this lesson.</p> <p>HT, December 13, 2012: a) b) Explanation has been provided. Comment cleared. In the CEO endorsement stage, please elaborate the originality of the project, including demonstration of different aspects (e.g. geographic priorities) and different tools from the World Bank's rural renewable energy project proposal.</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>HT, April 24, 2012: Please explain a mechanism to coordinate multiple stakeholders.</p> <p>HT, July 12, 2012: A mechanism to coordinate multiple stakeholders has been provided. However, the project proposal should be redesigned, as in other comments, to ensure adequate project implementation in terms of the types of renewable energy services and the number of targeted villages.</p> <p>HT, August 28, 2012: See the comment in box 7.</p> <p>HT, December 13, 2012: Comment cleared.</p>	
	<p>21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		

	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?	<p>HT, April 24, 2012: No. The percentage of the Project Management Cost (PMC) before PMC is 5.3% (= 199,500/3,990,000). It should not exceed 5% without clear justification. In addition, the ratio of GEF PMC to total PMC should be the same as the ratio of the GEF project grant to total project cost.</p> <p>HT, July 12, 2012: Please address the comment on April 24. The GEF Trust Fund PIF Preparation Guidelines (November 2011) articulates that PMC should not exceed the threshold percentage of the GEF project grant amount before PMC. In addition, the ratio of GEF PMC to total PMC is still too high, compared to the ratio of the GEF project grant to total project cost. Please revise it.</p> <p>HT, August 28, 2012: The percentage of the revised PMC is 4.7%. Although the ratio of GEF PMC to total PMC is still higher than the ratio of the GEF project grant to total project cost, it has been improved compared to the previous PIF. Comment cleared.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	HT, April 24, 2012: Regarding co-financing from energy access project developers (\$11.175 million) and financial institutions (\$11.175 million), is it possible to document the corresponding expressions of interest from those sources?	

		<p>responses to the comments for other items, this question will be examined.</p> <p>HT, July 12, 2012: The letter issued from MNRE dated on February 17, 2012, describes the GEF grant is USD 6.72 million. Does MNRE agree to the proposed GEF grant (USD 3.99 million)? Please clarify.</p> <p>HT, August 28, 2012: Explanation has been provided. Comment cleared.</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>HT, April 24, 2012: The proposed co-financing is \$32.5 million. On the other hand, the India's NPDF assumes \$60 million as co-financing for this project. Please explain the reason of the difference.</p> <p>HT, July 12, 2012: Explanation has been provided. Comment cleared.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>HT, April 24, 2012: UNDP is providing \$150,000, which is 0.46% of the total co-financing. This amount does not reflect its role in the project. Please consider to increase the co-financing by UNDP.</p> <p>HT, July 12, 2012: Does the response mean that UNDP will explore possibility to increase its financing during the project preparation stage? Please clarify.</p> <p>HT, August 28, 2012: Explanation has been provided. Comment cleared.</p>	
Project Monitoring	27. Have the appropriate Tracking Tools		

	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?		
<b>Secretariat Recommendation</b>			
Recommendation at PIF Stage	<b>30. Is PIF clearance/approval being recommended?</b>	<p>HT, April 24, 2012:  Not at this stage. Please address the above comments. We are concerned that the project as designed and proposed does not have a clear strategy for addressing the barriers to expanded use of renewable energy for rural applications based on lessons learned from 20 years of renewable energy projects in India. Many of those projects were GEF funded and implemented by UNDP, the World Bank, and others. An acceptable project design would describe the successes and failures of those prior projects, identify key unresolved barriers, and propose activities which comprise best practices. Before this project can proceed, we expect identification of the lessons learned from the past and on-going projects, including dropped ones, and articulation of what is different about this proposal in the PIF.</p>	

		<p>Not at this stage. Please address the comment in box 7, 9, 11, 14, 15, 19, 20, 23, 24, 26. In addressing the comments, the GEF Secretariat suggests to redesign the proposal to achieve tangible results. In particular, the types of renewable energy services and the number of targeted villages should be narrowed down. Furthermore, the responses to the comments should be reflected in main text rather than footnote. Before submitting a revised PIF, it should be discussed with the GEF Secretariat.</p> <p>HT, August 28, 2012: Not at this stage. Please address the comment in box 7, 9, 13, 14, 15, and 19.</p> <p>HT, December 13, 2012: All comments are cleared. The PIF has been technically cleared and may be included in an upcoming Work Program.</p>	
	<p>31. Items to consider at CEO endorsement/approval.</p>	<p>HT, December 13, 2012: Please address the following items at the CEO Endorsement stage if it is included in a Work Program:</p> <ul style="list-style-type: none"> <li>a) Articulate which technology packages are proposed to be implemented in which villages with rationales.</li> <li>b) Justify the cost-effectiveness of the project with more detailed methodologies and assumptions;</li> <li>c) Elaborate the originality of the project, including demonstration of different aspects (e.g. geographic priorities) and different tools from the World Bank's rural renewable energy project proposal;</li> <li>d) Elaborate key stakeholders to</li> </ul>	

		effective way. For example, it is inconsistent to include the Petroleum Conservation Research Association as one of the key stakeholders while the project will not consider any fossil-fuel related activities. In addition, identify private companies to join the project and explain their specific role in sustaining the activities of the project; e) Ensure the visibility of the GEF financing, including use the GEF logo on all material, publications, leaflets, brochures and newsletters, websites etc.	
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?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	April 24, 2012	
	Additional review (as necessary)	July 12, 2012	
	Additional review (as necessary)	August 28, 2012	
	Additional review (as necessary)	December 13, 2012	
	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?	HT, December 13, 2012: Please address the following comments: a) Please correct the project preparation timeframe (2 years). Agencies and countries are requested to prepare the project and secure CEO endorsement within 18 months after a PIF is approved by the Council. b) Please revise the activities, if necessary, taking into consideration the items to



	2. Is itemized budget justified?	HT, December 13, 2012: Yes.
Secretariat Recommendation	<b>3. Is PPG approval being recommended?</b>	HT, April 24, 2012: PPG will not be recommended before PIF recommendation.  HT, December 13, 2012: Please address the comments in box 1.
	4. Other comments	
Review Date (s)	First review*	December 13, 2012
	Additional review (as necessary)	

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