

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 5)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: May 08, 2012

Screeener: Lev Neretin

Panel member validation by: Nijavalli H. Ravindranath
Consultant(s):

I. PIF Information *(Copied from the PIF)*

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 4918

PROJECT DURATION : 5

COUNTRIES : India

PROJECT TITLE: Partial Risk Sharing Facility for Energy Efficiency

GEF AGENCIES: World Bank

OTHER EXECUTING PARTNERS: Government of India's Partial Risk Guarantee Facility for Energy Efficiency

GEF FOCAL AREA: Climate Change

II. STAP Advisory Response *(see table below for explanation)*

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies): **Consent**

III. Further guidance from STAP

The project aims at the development of the performance contracting industry in energy efficiency in India through partial risk sharing with commercial lenders. This PIF mainly aims at developing financial instruments for performance contracting and implementation of performance contracting schemes. STAP has no serious suggestions to make as financial mechanisms and not technologies are in the focus of this proposal. A few minor recommendations are provided below:

1. This is a very large project and one would have expected a detailed analysis of the baseline project status giving the justification for the proposed interventions including analysis of existing barriers and suitability of interventions. There is a vast existing market for efficient lights, refrigerators, air conditioners, etc. in India - and data certainly exists.
2. India has been implementing a large number of innovative technical and financial mechanisms to promote energy efficiency. The Bureau of Energy Efficiency itself is well regarded and it has implemented many innovative mechanisms. In addition, many bilateral and multilateral institutions funded programmes to promote market development for EE in India. Lessons learnt from such large past and ongoing interventions should be considered in this project and analyzed during project preparation.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
2. Minor revision required.	STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include: (i) Opening a dialogue between STAP and the proponent to clarify issues (ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
3. Major revision required	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement.

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