



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

GEF ID:	<b>5361</b>		
Country/Region:	<b>India</b>		
Project Title:	<b>Market Transformation and Removal of Barriers for Effective Implementation of the State Level Climate Change Action Plans</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>4606 (UNDP)</b>
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-2; CCM-3;</b>		
Anticipated Financing PPG:	<b>\$150,000</b>	Project Grant:	<b>\$3,744,438</b>
Co-financing:	<b>\$25,000,000</b>	Total Project Cost:	<b>\$28,894,438</b>
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>David Elrie Rodgers</b>	Agency Contact Person:	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating <b>country eligible</b> ?	DER/KC April 09, 2013. Yes	
	2. Has the <b>operational focal point</b> endorsed the project?	DER/KC April 09, 2013. Yes. GEF OFP Mr. Hem Pande, Ministry of Environment and Forests India endorsed the project on March 14, 2013 for \$3,999,816 inclusive of PPG and Agency fee.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>	DER/KC April 09, 2013. Yes. India has \$18,264,410 left in its climate change STAR allocation. A letter of endorsement has been received for a World Bank	

		<p>leaving a balance of \$4,264,410. This amount is higher than the endorsement letter for the subject project.</p> <p>DER/KC August 22, 2013. No. The requested project amount, including fees and PPG, is \$4,264,410. This is higher than the amount in the endorsement letter. The response indicates a revised endorsement will be submitted, but he revised endorsement letter is missing. Either the project amounts must be adjusted or the endorsement letter modified.</p> <p>DER/KC August 28, 2013. Yes. Comments Cleared. Revised LOE attached with correct amount.</p>	
	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	<p>DER/KC April 09, 2013. Yes. DER/KC April 09, 2013. Yes. India has \$4,264,410 left in its climate change STAR allocation after other pending projects are taken into account.</p>	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>	<p>NA</p>	
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>	<p>NA</p>	
	<ul style="list-style-type: none"> <li>• the Nagoya Protocol Investment Fund</li> </ul>	<p>NA</p>	
<p><b>Strategic Alignment</b></p>	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?  <i>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</i></p>	<p>DER/KC April 09, 2013. Yes. The proposed project targets support for successful implementation of state-level climate change actions in the state of Madhya Pradesh and Manipur under CCM-2 and CCM-3 as indicated in Table A. However, further clarifications are required for components listed under Table B as it does not appear that proposed activities match the 50/50 split</p>	

	<i>achieving the Aichi target(s).</i>	clarify.  DER/KC August 22, 2013. Comments cleared. More detailed illustrations of investment components will be submitted at CEO endorsement.	
	5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	DER/KC April 09, 2013. Yes.	
Project Design	6. Is (are) the <b>baseline project(s)</b> , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	DER/KC April 09, 2013. a) The description of the State action plans is helpful. Please clarify which States have already submitted their action plans and which have not. Please clarify if the proposed subject States of Madhya Pradesh (MP) and Manipur have submitted their plans or not. b) At various points in the document, the renewable energy capacity of MP is described as 2.5%; then later both States are described as 2.5%. Please clarify.  DER/KC August 22, 2013. a) Comments cleared. b) Comments cleared.	
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	DER/KC April 09, 2013. The project consists of the following components: 1. Framework for the implementation of climate change mitigation options in the SAPCCs 2. Demonstration of the application of feasible CCM measures 3. Capacity development of relevant state government officials in Madhya Pradesh and Manipur  Please address the following comments:	

justification for the linkage between the State Action Plans activities (component 1) and the investments that will be identified in the same project (component 2).

Component 1:

b) We expect the planning, modeling, and inventory activities to take center-stage.

i. These activities must be incremental to the country's national action plan and should feed in to sectoral/sub-sectoral NAMA activities at the State-level.

ii. The results should be a strong set of scenarios for achieving climate targets, comparing many optional choices for energy efficiency, renewable energy, and other low-GHG pathways against credible baselines. This will support development of NAMAs in those potential sectors, and will also avoid duplication.

iii. Further, the project should support the State Action plans by a focus on regulatory and policy frameworks to accelerate the uptake of commercially available technologies. The project must go well beyond "road-maps" and to the regulatory and policy implementation of the State Action plan.

iv. A significant amount of the work should be done during the project preparation phase in order to not only establish baselines and inventories, but prioritize a set of pathways that will be selected for the investment portion of the project.

Component 2:

c) We expect this component to be investment, not TA, or a blend of TA and INV. Please clarify.

description "demonstrations" or "pilots." GEF, UNDP, and India have demonstrated all types of mitigation technologies in dozens of projects. Now is the time for investments in innovative business models with the potential for scaling up. Instead of pilots or demonstrations, use "Launch of Selected Priority Low Carbon Pathways" or "Kick-start Investment" or "Catalytic Investments in Clean Energy." Please clarify.

e) The investment portion of the project must be tied to very specific types of investments that are identified during the project design phase and justified at CEO endorsement. These investments must meet standard GEF requirements for project approval and incremental reasoning. The project design team should keep in mind that reviewers will examine all GEF requirements, including the following examples:

i. The investment can be in the form of capital investments (e.g., street lighting, waste-to-energy) or in regulatory policy (e.g., building codes), but must be clearly determined before CEO endorsement.

ii. Baselines for the investment portion must be specific to the types of investments to be made

iii. GEF funding for the investment must be based on incremental reasoning (e.g., without the GEF investment, the street lighting will be 50% less extensive and achieve GEB.)

iv. Co-financing for the investment must be clearly linked with the actual investment, not just attributed to the project as whole without linkage to the investment. Co-financing ratios must be

investments. Please clarify what types of investment are eligible for the MoEF co-financing.

v. The GEB estimates for the investment must be specific and linked to the GEF incremental investment. Existing and baseline State/Federal incentive programs for clean energy investment must go into the baseline/business as usual benefits estimate, not the incremental benefits.

(e.g., National incentives loan programs for energy efficient buildings goes into the baseline “not the incremental)

vi. Existing GEF projects in the country that promote similar approaches should be noted and duplication avoided. The project cannot claim double-counting benefits for an existing GEF project.

f) There should be an emphasis on speed and regulatory implementation. We would like to discuss with the project team a reasonable time-line for the development of the State Action plans regulatory implementation and a separate time-line for the investments.

#### Component 3

g) We believe the MRV elements of this component are the most important. Please add emphasis, resources, and clarifications. Component 1 also mentions design of MRV. Please eliminate any duplication and clarify. Furthermore, the MRV should not just be a tracking/performance assessment on "how well did the State implement its action plan" but should be clearly identified MRV methodologies for specific climate mitigation actions that can be reported to the National

NAMA quality level and standardized.  
h) Will the MRV developed in this project with GEF resources be applied be endorsed by MoEF for application to other States? Please clarify.

DER/KC August 22, 2013.

a) Response provided is sufficient.  
Comment cleared.

b) Response provided is sufficient. In response sheet, p.3. (ii), baseline and scenario analyses, "These could include establishment of new RE-based energy production facilities, conversion of fossil fuel-fired energy production facilities to RE fuels, and the implementation of EE and energy conserving projects in existing fossil fuel-fired energy production units (e.g., improving heat rates of oil-fired thermal power plants)." Please clarify if GEF supported activities on EE will include investment in oil-fired thermal power plant efficiency improvements--as this would not be eligible for GEF funding. Please clarify.

c) Component 2 is blend of TA and INV.  
Comment cleared.

d) Term "investment project" is used.  
Comment cleared.

e) Response provided is sufficient.  
Comment cleared.

f) Response indicates that policies and MRV will be carried out at the start of the project. Comment cleared.

g) Comment cleared.

h) Response indicates MOEF will institutionalize the MRV. Comment cleared.

		Cleared.	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>DER/KC April 09, 2013.</p> <p>a) We need to see more clearly the separation between the benefits from the TA to the State action plans and the INV component.</p> <p>b) The preliminary estimates provided on page 9 provided for very large capacity installations with very little linkage to the amounts identified in the project. 21 MW of solar PV, which is only part of the claimed result, would require a capital investment larger than the entire project and co-financing listed. Please justify the very ambitious GHG benefits estimates and clarify.</p> <p>c) The benefits estimates need to be consistent with the focal area allocation in Table A, which presents 50% energy efficiency and 50% renewable energy.</p> <p>DER/KC August 22, 2013. Comments cleared.</p>	
	9. Is there a clear description of: a) the <b>socio-economic benefits</b> , 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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	DER/KC April 09, 2013. Yes	



	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)</p>	<p>DER/KC April 09, 2013  a) Please clarify the risk of lack of regulatory adoption of the State action plan.</p> <p>DER/KC April 22, 2013. Comment cleared.</p>	
	<p>12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?</p>	<p>DER/KC April 09, 2013.  a) Please clarify the existing UNDP project level support for other State Action Plans. We seek delineation between where the existing UNDP core project and the proposed GEF project.  b) Coordination with the proposed UNDP and WB projects on rural energy access should be documented.</p> <p>DER/KC August 22, 2013. Comments cleared.</p>	
	<p>13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b></p> <ul style="list-style-type: none"> <li>• Assess whether the project is innovative and if so, how, and if not, why not.</li> <li>• Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>• Assess the potential for scaling up the project's intervention.</li> </ul>	<p>DER/KC April 09, 2013.  a) If, as we understand it, the UNDP is already supporting State Action plans in several other States, then is this project really innovative or just "more of the same" extended to two additional states? Please clarify.  b) We need to see clearly that the component 1 will emphasize regulatory and policy adoption of sustainable elements in the State Action plan; and that component 2 will support business models with potential for scaling.</p> <p>DER/KC August 22, 2013.  a) In response sheet, p.10. (a), "The other Indian states can adjust and implement their SAPCCs based on the experiences and lessons learned from the SAPCC implementations in the 2 states." Please clarify to what extent UNDP is involved in promoting the results/awareness of this</p>	

		<p>replication and scaling up in other states?  b) Comments cleared.</p> <p>DER/KC August 28, 2013. Comments Cleared.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>DER/KC April 09, 2013.  a) Component 1 seems over-priced for the amount of work described. Please expand the emphasis on regulatory and policy development.  b) Please delineate TA and INV for Component 2.  b) Component 3 should spend significant resources on the MRV portion (part ii). Otherwise it is over-priced. Consider moving some of the resources to component 1 for the MRV development.</p> <p>DER/KC August 22, 2013.  a) Comments cleared.  b) Comment cleared.  c) Comments cleared.</p>	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	<p>DER/KC April 09, 2013.  a) The UNDP amount of \$500,000 in cash is fine.  b) The MoEF in-kind contribution of \$22,500,000 is not well described. Are these existing national incentive programs for clean energy technologies? Please clarify the linkage with component</p>	

		<p>incremental to the baseline.</p> <p>DER/KC August 22, 2013.  b) The response is just sufficient at the PIF stage. However, it is not fully clear if the in-kind co-financing is allocated to the baseline or to the GEF incremental project activities. All sources of co-financing should be clearly described at CEO endorsement.</p> <p>DER/KC August 28, 2013. Comments Cleared.</p>	
	18. Is the funding level for <b>project management cost</b> appropriate?	DER/KC April 09, 2013. Yes	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	<p>DER/KC April 09, 2013. A PPG of \$150,000 is requested. This is at the maximum upper limit for projects up to \$6 million. For this high level of PPG, comprehensive and quick efforts to clearly identify the investment portions of the project (component 2) are needed.</p> <p>DER/KC April 22, 2013. Comment cleared.</p>	
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?	NA	
Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		

	<ul style="list-style-type: none"> <li>• Convention Secretariat?</li> </ul>		
	<ul style="list-style-type: none"> <li>• The Council?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Other GEF Agencies?</li> </ul>		
Secretariat Recommendation			
Recommendation at PIF Stage	<b>24. Is PIF clearance/approval being recommended?</b>	<p>DER/KC April 09, 2013. Not at this time. Please address the comments in boxes:</p> <p>In sum, please include: a stronger emphasis on policy/regulatory implementation of the State Action plans; investment components that are planned during the PPG phase and can meet all GEF requirements; and a very strong emphasis on MRV.</p> <p>DER/KC August 22, 2013. Not at this time. Please address the comments in boxes: 3, 7, 13, and 19.</p> <p>DER/KC August 28, 2013. Yes. Comments cleared. This project is technically cleared and can be considered for a future work program.</p>	
	25. Items to consider at CEO endorsement/approval.	<p>DER/KC August 22, 2013. Please note the need to confirm how the in-kind co-financing is allocated to the baseline activities or the incremental activities of the project. More detailed illustrations of investment components will be needed.</p> <p>DER/KC August 28, 2013. The GEF agency is also advised to use the GEF/STAP GHG methodologies, wherever applicable.</p>	
Recommendation at CEO Endorsement/Approval	<b>26. Is CEO endorsement/approval being recommended?</b>		
	First review*	April 09, 2013	

	Additional review (as necessary)	August 28, 2013	

**\* 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.**