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

GEF ID:	**9249**		
Country/Region:	**India**		
Project Title:	**Grid-Connected Rooftop Solar PV Program**		
GEF Agency:	**World Bank**	GEF Agency Project ID:	**155007 (World Bank)**
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Climate Change**
GEF-6 Focal Area/ LDCF/SCCF Objective (s):		**CCM-1 Program 1;**	
Anticipated Financing PPG:		Project Grant:	**$22,935,780**
Co-financing:	**$777,000,000**	Total Project Cost:	**$799,935,780**
PIF Approval:		Council Approval/Expected:	**April 01, 2016**
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**David Elrie Rodgers**	Agency Contact Person:	**Gevorg Sargsyan**

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework?[1]	DER, August 7, 2015. Not quite. The project activities align well with CCM Program 1, which includes policies needed to promote demonstration, deployment, and financing. However, they do not align well with Program 2. In order to qualify for Program 2, project activities must be designed for "Supporting the design of innovative policy packages addressing climate mitigation	

[1] 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)?

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		concerns and socio-economic consequences." Or "Demonstrating a performance-based mechanism linked to emission reductions" or "Supporting measures to de-risk low-emission investments." More information can be found in the GEF-6 Programming Directions document (GEF/A.5/07/Rev.01, May 22, 2014), pages 63-64. a) Please revise the GEF data sheet to reflect CCM Program 1 in Table A. DER, October 13, 2015. Datasheet has been amended. Comment cleared.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	DER, August 7, 2015. Yes. The project supports the Government of India efforts to significantly expand use of solar energy and achieve installation of 100 GW by 2022.	
Project Design	3. Does the PIF sufficiently indicate the drivers[2] of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	DER, August 7, 2015. Yes. India's power system needs to grow rapidly to fuel its economic growth and provide electricity to its growing population. During the last decade, India's economy expanded at an average annual rate of 7.6 percent, placing it among the top 10 of the world's fastest growing nations; projections are for such high rates of growth to continue. The Government	

[2] Need not apply to LDCF/SCCF projects.

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		of India (GoI) wants a growing share of the country's electricity to come from renewable energy. GoI has set an ambitious goal of providing uninterrupted power for all homes, industrial and commercial establishments and adequate power for farmers by 2022. Currently, India relies largely on coal, both domestic and imported, for two thirds of its electricity requirements. Based on its massive energy requirements to match its economic growth aspirations, GoI recognizes that it must supplement non-renewable sources with cleaner and abundant renewable sources. It has accordingly announced plans to quadruple India's renewable energy capacity to 175 gigawatts by 2022, which is expected to require more than $150 billion in investments. Of that goal, 100 gigawatts is expected from solar PV of which 40% is expected from grid-connected rooftop solar PV the subject of this project.	
	4. Is the project designed with sound incremental reasoning?	DER, August 7, 2015. a) The justification is strong, but not sufficient. During discussions on the ground in India with Ministry of Power, Ministry of New and Renewable Energy, and the World Bank, there was strong agreement that this high-priority project of the	

PIF Review

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		Government of India was to be funded at $50 million GEF funding. This level of funding would have made a significant impact on attracting private sector solar PV developers to access the Bank loan. Please explain if the project can achieve higher benefits with more GEF resources and justify the incremental reasoning for a $25 million project versus a $50 million project. b) In the original concept proposed by the World Bank, the role for the distribution companies (discoms) was much smaller due to the financial situation of the discoms as noted in the project documents. Please justify the change in project approach and why much of the project proposes to now work with discoms. c) The project documents argue that risk mitigation is needed, stating: "10. Public funds are essential for risk mitigation in an initial phase of rooftop PV, to enhance the interest and capacity of domestic banks. " However, the project concept does not clarify where domestic banks are providing lending for the solar PV or how domestic banks will be involved. Instead, co-financing only comes from the World Bank loan and the State Bank of India (in a very small	

PIF Review

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		amount). Please clarify if the project will be successful in catalyzing domestic bank investment, and if so, how much, and please add this amount to the co-financing in Table C of the GEF datasheet. If no domestic bank funding is catalyzed, then please justify the added value of risk mitigation. d) Paragraph 10 also mentions MNRE funds, but does not specify which MNRE funds or how much. Please clarify if MNRE funds are to be co-financing for this project. e) Proposed activities identified in paragraph 14 of the PCN are not reflected in the proposed components. Please clarify. f) We recommend the PCN include a program environmental objective (PEO) to address greenhouse gas emissions reduction. DER, October 13, 2015. a) The Agency has worked with the Government of India to maximize resources for this project. The project has been designed to capitalize on the resources available and is ready for submission to the Country Director. b) The project will work with discoms to enhance the delivery of the solar PV systems. Additional project design elements will be explicated before the	

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		quality enhancement review (QER). Comment cleared. c) The State Bank of India will indeed put its own sources at risk as the World Bank loan will require repayment. The effect of the GEF/World Bank investment will be to catalyze this national bank funding. Comment cleared. As the project moves towards Board approval, please work with the Secretariat to ensure that the Table C in the GEF datasheet is reflective of the co-financing partners. d) The specific role for MNRE is still being developed in consultation with the Government of India. This will be explicated before the QER. Comment cleared. e) The datasheet should be upgraded at the time of the QER. f) The PCN does not yet include a program environmental objective. We suggest it be added at this stage and reflected in the PCN and PCN minutes.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	DER, August 7, 2015. Please address the following comments: a) Table B indicates the Climate Technology Fund. Table C indicates the Climate Investment Fund. Please clarify. b) In the GEF datasheet, Component	

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		2A shows GEF resources of $10 million for the first loss facility and $20 million of co-financing. Please clarify where the co-financing comes from and how the size of the first loss facility is justified. c) In the GEF datasheet, Component 2B there is no co-financing. It is doubtful the efforts will be successful without co-financing and support from important partners. Please identify which partners will be able to provide co-financing. d) In the GEF datasheet, Component 2C is not well justified. The solar initiative in India has the highest level of international and national attention. Newspapers in India are advertising rooftop Solar PV installation. Please eliminate this component and dedicate resources to a more critical component. If the Bank wishes to support this activity under the PforR Program as identified on page 7-8 of the PCN, this should be funded by co-financing and recorded in the co-financing component not GEF funding. e) Co-financing amounts from the Government of India, through MNRE and SBI, are very small and do not appear sufficient to demonstrate support for this initiative. Please identify additional co-financing	

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		resources. d) In the PCN, result area 2 and 3 both propose outcome indicators on local air quality. Is this a typo? f) The project components are not clearly aligned with the GEF datasheet and somewhat confusing. Each activity needs to be better justified. Please clarify how the risk mitigation fund will be established by MNRE and not by SBI? Please explain who will assess the potential losses and how they will be covered? Please document why MNRE has been chosen to operate the risk fund and what experience/expertise they have in this area. Furthermore, as there is no commercial lending identified in the project, it is not clear what risk is being mitigated? Will the risk fund mitigate the risk of the World Bank loan to SBI taking a loss? Without GEF funding, would the Government of India be required to pay back the full Bank loan regardless of losses? Who will be the main beneficiary of GEF risk mitigation? Please clarify. g) The pilot net metering and large scale demonstration pilots proposed to be funded by GEF are not justified in the document. If the MNRE goal of 10 GW installation in three years is to be achieved, the opportunity for a	

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		GEF/World bank funded pilot to have influence is very small. Without stronger justification, this project component should be dropped. Justification would need to include: what percentage of the proposed 750 MW solar PV will be grid connected; which discoms have net metering policies; which states are enforcing net metering requirements; which of the prospective customers for solar PV will require net metering; and what net metering standards are in use in India, among other justifications. DER, October 13, 2015. a) Comment cleared. b) Specific features will be explicated before the QER. c) Specific features will be explicated before the QER. d) Specific features will be explicated before the QER. e) The specific role for MNRE will be explicated before the QER. f) The revised PCN has a more focused approach using SBI. The loan will be paid back, therefore SBI and its private sector partners will be the main beneficiary of the GEF risk mitigatino. Comment cleared. g) Specific features will be explicated before the QER.	
	6. Are socio-economic aspects, including	DER, August 7, 2015. Yes.	

PIF Review			
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	relevant gender elements, indigenous people, and CSOs considered?		
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• The STAR allocation?	DER, August 7, 2015. Yes.	
	• The focal area allocation?	DER, August 7, 2015. Yes, however, there is a mismatch between the requested amount and the letter of endorsement signed by the OFP on July 31, 2015 in the amount $25,000,000, including project amount of $22,250,000 and agency fee of $2,250,000. The requested amount is higher than the amount indicated in the letter of endorsement. Either adjust the request to to match the endorsement letter or request a new endorsement letter. DER, October 13, 2015. Thank you for adjusting the figures. However, the agency fee for this project cannot exceed 9% of the GEF Project Financing. For a total OFP endorsement level of $25 million, the maximum GEF agency fee of 9% is 2,064,220 and the GEF Project Financing amount must be 22,935,780. Please correct and re-submit the datasheet to allow GEF clearance.	
	• The LDCF under the principle of equitable access		

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	• The SCCF (Adaptation or Technology Transfer)?		
	• Focal area set-aside?		
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	DER, August 7, 2015. Not at this time. Please address the comments in boxes 1,4, 5, and 7. DER, October 13, 2015. The revised project redesign addresses the GEF comments. Additional explication will occur before the QER. Please fix the GEF datasheet and re-submit. Once that is completed, the Program Manager will recommend CEO PIF clearance. DER, November 4, 2015. The GEF datasheet was corrected. The PCN was approved by the Country Director on October 15, 2015. On-going consultations with the World bank task team indicate the project design is proceeding well. The Program Manager recommends CEO PIF clearance.	
Review Date	Review	August 07, 2015	
	Additional Review (as necessary)	October 13, 2015	
	Additional Review (as necessary)	November 04, 2015	

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	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. *Only for Non-Grant Instrument:* 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		

CEO endorsement Review			
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	monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		
Agency Responses	11. Has the Agency adequately responded to comments at the PIF[3] stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?		
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

[3] 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.