



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

GEF ID:	<b>9258</b>		
Country/Region:	<b>India</b>		
Project Title:	<b>Creating and Sustaining Markets for Energy Efficiency</b>		
GEF Agency:	<b>UNEP and ADB</b>	GEF Agency Project ID:	
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-1 Program 1;</b>		
Anticipated Financing PPG:	<b>\$0</b>	Project Grant:	<b>\$18,855,963</b>
Co-financing:	<b>\$434,200,000</b>	Total Project Cost:	<b>\$453,055,963</b>
PIF Approval:		Council Approval/Expected:	<b>October 01, 2015</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>David Elrie Rodgers</b>	Agency Contact Person:	<b>Geordie Colville</b>

<b>PIF Review</b>			
Review Criteria	Questions	Secretariat Comment	Agency Response
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	DER, August 6, 2015. Yes. The project is aligned with GEF-6 focal area objective CCM-1, Promote the timely development, demonstration, and financing of low-carbon technologies and mitigation options.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	DER, August 6, 2015. Yes. The project is aligned with numerous energy policies and is consistent with India's plans to promote energy efficiency as a low-carbon pathway.	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the	DER, August 6, 2015. Yes.	

<sup>1</sup> 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)?

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?		
	4. Is the project designed with sound incremental reasoning?	DER, August 6, 2015. Yes.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>DER, August 6, 2015.</p> <p>The project consists of three components:</p> <ol style="list-style-type: none"> <li>1) Expanding and sustaining investments in existing market sectors</li> <li>2) Building market diversification</li> <li>3) Replication and scaling-up</li> </ol> <p>Please address the following comments:</p> <ol style="list-style-type: none"> <li>1) The project components are well explained and justified. Thank you for the clear linkage between TA and INV activities within the components. We note that MRV will be critical to all components, but we do not see sufficient references to MRV in the project activities. Please add additional activities that will help monitor the results both from a financial perspective and an energy savings perspective. These could be added to each component, or perhaps the agencies can consider adding a strong MRV activity in component 3.</li> </ol>	<p>1) Yes, MRV will be critical to all components and we have, as suggested, reinforced activities in this regard. We have included this in both components 1 and 2. Both components include ESCO contracts which will measure energy savings. We have listed a number of methodologies in these components to calculate energy savings. Together with financial data coming from the revolving fund, this will be fed into component 3 for analysis on the financial and energy savings performance of these contracts. This will help EESL to calibrate its business model going forward.</p> <p>2) We have expanded the scope in component 3 to include a review of other technologies that could be included in EESL business models in the medium term.</p> <p>3) UNEP, ADB and EESL remain of the view of that UNEP takes the lead in this project. Components will be implemented based on each agencies' comparative advantage and in full coordination</p>

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>2) Component 3 could also consider some analysis of potential additional energy saving technologies that can fit the innovative business model.</p> <p>3) The document implies that UNEP is the lead agency. Please adjust the language in the PIF document to indicate more clearly that for GEF purposes, ADB is the lead agency. How the agencies wish to structure the shared project implementation is up to the agencies, but for GEF purposes, the ADB will be responsible for submitting PIRs and fulfilling other responsibilities as the lead agency.</p> <p>4) Please justify the project management costs. The amount requested is within the allowed limit of 5%, however most of the GEF funding will be allocated for investment. Please consider if project management costs can be reduced and resources allocated to project activities.</p> <p>DER, August 11, 2015.</p> <p>1) Additional MRV activities have been included. Comment cleared.</p> <p>2) Comment cleared.</p> <p>3) The agencies have identified UNEP as the lead agency. UNEP will be responsible for submitting PIRs and fulfilling other responsibilities as</p>	<p>between both agencies. In component 1, the ADB loan targets business as usual for [redacted] EESL. The aim is to help EESL stabilise its financial position and bring quick impacts to the project. As such, this is not [redacted] expected to be complex. The other main area of the project, covered in components 2 and 3 will be to help EESL to improve its business models and expand into new technologies. This is far more complex, but has large potential for energy savings, [redacted] if the project does manage to help EESL reduce the risks associated with including [redacted] new technologies and clients in its portfolio. Much of this work will be implemented by UNEP and as such, ADB [redacted] EESL and UNEP agree it makes most sense for UNEP to continue leading on this project. UNEP still aims to have an office in India and this will allow UNEP to provide closer support to this project.</p> <p>4) The project costs have been reduced by [redacted] USD 300,000 to USD 597,903. The approximate annual costs of the PMC are detailed below:</p> <p>[redacted] (Pictograph that shows \$120,000 annual</p>

## PIF Review

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		the lead agency. Comment cleared. 4) Project management costs have been reduced. Comment cleared.	costs for the PMC, including \$36,000 for project manager and \$42,000 for finance manager.)
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	DER, August 6, 2015. Please expand the stakeholder section to reference CSO that can be essential for promoting energy efficiency campaigns.  DER, August 11, 2015. Comment cleared.	Yes, this has been addressed and the stakeholder section includes now reference to CSO regarding energy efficiency campaigns.
<b>Availability of Resources</b>	7. 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>	DER, August 6, 2015. Yes. A letter of endorsement, signed by the OFP, Sri. Susheel Kumar on July 30, 2015, was submitted in the amount of \$20,880,000, inclusive of project grant, PPG, and agency fee.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	DER, August 6, 2015. Yes.	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	NA	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	NA	
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	NA	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	DER, August 6, 2015. Not at this time. Please address the comments in box 5 and 6.  DER, August 11, 2015. Yes. All comments cleared. The program manager recommends CEO PIF	

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
		clearance.	
<b>Review Date</b>	Review	August 06, 2015	
	Additional Review (as necessary)	August 11, 2015	
	Additional Review (as necessary)		

<b>CEO endorsement Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>Project Design and Financing</b>	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		

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	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. <i>Only for Non-Grant Instrument:</i> 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 monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		
<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
	12. Is CEO endorsement recommended?		

<sup>3</sup> 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.

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>Recommendation</b>			
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		