



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

GEF ID:	<b>9115</b>		
Country/Region:	<b>Indonesia</b>		
Project Title:	<b>IBRD Geothermal Energy Upstream Development Project</b>		
GEF Agency:	<b>World Bank</b>	GEF Agency Project ID:	<b>155047 (World Bank)</b>
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>\$6,250,000</b>
Co-financing:	<b>\$2,854,250,000</b>	Total Project Cost:	<b>\$2,860,500,000</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:	

PIF Review			
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, April 21, 2015. Yes.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	DER, April 21, 2015. Yes.	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental	DER, April 21, 2015. Please see comments in box 4.	

<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)?

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

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	degradation, issues of sustainability, market transformation, scaling, and innovation?	DER, August 5, 2015. Comments cleared.	
	4. Is the project designed with sound incremental reasoning?	<p>DER, April 21, 2015. GEF submitted the following comments via email on April 21, 2015.</p> <p>GEF Comments on DRAFT PCN The GEF received the draft PCN: Geothermal Energy Upstream Development Project (P155047) on Friday, April 17, 2015 for review. Comments are requested by April 21, 2015.</p> <p>Also reviewed were the following documents:</p> <ul style="list-style-type: none"> <li>• Supplementary Information</li> <li>• GEF Data Sheet</li> <li>• Concept Stage Integrated Safeguards Data Sheet</li> <li>• Concept Stage PID</li> </ul> <p>Technical Comments Noted Below. Comments were emailed to World Bank as requested and logged into the GEF PMIS system.</p> <p>Technical Comments Requiring a Response</p> <p>1) We concur with other reviews that the description of the CTF contribution is unclear. Please clarify. The project as written bears many similarities to the "Geothermal Financing and Risk Transfer Facility, IDB, Mexico." Please compare and</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>contrast the two projects. We note in the PID there is a reference to Climate Investment Funds rather than Climate Technology Fund.</p> <p>2) The PCN and PID note "The 2014 Law is an important first step but GoI realizes that further regulations will be required to set out detailed implementation guidelines and procedures for the Law and to address other important shortcomings in tender processes, forestry and environment safeguards procedures, etc. In addition, the GFF will need to be restructured so that it can effectively provide the risk mitigation needed to attract investments in exploratory drilling from project developers."</p> <p>a) Will the technical assistance component provide support for regulatory reform? This should be included in the key results indicators. Please clarify.</p> <p>b) On page6, para 12 of the PCN, there is a mention of a Development Policy Loan (DPL). A DPL is referenced again in para 25. Is this the proposed \$300 million loan or a different loan? What are the prospects for the DPL? Is the timing associated with this project?</p> <p>c) The previous GEF project with the World Bank promised to</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>work on regulatory reforms, and is cited as a coordinating project for the CTF investment plan in Indonesia. Please clarify where the former GEF project was successful and what still remains to be accomplished by this project.</p> <p>d) Please provide additional detail on the level of support from the GoI for this project. For example, which Ministries are supporting the project and how have they documented that support? It appears the Ministry of Finance will provide \$5 million in co-financing for the technical assistance component. Is that the correct Ministry for that role in the project?</p> <p>e) We see that the Ministry of Energy and natural Resources is listed as an implementing agency. Please describe more fully their role in the various components of the project. Has the Ministry documented its support for the project? Please supply.</p> <p>f) We do not see a letter of endorsement from the GEF Operational Focal Point. Further GEF action on this project is contingent on receiving a signed letter of endorsement.</p> <p>3) We understood the GoI already has a \$300 million risk fund established. Please clarify how the</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>proposed project structure would unlock the \$300 million. In the supplementary information document it appears the CTF backed dedicated facility is bearing the risk. What will happen to funds from the GFF in the situations of success and failure for the exploratory drilling? Please explain the relative roles of GFF and GEF.</p> <p>4) The prospects for IBRD loan and future IFC work are hopeful, but uncertain. Please explain the parameters and timing for the proposed \$300 million IBRD loan. Are their conditions that would prevent an IBRD loan from coming to fruition?</p> <p>5) Please provide more clarity on existing projects, listed on page 11, para 35 of the PCN, regarding a CTF/IBRD/ADB/IFC effort for 1,560 MW of geothermal power associated with a climate change development policy loan provided collectively by IBRD/JICA/AFD. Please describe the dollar value and scope of those existing commitments. With such an effort already underway, please explain the need for this proposed project. Will there be multiple risk-sharing facilities if this project is approved? Further, and to the point, is 640 MW and \$2.5 billion of private</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>sector investment promised for this project above and beyond the CTF project commitments, or is it all the same?</p> <p>6) Please explain the estimated results of 640 MW of geothermal power. This amount appears to be very low for \$2.8 billion of investment, and roughly the equivalent of a single 500 MW coal powered plant. Is the ambition of this project adequate to match the resources proposed?</p> <p>7) Please explain the emissions benefit estimate of 76.4 million metric tons CO<sub>2</sub>e, which appears to be approximately equivalent to displacing one coal powered power plant for 25 years.</p> <p>8) Carbon sequestration is mentioned in the technical assistance component. Please clarify what is intended or implied by the reference.</p> <p>9) There is a reference on page 3, para 11 of the supplementary information document to a Fund for Scaled up Crediting that would be a third tranche of the Carbon Partnership Facility. This may involve payments for carbon credits. Please explain the relevance of the CPF for this geothermal project in Indonesia and how the project would avoid double-counting of carbon emission</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>reductions catalyzed by GEF funding. 10) The document notes the need for clarification of how geothermal is considered in National Action Plan for GHG Emissions Reduction. GEF requires this clarification before proceeding.</p> <p>Technical Comments Not Requiring a Response</p> <p>1) We concur with other reviews that the PDO could be sharpened. We also recommend establishing a principal environmental objective.</p> <p>2) The GEF data sheet is properly filled out. Table B includes very helpful information on the roles to be played by the co-financing partners. This is helpful, but not mandatory and could be all rolled into one TA component for simplicity.</p> <p>DER, August 5, 2015. All comments were addressed in a comprehensive peer review matrix (attached to the PMIS database). The responses were clear and provided justification for the proposed approaches. All comments cleared.</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>DER, April 21, 2015. Please see comments in box 4.</p> <p>DER, August 5, 2015. Comments cleared.</p>	

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	DER, April 21, 2015. Yes.	
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• The STAR allocation?	DER, April 21, 2015. Yes. The project received a letter of endorsement from the OFP on May 15, 2015.	
	• The focal area allocation?	DER, April 21, 2015. Yes.	
	• The LDCF under the principle of equitable access	NA	
	• The SCCF (Adaptation or Technology Transfer)?	NA	
	• Focal area set-aside?	NA	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	DER, April 21, 2015. Not at this time. No letter of endorsement is available.  DER, August 5, 2015. A letter of endorsement has been provided in the amount requested. All comments have been addressed. A World Bank PCN meeting is scheduled for August 11, 2015. The Program Manager recommends CEO PIF clearance.	
<b>Review Date</b>	Review	April 21, 2015	
	Additional Review (as necessary)	August 05, 2015	
	Additional Review (as necessary)		



CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<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 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?		

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	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?		
Agency Responses	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> 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)		

<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.