



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

GEF ID:	<b>5843</b>		
Country/Region:	<b>Jamaica</b>		
Project Title:	<b>Deployment of Renewable Energy and Improvement of Energy Efficiency in the Public Sector</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>4900 (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-2; CCM-3; CCM-3;</b>		
Anticipated Financing PPG:	<b>\$100,000</b>	Project Grant:	<b>\$1,254,987</b>
Co-financing:	<b>\$10,748,754</b>	Total Project Cost:	<b>\$12,203,741</b>
PIF Approval:	<b>June 10, 2014</b>	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>David Elrie Rodgers</b>	Agency Contact Person:	<b>Marcel Alers</b>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
<b>Eligibility</b>	1. Is the participating <b>country eligible</b> ?	DER/KC, May 12, 2014. Yes.	DER, December 15, 2015. Yes.
	2. Has the <b>operational focal point</b> endorsed the project?	DER/KC, May 12, 2014. Yes. Leonie BARNABY, OFP, Senior Director, Ministry of Land and Environment, endorsed the project on April 25, 2014.	DER, December 15, 2015. Yes.
<b>Resource Availability</b>	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	• the STAR allocation?	DER/KC, May 12, 2014. Yes. Jamaica has \$1,483,713 left in its STAR allocation, as of May 12, 2014.	DER, December 15, 2015. Yes.
	• the focal area allocation?	DER/KC, May 12, 2014. Yes. Jamaica has \$1,483,713 remaining for climate	DER, December 15, 2015. Yes.

\*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

<sup>1</sup> Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		change after accounting for flexible spending in other focal area accounts, as of May 12, 2014.	
	<ul style="list-style-type: none"> <li>the LDCF under the principle of equitable access</li> </ul>	NA	NA
	<ul style="list-style-type: none"> <li>the SCCF (Adaptation or Technology Transfer)?</li> </ul>	NA	NA
	<ul style="list-style-type: none"> <li>the Nagoya Protocol Investment Fund</li> </ul>	NA	NA
	<ul style="list-style-type: none"> <li>focal area set-aside?</li> </ul>	NA	NA
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?</p> <p><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 used to track progress toward achieving the Aichi target(s).</i></p>	DER/KC, May 12, 2014. Yes. Table A present CCM-2, energy efficiency, and CCM-3, renewable energy.	DER, December 15, 2015. No. Table A presents only CCM-3, but the project documents discuss numerous energy efficiency investments, which are CCM-2. Please clarify and resubmit Table B.  DER, March 22, 2016. Yes. Table corrected. Comment cleared.
	<p>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?</p>	DER/KC, May 12, 2014. Yes. The proposed project will coordinate with ongoing initiatives undertaken by the Caribbean Community Climate Change Centre (CCCCC) and the World Bank, as partners in the SIDS DOCK initiative.  Please also see comments in box 6.  DER/KC, June 9, 2014. The revised PIF better describes coordination. Comment cleared.	DER, December 15, 2015. Yes.
	<p>6. Is (are) the <b>baseline project(s)</b>, including problem(s) that the baseline project(s) seek/s to</p>	DER/KC, May 12, 2014. Not Clear.  Component 1:	DER, December 15, 2015. Please address the following comments. At the time of PIF approval, the

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
<p>Project Design</p>	<p>address, sufficiently described and based on sound data and assumptions?</p>	<p>a) While project baseline seems clear, the incremental reasoning for GEF intervention is still not sufficiently justified. Please further elaborate on the need for additional GEF support towards capacity building and training exercises when there are similar project in the public sector are ongoing (Section A.4. Coordination). Although it excludes the targeted health sector the demonstration projects must have some success/failure lessons learned from GEF/UNEP project.</p> <p>b) The current proposal assesses low risk (section.A.3. Risk #3) for limited public sector uptake after EE/SETs grant-funded investments take place. In this case, why is the GEF grant needed when another GEF funded project is already ongoing in Jamaica in the same sector? Please rationalize the need for this project vis-a-vis other public sector projects.</p> <p>Component 3:</p> <p>a) As per Table C accounts PCJ's in-kind contributions of \$5.5M. But project justification para-3, table point #3 mentions PCJ and NHF cash contribution in establishing financial incentive and investment packages in this sector. Please clarify.</p> <p>b) Please clarify what are the possible de-risking measures required to justify GEF incrementality. As mentioned in previous comments, please clarify if these areas are not covered and/or remain not effective, that necessitates further interventions to address risks of limited</p>	<p>following issues were raised:</p> <p>a) Please update/confirm the GHG emissions estimates, using GEF/STAP methodologies wherever applicable.  b) Please increase/confirm UNDP co-financing and submit all co-financing letters including private sector partners  c) Please submit CCM tracking tool with the CEO approval.</p> <p>Regarding b), please respond to question in box 17 on the co-financing.  Regarding a and c), please see boxes 7 and 8.</p> <p>DER, March 22, 2016. Yes. All comments cleared.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>up-take of RE and EE technologies.</p> <p>DER/KC, June 9, 2014. Component 1 a) The project will be incremental by focusing on the health sector, while also forging strong coordination with existing efforts. Comment cleared. b) Risk has been adjusted. Comment cleared.</p> <p>Component 3 a) The revision makes note of the patchwork of current financing and how the proposed project will fill the gaps. Comment cleared. b) De-risking includes bulk procurement and other measures to address the causes of current gaps in funding. Comment cleared.</p>	
	<p>7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?</p>	<p>DER/KC, May 12, 2014. The project consists of the following components:</p> <ol style="list-style-type: none"> <li>1. Individual and institutional RE and EE knowledge and capacity strengthening in Jamaica's public sector</li> <li>2. Regulatory developments for the deployment of RE and EE promotion in Jamaica's public sector</li> <li>3. Economic and fiscal instruments for the uptake of RE and EE technologies in the Jamaica's public sector</li> </ol> <p>Please address comments in box 6 and the following comments:</p> <p>a) The investment component of component 1 is rather small. Consider skipping the demonstration phase for</p>	<p>DER, December 15, 2015. Please respond to the following comments:</p> <p>a) With the substantial investment of GEF resources in RE and EE investments, plus the very substantial co-financing, there appears to be a significant underestimation of the energy savings and renewable energy production that will be forthcoming. Please present the methodology for calculating the estimates and explain why more than \$20 million dollars would results in only 16,919 tons CO2 emissions reductions. b) The very small investment in components 1 and 2 does not raise confidence that the Government of Jamaica will adopt the proposed</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>technologies which are already well proven and documented. More progress could be made by focusing on component 2.</p> <p>b) Component 2 is the most important. Consider making this the only component in the project. Clarify the scope and breadth of the proposed regulations. Why limit them to the health sector? Why not make the regulations more expansive to cover the commercial building sector, including tourism?</p> <p>c) Component 3. The GEF portion is too small to have an impact above the planned soft loan of the national government and IADB partners. Please clarify why the GEF project is needed to help make this soft loan succeed.</p> <p>DER/KC, June 9, 2014.</p> <p>a) Demonstration phase is eliminated; training is maintained. Comment cleared.</p> <p>b) Scope was expanded to other sectors. Comment cleared.</p> <p>c) The GEF investment helps trigger soft-loan requirements which are subject to fiscal constraints. Comment cleared.</p>	<p>regulatory and legislative policies needed to meet the project objectives. Please explain the status and likelihood of Government adoption. The project activities are too heavy on analysis and light on adoption.</p> <p>c) It is difficult to understand how the direct investments will be split between EE, solar PV, solar hot water, and wind. Please explain.</p> <p>d) For Output 1.3, we recommend pursuit of voluntary EE and RE goals by senior management at all public sector institutions in advance of stronger Government regulations. Goals and targets, such as LEED, can be highly beneficial. Please clarify.</p> <p>e) For Output 3.2, there is not a clear explanation of how the GEF financing and the co-financing will be combined to deliver only 200 KW of solar PV. Even if only the GEF funding is considered, the estimated cost would be more than \$6/watt installed. That is very high. If co-financing is counted, the costs would be astronomical. Please clarify if the estimated amount of Solar PV is correct for the amount of funding and justify.</p> <p>DER, March 22, 2016. Yes. All comments cleared.</p>
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>DER/KC, May 12, 2014. Yes.</p> <p>a) The project proposal estimates 348,995 tCO2e reduction. Please provide final estimates with detailed calculations and methodologies with CEO endorsement request. Please be</p>	<p>DER, December 15, 2015. No. Please address the following comments:</p> <p>a) The writeup on page 14 does not match the tracking tool. 16,919 is used in two places without explanation. The</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>advised to use the GEF/STAP methodologies wherever applicable. b) Please address comments in box 6.</p> <p>DER/KC, June 9, 2014. Comments cleared.</p>	<p>wind turbines are discussed, but no GHG benefits are summarized. Overall, the amount of GHG emissions reduction is significantly underestimated for the project value. Please revise and justify. Use GEF/STAP approved methodologies to improve the estimates. b) Please align the revised estimates with paragraphs 31 and 32 on page 18.</p> <p>DER, March 22, 2016. Yes. All comments cleared.</p>
	<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?</p>		<p>DER, December 15, 2015. Yes.</p>
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>DER/KC, May 12, 2014. Yes.</p>	<p>DER, December 15, 2015. We did not see explanation for CSO or public participation. Please clarify.</p> <p>DER, March 22, 2016. Yes. All comments cleared.</p>
	<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, May 12, 2014. To be determined.</p> <p>DER/KC, June 9, 2014. Comment cleared.</p>	<p>DER, December 15, 2015. Yes.</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, May 12, 2014. Yes.</p>	<p>DER, December 15, 2015. Please document coordination with the new UNDP project on the Ten-Island Challenge.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			DER, March 22, 2016. Yes. All comments cleared.
	<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, May 12, 2014. To be determined.</p> <p>DER/KC, June 9, 2014. The project complements several existing GEF projects in the region by targeting gaps in regulatory policy and fiscal incentives. The project will employ UNDP's "de-risking" model to identify and implement policy reforms that will help unlock private sector financing.</p>	<p>DER, December 15, 2015. This project will bring proven business models to Jamaica. However, it does not appear to be very innovative. Please justify.</p> <p>DER, March 22, 2016. Yes. First and innovative use of ESCO model in Jamaica highlighted. All comments cleared.</p>
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		DER, December 15, 2015. Yes.
	<p>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?</p>		<p>DER, December 15, 2015. No. With the current estimates for GHG emissions reductions of 16,919 tCO<sub>2</sub>e, the cost-effectiveness using GEF resources alone is \$74/ton. This is not cost-effective and illustrates something is wrong with the project design or the benefits estimates. Please clarify.</p> <p>DER, March 22, 2016. Yes. After revisions and corrections, the cost-effectiveness is roughly \$32/ton. All comments cleared.</p>
	<p>16. Is the GEF funding and co-financing as indicated in Table B</p>	<p>DER/KC, May 12, 2014. Please see comment in box 6. Also, please include</p>	<p>DER, December 15, 2015. Not clear. The co-financing is far in excess of what</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Financing	appropriate and adequate to achieve the expected outcomes and outputs?	<p>UNDP co-financing. The Petroleum Corporation of Jamaica appears in two different lines – is there any particular reason for this? Please clarify.</p> <p>DER/KC, June 9, 2014. UNDP co-financing includes and PCJ co-financing explicated. Comment cleared.</p>	<p>is needed to achieve the very low energy and GHG savings. Perhaps the co-financing is not related to the project and should be revised downward. Please clarify and justify.</p> <p>DER, March 22, 2016. Yes. Previous co-financing was over-stated. All comments cleared.</p>
	<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>	<p>DER/KC, May 12, 2014. To be determined.</p> <p>DER/KC, June 9, 2014. Yes. Please confirm at CEO approval stage. Comment cleared.</p>	<p>DER, December 15, 2015. Please explain how the co-financing estimate from the DBJ is \$18,120,000 plus 460,000. The co-financing letter includes different numbers.</p> <p>DER, March 22, 2016. Yes. Revised and corrected. All comments cleared.</p>
	<p>18. Is the funding level for <b>project management cost</b> appropriate?</p>	<p>DER/KC, May 12, 2014. To be determined.</p> <p>DER/KC, June 9, 2014. Yes, project management is within the norm. Comment cleared.</p>	<p>DER, December 15, 2015. Yes.</p>
	<p>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>	<p>DER/KC, May 12, 2014. Yes. A PPG is requested and is within the norm.</p>	<p>DER, December 15, 2015. Yes.</p>
	<p>20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?</p>	<p>DER/KC, May 12, 2014. No non-grant instrument.</p>	<p>NA</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		DER, December 15, 2015. The tracking tools are provided, but the numbers included appear to be inconsistent with the other documents. Please see box 8 and redo the tracking tool.  DER, March 22, 2016. Yes. All comments cleared.
	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		DER, December 15, 2015. Yes.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		DER, December 15, 2015. NA
	• Convention Secretariat?		DER, December 15, 2015. NA
	• The Council?		DER, December 15, 2015. NA
	• Other GEF Agencies?		DER, December 15, 2015. NA
Secretariat Recommendation			
Recommendation at PIF Stage	24. <b>Is PIF clearance/approval being recommended?</b>	DER/KC, May 12, 2014. Yes. Not at this time. Please respond to comments in box: 5,6,7,8,11,13,16,17,18.  DER/KC, June 9, 2014. All comments cleared. This project is technically cleared and can be submitted for CEO PIF approval.	
	25. Items to consider at CEO endorsement/approval.	DER/KC, June 9, 2014. a) Please update/confirm the GHG emissions estimates, using GEF/STAP methodologies wherever applicable. b) Please increase/confirm UNDP co-financing and submit all co-financing letters including private sector partners c) Please submit CCM tracking tool with the CEO approval.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Recommendation at CEO Endorsement/ Approval	<b>26. Is CEO endorsement/approval being recommended?</b>		DER, December 15, 2015. Not at this time. Please address the comments in boxes: 4,6,7,8,10,12,13,15,16,17, and 21.  DER, March 22, 2016. Yes. All comments cleared. The program manager recommends the project be submitted for CEO endorsement.
	First review*	May 12, 2014	December 15, 2015
Review Date (s)	Additional review (as necessary)	June 09, 2014	March 22, 2016
	Additional review (as necessary)		

\* **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.**