



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

GEF ID:	<b>9192</b>		
Country/Region:	<b>Kazakhstan</b>		
Project Title:	<b>De-risking Renewable Energy Investment</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>5490 (UNDP)</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>\$4,510,000</b>
Co-financing:	<b>\$32,450,000</b>	Total Project Cost:	<b>\$36,960,000</b>
PIF Approval:		Council Approval/Expected:	<b>October 01, 2015</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Ming Yang</b>	Agency Contact Person:	<b>Marina Olshanskaya</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>	MY 7/27/2015 Yes. It is aligned with Program 1 of Objective 1: Promote 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?	MY 7/27/2015 Not at this time. Kazakhstan submitted its second national communication to UNFCCC Parties on 4 June 2009. Please elaborate the consistency of this project with the communication.	Done. Following information has been added to explain the consistency with the National Communication (NC) to UNFCCC. The latest report submitted by the Government in 2013 covers 4 reporting periods and is being referred to as the IIIrd-VIth NC.

<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

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		<p>Please also link this project with the country's Intended Nationally Determined Contributions, if relevant.</p> <p>MY 8/3/2015 Yes. Comments were addressed, and issues were cleared.</p>	<p>The project is fully consistent with findings presented in the Third-Sixth National Communication (NC) to UNFCCC submitted by the Republic of Kazakhstan in 2013. Specifically:</p> <p>i, § Energy sector makes the largest contribution to the total national GHG emissions in Kazakhstan: in 1990-2011 its contribution, excluding carbon removals by forests, ranges from 82% to 86%</p> <p>i, § NC identifies actions to promote and integrate renewable energy sources in the electricity mix as the most effective climate change mitigation measures, the NA in particular says that "the most effective measure to reduce CO2 emissions in the electricity sector can give the development of power generation capacity on the basis of renewable energy sources (RES)" (p. 82) and that the reduction of greenhouse gas emissions and increasing the share of renewable energy in total energy consumption are the two strategic objectives defined by the Government (p. 78).</p> <p>The Government has not yet made its official submission of the INDC to UNFCCC. However, its commitment to increase the share of RES has been reflected in the draft text of INDC as part of national contribution, therefore the</p>

## PIF Review

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			<p>following text has been added in the PIF:</p> <p>i,§ Consistent with the recommendations and conclusions of the III-VI NC, promotion of RES is also recognized as national priority for climate change mitigation in the draft Intended Nationally Determined Contribution (INDC) to be submitted by the Government of Kazakhstan to UNFCCC later in 2015.</p>
<b>Project Design</b>	<p>3. Does the PIF sufficiently indicate the drivers<sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<p>MY 7/27/2015 Not completed at this time. Please write one paragraph for the following topic: How will this project have impact of market transformation in the country?</p> <p>MY 8/3/2015 Yes. Comments were addressed, and issues were cleared.</p>	<p>Done. The following clarifications have been provided:</p> <p>Expected impact on market transformation: the ultimate goal of this project is to achieve energy market transformation in Kazakhstan by significantly scaling-up the deployment of renewable energy in electricity generation, i.e. from up to 3% share of RES in the BAU “ towards 30% share of RES by 2030, which makes for 10-fold increase in RES-based energy generation to be facilitated by the project. To do so, the project will adopt a comprehensive strategy to identify, assess and mitigate RES investment risks thus creating attractive conditions for private sector investment and RES market growth</p>

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

## PIF Review

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	4. Is the project designed with sound incremental reasoning?	MY 7/27/2015 Yes.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	MY 7/27/2015  Not at this time.  On page 2 in Table B, please add the amounts to the outputs from Component 3 of the project: (1) New business models for small-scale urban and rural RES application designed and tested; and (2) Model contracts and institutional arrangements for business models designed and approved by Government.  MY 8/3/2015 Yes. Comments were addressed, and issues were cleared.	Numerical targets for Component 3 have been added as follows:  i, § 5 new business models for small-scale urban and rural RES application designed and tested: - 3 models for urban RES applications involving Association of Apartment Owners, RESCO and Municipalities; and - 2 models for rural RES applications for farm/community-level and for household-level i, § 5 model contracts and institutional arrangements for business models designed and approved by Government
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	MY 7/27/2015  Not at this time.  Please indicate if this project is relevant to indigenous people.  MY 8/3/2015 Yes. Comments were addressed, and issues were cleared.	Comment addressed. Please see below.  The project will directly support indigenous communities of Kazakhs shepherds, living traditional nomadic or semi-nomadic lifestyle and therefore not being able to use and benefit from centralized grid-connected energy supply system. The project will directly benefit at least 240 such "off-grid" indigenous communities by facilitating their access to sustainable and RES-based energy sources.

## PIF Review

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<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>	<p>MY 7/27/2015</p> <p>Yes. As of 7/8/2015, Kazakhstan, a non-flexible country in STAR use, had remainder of over \$19 million in STAR.</p>	
	<ul style="list-style-type: none"> <li>• The focal area allocation?</li> </ul>	<p>MY 7/27/2015</p> <p>Yes. As of 7/8/2015, Kazakhstan, a non-flexible country in STAR use, had remainder of over \$10 million in climate change focal area, which is enough to cover the proposed budget of this project.</p>	
	<ul style="list-style-type: none"> <li>• The LDCF under the principle of equitable access</li> </ul>	<p>MY 7/27/2015</p> <p>N/A</p>	
	<ul style="list-style-type: none"> <li>• The SCCF (Adaptation or Technology Transfer)?</li> </ul>	<p>MY 7/27/2015</p> <p>N/A</p>	
	<ul style="list-style-type: none"> <li>• Focal area set-aside?</li> </ul>	<p>MY 7/27/2015</p> <p>N/A</p>	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>MY 7/27/2015</p> <p>Not at this time.</p> <p>Please address comments in Boxes: 2, 3, 5, and 6.</p> <p>MY 8/3/2015</p> <p>Yes. Comments were addressed, and issues were cleared.</p> <p>The Program Manager recommends CEO PIF/PFD clearance.</p>	

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
<b>Review Date</b>	Review	July 27, 2015	
	Additional Review (as necessary)	August 03, 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 sufficient risk response measures? (e.g., measures to enhance climate resilience)		

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	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		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	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.

# CEO endorsement Review

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	Additional Review (as necessary)		