

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 5)

STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: October 18, 2010

Screener: Lev Neretin

Panel member validation by: Nijavalli H. Ravindranath
Consultant(s):

I. PIF Information *(Copied from the PIF)*

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 4348

PROJECT DURATION : 5

COUNTRIES : Kazakhstan

PROJECT TITLE: Reducing GHG Emissions through a Resource Efficiency Transformation Programme (ResET) for Industries in Kazakhstan

GEF AGENCIES: EBRD

OTHER EXECUTING PARTNERS: Ministry of Industry and New Technologies (MINT)

GEF FOCAL AREA: Climate Change

GEF-4 STRATEGIC PROGRAMS:

II. STAP Advisory Response *(see table below for explanation)*

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies): **Minor revision required**

III. Further guidance from STAP

STAP welcomes EBRD's proposal dealing with the improvement of resource energy efficiency in the industrial sectors of Kazakhstan. The PIF identifies major barriers having an impact on resource intensity and proposes improvements in legal and regulatory frameworks, capacity building as well as finance leverage through the establishment of the Resource Efficiency Transformation Programme facility:

1. Baseline : The PIF provides very limited and fragmented information about the baseline and no information about priority sectors and technologies/systems for key interventions. EBRD proposes to collect this information during project development and STAP recommends that these data must be sufficient to justify the proposed interventions. The current absence of baseline definition does not allow one to observe the incremental reasoning of the project.
2. Criteria for selecting the sectors and technologies: There is a need for criteria for selecting the industrial sectors and technologies for intervention and concessional funding. STAP recommends ranking of industrial sectors and technologies based on their mitigation potential and that the proponents analyze priority sectors based on energy and other resources use (water and chemicals) in systems, rather than analyzing impacts of particular technologies. Support for capacity building and access to finance should follow the recommendations of the "ranking" analysis. This is a particularly important exercise to ensure "a resource efficiency transformation for industries" in Kazakhstan.
3. Current industrial energy efficiency efforts in Kazakhstan: The country seems to already have laws on energy efficiency and the Government is investing in capacity building and regulatory development to promote industrial energy efficiency through the Ministry of Industry and New Technologies (MINT). There is a need to assess the barriers to existing programmes and how these efforts are "additional" to the GEF interventions.
4. It seems that components 2 and 3 of the project put a major emphasis on promoting use of resource efficient equipment. Capacity building and financial support for promotion of resource and energy management systems is noticed, but is likely to be subordinate to supporting replacement of outdated equipment. STAP recommends assessing the effectiveness of existing energy use systems first before promoting specific technologies. A systems approach to energy use (e.g., compressed air, process heat, pumps, motors etc.) is preferable.

5. The use of EU-recommended BREF guidance is commendable and STAP would welcome an explicit recognition of potential impacts of project interventions on both energy conservation and efficiency, and the release of chemicals (including POPs) in addition to potential water savings mentioned in the PIF.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
2. Minor revision required.	STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include: <ul style="list-style-type: none"> (i) Opening a dialogue between STAP and the proponent to clarify issues (ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
3. Major revision required	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.