



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

GEF ID:	4902		
Country/Region:	Macedonia		
Project Title:	Catalyzing Market Transformation for Industrial Energy Efficiency and Accelerate Investments in Best Available Practices and Technologies in the Former Yugoslav Republic of Macedonia		
GEF Agency:	UNIDO	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-2; CCM-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$1,400,000
Co-financing:	\$5,620,000	Total Project Cost:	\$7,020,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	David Elrie Rodgers	Agency Contact Person:	Mr. Marco Matteini

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	DER, March 26, 2012. Yes.	
	2. Has the operational focal point endorsed the project?	DER, March 26, 2012. No endorsement letter was included. Please supply. DER, September 14, 2012. Yes. An endorsement letter signed by the OFP, Ms. Daniela Rendevska was signed September 9, 2012 in the amount of \$1,595,000, inclusive of PPG and fees. Comment cleared.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DER, March 26, 2012. Yes.	

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

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

FSP/MSP review template: updated 11-22-2010

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	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DER, March 26, 2012. No non-grant instrument.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	DER, March 26, 2012. Yes.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DER, March 26, 2012. Yes.	
	• the focal area allocation?	DER, March 26, 2012. Yes. Macedonia has a CCM allocation of \$2M which is still available.	
	• the LDCF under the principle of equitable access	DER, March 26, 2012. NA	
	• the SCCF (Adaptation or Technology Transfer)?	DER, March 26, 2012. NA	
	• Nagoya Protocol Investment Fund	DER, March 26, 2012. NA	DER, March 26, 2012. NA
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	DER, March 26, 2012. Yes. Table A is correctly filled out.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	DER, March 26, 2012. Yes.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DER, March 26, 2012. Yes.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DER, March 26, 2012. We would like to see more description of the sustainable financial mechanisms that will allow companies who implement EnMS to obtain financing for EE investments.	

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		<p>Please clarify.</p> <p>DER, September 14, 2012. The revised PIF and response documents several approaches that will be studied during the project design phase and used to promote financing of EE projects. Comment cleared.</p>	
Project Design	<p>11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>DER, March 26, 2012.</p> <p>a) We need to see additional documentation on the types of industry sectors and partners that will be strong candidates for the EnMS and what types of baseline activities they already have underway.</p> <p>DER, September 14, 2012.</p> <p>a) The revised PIF and response documents interest in the following areas: petrochemicals, non-metallic ferrous, and mining. Candidate partners from specific sectors were documented in Annex 1. Comment cleared.</p>	
	<p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>DER, March 26, 2012. Yes.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>DER, March 26, 2012. Please see the following comments:</p> <p>a) Component 1 focuses on important regulatory development. We don't see a emphasis on policy for financial</p>	

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		<p>incentives for actual EE investment. Please add consideration of this element to the component.</p> <p>b) Component 2. Please explain the metrics for 2.2 and 2.5. Why train 50 professionals and then train 50 enterprises? Each professional can be a consultant on more than one enterprise, so are you training professionals who will then have nothing to do? Please clarify.</p> <p>c) Component 2.6. What process with the project follow to ensure that 10 projects are implemented? Will these projects be separate from those funded under component 3?</p> <p>d) Component 3. The light-house projects seem fine and the co-financing level is good. However, please clarify how these projects will lead to sustainability? Please clarify the engagement with local financial institutions. In particular, please explain how the project will address the barrier of untrained financial professionals to better take advantage of the existing financial credit lines from EBRD and US AID. Please clarify output 3.2 in this regard.</p> <p>DER, September 14, 2012.</p> <p>a) The revised PIF now fully addresses the need to develop financial incentives. Comment cleared.</p> <p>b) The application of training and the use of teams was explained and justified. Comment cleared.</p> <p>c) The 10 projects are different from</p>	

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		<p>those in component 3. They will be identified and documented in the letters of commitment during the project design phase. Comment cleared.</p> <p>d) The response describes how the lighthouse projects will introduce and motivate enterprises for self-financed EE investments, so this component is the demonstration portion that helps compliment the financial and training activities in other components. Comment cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DER, March 26, 2012. Yes. Emissions reductions are estimated at 30-50 kton CO2e direct and 250-500 kton CO2e over a ten year period.</p>	
	<p>16. Is there a clear description of: a) the socio-economic benefits, 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, March 26, 2012. Yes.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>DER, March 26, 2012. Yes.</p>	
	<p>18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p>	<p>DER, March 26, 2012. Yes.</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>DER, March 26, 2012. We would like to know more about how the financial mechanisms supported by the project will improve access to US AID funding and others.</p>	

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		DER, September 14, 2012. Clarification provided. Comment cleared.	
	20. Is the project implementation/ execution arrangement adequate?	DER, March 26, 2012. We do not see an explanation of the executing agency arrangements. Please supply. DER, September 14, 2012. Clarification provided. Comment cleared.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	DER, March 26, 2012. Yes. The ratio of project management is 7.5% for this project, which is under \$2M.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DER, March 26, 2012. Yes.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	DER, March 26, 2012. Yes. The overall co-financing ratio is 4:1. The investment component co-financing is 10:1.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DER, March 26, 2012. Yes.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		

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Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?	DER, March 26, 2012. NA	
	• Convention Secretariat?	DER, March 26, 2012. NA	
	• Council comments?		
	• Other GEF Agencies?	DER, March 26, 2012. NA	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	DER, March 26, 2012. Not at this time. Please respond to comments in boxes: 2, 10,14, 19, 20. DER, September 14, 2012. Yes. All comments cleared. The PIF has been technically cleared and may be included in an upcoming Work Program.	
	31. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	March 26, 2012	
	Additional review (as necessary)	September 14, 2012	
	Additional review (as necessary)		
	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.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	DER, March 26, 2012. We would like to see greater emphasis during the PPG put on studying the barriers to EE investment that can be addressed through regulatory and policy reforms which can then be addressed during the project. This can be added to components 1 and 2 of the PPG. DER, September 14, 2012. The requested elements have been added. Comment cleared.
	2. Is itemized budget justified?	DER, March 26, 2012. Yes.
Secretariat Recommendation	3. Is PPG approval being recommended?	DER, March 26, 2012. Not at this time. Please address issue in box 1. DER, September 14, 2012. Yes.
	4. Other comments	
Review Date (s)	First review*	March 26, 2012
	Additional review (as necessary)	September 14, 2012

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