



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

GEF ID:	5321		
Country/Region:	Myanmar		
Project Title:	Improvement of Industrial Energy Efficiency		
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;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$2,730,000
Co-financing:	\$13,800,000	Total Project Cost:	\$16,630,000
PIF Approval:		Council Approval/Expected:	June 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Khac-Tiep Nguyen

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	MY 3/11/2013: Yes.	
Resource Availability	2. Has the operational focal point endorsed the project?	MY 3/11/2013: Yes. The OFP endowed to use \$3.1 million STAR allocation. The total budget of the project is \$3.098 million.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
Resource Availability	<ul style="list-style-type: none"> • the STAR allocation? 	MY 3/11/2013: Yes. Myanmar has a total of \$15.35 million STAR allocation, with \$7.12 million in climate change. It is not a flexible country in using STAR allocations.	

		<p>OK in focal area allocation.</p> <p>Myanmar had a remainder of \$3,138,181 or 44% in its STAR climate change allocation by March 11, 2013. If this project is approved, Myanmar will fully use its GEF-5 STAR allocation in climate change.</p>	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	<p>MY 3/11/2013: N/A</p>	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	<p>MY 3/11/2013: N/A</p>	
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	<p>MY 3/11/2013: N/A</p>	
	<ul style="list-style-type: none"> focal area set-aside? 	<p>MY 3/11/2013: N/A</p>	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives? <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>	<p>MY 3/11/2013: Yes. The project is aligned with the second strategic objective of climate change focal area: "Promote market transformation for energy efficiency in industry and the building sector".</p>	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>MY 3/11/2013: Not at this time. Please summarize the characterization of needs for energy access and energy efficiency in the National Communication and the NAMA. Please clarify the status of TNA and its energy efficiency reference.</p>	

Project Design	6. 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>MY 3/11/2013:</p> <p>Yes.</p> <p>The baseline is developed on sound data and assumptions, and it is sufficiently described. Without GEF financing, this project will not likely take place in the country, because the major outputs of this project are energy efficiency policies, regulations, capacity building, standards, and management procedures in the industrial sector. The private sector is not interested in doing these and the government alone does not have capacity to do so.</p>	<p>MY 3/11/2013:</p> <p>N/A</p>
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>MY 3/11/2013:</p> <p>Yes, but it would be better if the Agency add the following in bullet 4.1 on page 2: "Tracking tools prepared according to GEF requirements".</p> <p>MY 4/11/2013:</p> <p>Cleared.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>MY 3/11/2013:</p> <p>Not really good, but OK at the PIF stage.</p> <p>The applied methodology and assumptions for the incremental/additional reasoning are not described or presented in a sound and appropriate manner. However, it is understandable that the Agency can hardly identify global environment benefits adequately at the project PIF stage. It is suggested that the Agency describe applied methodology and assumptions for the project incremental reasoning after the PPG or at the CEO</p>	

		<p>MY 4/11/2013: Cleared. The Agency agreed to describe the applied methodologies and assumptions in more detail for this project in the CEO endorsement document.</p>	
	<p>9. 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>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>MY 3/11/2013: Not completed yet at this time.</p> <p>Stakeholders are only partially identified at this time. The PIF described government stakeholders, but not CSOs and indigenous people. Please complete it if it is relevant. For example, how indigenous people will be relevant to the project, by direct participation or by indirectly receiving benefits. Alternatively, the project is not relevant to indigenous people. Please specify.</p> <p>MY 4/11/2013: The PIF has been revised and the questions are 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>MY 3/11/2013: Yes. The project took into account potential major risks, and provided sufficient risk mitigation measures.</p>	

	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>MY 3/11/2013:</p> <p>Please describe further.</p> <p>For example, the World Bank announced a \$165 million zero-interest loans on energy access and infrastructure. Will the loans address issues of relevance for energy efficiency? If so, how will initiatives be coordinated?</p> <p>Also, please summarize UNIDO's experiences and presence in Myanmar, particularly in the field of energy. Please indicate the scale of the existing interventions, and how they are being coordinated with other related initiatives in the country.</p> <p>MY 4/11/2013: The questions are answered. The Agency agreed to do more coordination and consultation with other relevant GEF financed activities and other initiatives in the country during the PPG phase.</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>MY 3/11/2013:</p> <p>Not completed yet at this time.</p> <ul style="list-style-type: none"> • The project is innovative, because there has not been such a project in Myanmar and the country needs to develop its innovative energy efficiency policy and standards in the industry sector. <p>But there is more work to do in sustainability and scaling-up.</p> <ul style="list-style-type: none"> • The project will be more sustainable if it helps the government to form a 	

		<p>prices. Energy subsidies, which cause low energy prices, discourage industrial entities to invest in energy efficiency. If possible, please consider adding a target or component to assist the government in stopping or reducing energy subsidies.</p> <ul style="list-style-type: none"> • It is not convincing that the project outputs will be scaled up after the project implementation. There are 790 public and 101,000 private industrial entities in Myanmar. This project will only target a very small number (50 companies and 20 plants) of these entities. It is not clear in the PIF that how other companies in the country will receive support to implement EnMS, and obtain ISO 50001. Please indicate how the project results will be scaled up to all industrial entities in Myanmar. Examples may include voluntary adaptations of EnMS and ISO 50001 for the whole industrial sector. Please specify what the plans are for the scaling up. Please also confirm that the training as well as materials will be delivered in Burmese. <p>MY 4/11/2013: Cleared.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	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?		
	16. Is the GEF funding and co-	MY 3/11/2013:	

<p>Project Financing</p>	<p>appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>Not really good at this time.</p> <p>The project co-financing is mostly "in-kind". We understand that it is not likely that the government will put a large amount of co-financing in cash for the project, but it would be better if the government put some cash amount as co-financing. It will facilitate raising the targeted \$2 million grant from industries and external development partners.</p> <p>MY 4/11/2013:</p> <p>Issues are addressed. The Agency confirmed to make efforts during the PPG phase to obtain agreement and commitment of the government for cash contribution. The GEF will review this issue in CEO endorsement.</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>MY 3/11/2013:</p> <p>Not sufficient at this time.</p> <p>The \$70,000 that the Agency is bringing to the project seems small in line with its role. Increased grant from the Agency will help raise the targeted \$2 million from industries and external development partners.</p> <p>MY 4/11/2013: The question is answered.</p>	
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>MY 3/11/2013:</p> <p>Yes. It is 9.5% of the total GEF grant.</p>	
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification</p>	<p>MY 3/11/2013:</p> <p>OK. At PIF, the Agency requested \$100,000</p>	

	with project design needs? <u>At CEO endorsement/ approval,</u> if PPG is completed, did Agency report on the activities using the PPG fund?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	MY 3/11/2013: N/A	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	MY 3/11/2013: The project PIF needs some revision. Please address comments in boxes 5, 7, 10, 11, 12, 13, 16, and 17. Additional edits are recommended as follows: 1. Change "Burma" into "Myanmar" on page 4. 2. The last sentence or bullet on page 4 is not clear. Please revise it. 3. You may consider adding one barrier to EE improvement on page 5 (before the heading of "2. Baseline	

		<p>subsidies of energy use in the industrial sector".</p> <p>MY 4/11/2013: Some questions are cleared, and some questions need to be further addressed and cleared during CEO endorsement. See comments in Box 25.</p>	
	25. Items to consider at CEO endorsement/approval.	<p>MY 4/11/2013:</p> <p>The Agency needs to describe the applied methodologies and assumptions in more detail for this project in the CEO endorsement document.</p> <p>There is a need for more coordination and consultation with other relevant GEF-financed activities and other initiatives in the country during the PPG phase, to be described in the CEO endorsement document.</p> <p>Regarding the co-financing issue in Box 16, the Agency confirmed to make efforts during the PPG phase to obtain agreement and commitment of the government for cash contribution. The GEF will review this issue in CEO endorsement.</p> <p>Please address knowledge management (KM) and consider adding/integrating KM elements into component 4.</p>	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	March 11, 2013	
Review Date (s)	Additional review (as necessary)	April 11, 2013	
	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.**