GEF SECRETARIAT REVIEW FOR PROGRAMMATIC FRAMEWORK DOCUMENT*
THE GEF/LDCF/SCCF TRUST FUNDS

GEF Program ID:	**5143**		
Country/Region:	**Regional (Egypt, Jordan, Morocco, Tunisia)**		
Program Title:	**EBRD South Eastern Mediterranean EE/ ESCO Markets Platform (PROGRAM)**		
GEF Agency:	**EBRD**	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:	**$0**	Project Grant:	**$15,000,000**
Co-financing:	**$141,250,000**	Total Project Cost:	**$156,250,000**
PFD Approval:		Council Approval/Expected:	**April 01, 2013**
		Expected Program Start Dt:	
Program Manager:	**David Elrie Rodgers**	Agency Contact Person:	**Asari Efiong**

Review Criteria	Questions	Secretariat Comments on Program Framework Document
Eligibility	1. Is the participating country eligible?	DER, October 2, 2012. Yes. The proposed private sector investment will be in GEF eligible countries, Etypt, Jordan, Morocco, and Tunisia.
	2. Has the operational focal point endorsed the program?	DER, October 2, 2012. NA. This is a regional program under the GEF-5 private sector set-aside and no OFP endorsement is required.
Agency's Comparative Advantage	3. Are the Agencies' comparative advantages for this program clearly described and supported?	DER, October 2, 2012. Yes. The EBRD has a comparative advantage for application of non-grant instruments and a proven track record of working with private sector partners.
	4. If there is a non-grant instrument in the program, is the GEF Agency(ies) capable of managing it?	DER, October 2, 2012. Yes. The proposed PPP Program includes non-grant instruments. The EBRD has a proven track record of managing such instruments. a) Under the Operational Modalities for PPP Programs (GEF/C.42/Inf.08) the EBRD must select Option 1 or Option 2 or a hybrid as noted in paragraph 52 related to delegated authority of investment decision making. In this case, since the eligibility of investments under the proposed structured fund is limited to energy efficiency technologies and a very specific funding facility, with strict criteria as presented on page 10 of the PFD, the EBRD is eligible to request Option 1 - In Advance. Please clarify EBRD selection under section J of the

		revised PFD. b) If Option 1 is selected, the EBRD will be responsible to ensure that all investments meet the stated criteria. If an investment is desired that does not fit the criteria stated in the PFD on an exceptional basis, GEFSEC concurrence would have to be obtained for such exceptional investments under the same modalities as Option 2. (See paragraph 56 of the Operational Modalities.) If this more complicated hybrid approach is desired by EBRD, it should be clearly articulated in Section J of the PFD, with a justification and example of the type of exceptional investments that could be considered. c) In addition, the proposal specifies "energy efficiency in the industrial and public sector." Please clarify examples of the types of technologies or investments that will considered eligible for the investment fund (for clarity, on or near page 10). Please also clarify if the facility will consider renewable energy investments in industry or public buildings, such as Solar PV or solar thermal, which are often considered simultaneously with whole building renovations and construction that includes energy efficiency. DER, November 19, 2012. a)&b) The response documents the hybrid option in Section J. Comment cleared. c) The response clarifies that some renewable investments may be considered. Comment cleared.
	5. Does the program fit into the Agencies' programs and staff capacity in the country(ies)?	DER, October 2, 2012. Yes. Supports to clean energy, infrastructure and private-sector development are core pillars of the EBRD strategy, and support in this region is a priority for EBRD.
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):	
	• the STAR allocation?	DER, October 2, 2012. The STAR allocation does not apply as this program will access the private sector set-aside. There is sufficient balance in the set-aside to meet the program request.
	• the focal area allocation?	DER, October 2, 2012. NA
	• the LDCF under the principle of equitable access?	DER, October 2, 2012. NA
	• the SCCF (Adaptation or Technology Transfer)?	DER, October 2, 2012. NA
	• focal area set-aside?	DER, October 2, 2012. NA
Program Consistency	7. Is the program aligned with the focal /multifocal areas/ LDCF/SCCF results framework?	DER, October 2, 2012. Yes. The PPP Program will address CCM2, Energy Efficiency.

	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF objectives identified?	DER, October 2, 2012. Table A is correctly filled out with the appropriate outcomes and outputs, identifying "sustainable financing and delivery mechanisms established and operational."
	9. Is the program consistent with the recipient country(ies)' national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DER, October 2, 2012. The investments in energy efficiency are consistent with national strategies and plans in the proposed countries where the investments will take place. Energy efficiency has been identified as a high priority to help the countries achieve their energy and climate goals. Please clarify if the project is consistent with national communications for Jordan and Tunisia. DER, November 19, 2012. The response document's consistency with Tunisia national communications. Comment cleared.
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of program outcomes?	DER, October 2, 2012. Yes. The use of GEF private sector funding blended at concessional terms with EBRD and other donor funding is expected to attract private sector investors who would otherwise avoid energy efficiency projects in this region. The establishment of the structured fund with long term loans will create a foundation for sustainable operation that will continue after the project is over.
Program Design	11. Is the description of the baseline scenario/baseline project – what would happen without GEF financing – reliable, and based on sound data and assumptions?	DER, October 2, 2012. Yes. The project describes significant interest in energy efficiency financing, yet barriers remain in attracting sufficient private sector investment.
	12. Are the activities to be undertaken by the program partners (or for which they will provide funding) sufficient given the nature of the program and is it likely that these activities (or funding) **will not** materialize if the GEF does not fund this program?	DER, October 2, 2012. Yes. The EBRD will use GEF funding blended with EBRD funding to attract private sector investors with substantial co-financing, yielding approximately $141 million in co-financing for the $15 million of GEF funding requested, a ratio over 9:1. Without the GEF funding, the private sector investors will likely pursue investments in other sectors or regions.
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	DER, October 2, 2012. Yes. The use of GEF private sector funding blended with EBRD and other donor funding is expected to attract significant private sector investors.
	14. Is the program framework sound and sufficiently clear?	DER, October 2, 2012. The description is very helpful. The presentation of the structured fund is clear. Please respond to the following comments: a) The explanation for the use of GEF funds as C or Junior shares explains that these funds are critical for sustainability because they take the initial credit risk/local currency risk, and first loss position. These sound like "high" risk positions, but then later the document says the GEF funding will "make

		high/medium risk investments possible." Please explain. Do you mean the GEF funding lowers the overall risk, allowing other investors to come in with low risk profiles? Will the C/Junior shares have the highest risk of all the partners? b) Following on to question 1, the chart on page 8 shows an increasing level of protection that is inverse to the level of return for shares N, A, and B. This is logical. However, the return for C shares is listed as both very high or very low. Please explain. What is the estimated return for the C/Junior shares to be held by GEF and other donors. c) In other funding facilities that address risk, GEF has "shared" the first loss risk with its partners. This is a different approach, but one that has been successful in attracting investment. Losses in practice have been quite low so investment has not been deterred. Did EBRD consider this type of "shared" risk approach? Please explain how the proposed approach is superior. d) The structured approach proposes to attract investors at the N level, perhaps from institutional investors. We recognize that it is critical to attract these type of investors if climate investment is to be sustainable and scalable. Please describe if this proposed approach can be sustainable long-term; what happens when C/Junior funds are no longer available? Will the approach raise the confidence of institutional investors? DER, November 19, 2012. a) The document has been updated to clarify that GEF funding as C/Junior shares will indeed attract other investors into the structured fund. The C/Junior shares will be very risky and be offered at concessional terms. Comment cleared. b) The chart has been corrected. The C/Junior shares will be very risky and be offered at concessional terms. Comment cleared. c) Page 7 of the PFD indicates that a variety of options will be considered, depending on the financial needs of the investment, including shared risk. Comment cleared. d) The document presents information that similarly structured funds have indeed attracted private investors and that those private investors will stay on in the fund. Comment cleared.
	15. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the program, and b) how they will support the	DER, October 2, 2012. Yes.

	achievement of incremental/ additional benefits?	
	16. Is public participation taken into consideration, and the roles of the various stakeholders identified and addressed properly?	DER, October 2, 2012. Yes.
	17. Does the program take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	DER, October 2, 2012. Yes.
	18. Is the program consistent and properly coordinated with other related initiatives in the country or in the region?	DER, October 2, 2012. Yes.
	19. Is the project implementation/ execution arrangement adequate?	DER, October 2, 2012. Yes.
Program Financing	20. Is funding level for program management cost appropriate?	DER, October 2, 2012. Yes. The program management cost request is zero
	21. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DER, October 2, 2012. Yes. The type of co-financing is appropriate for the type of financing proposed.
	22. Comment on the indicated co-financing.	DER, October 2, 2012. Yes. The estimated co-financing is appropriate and adequate.
	23. Are the co-financing amounts that the Agencies are bringing to the program in line with their roles?	DER, October 2, 2012. Yes. The EBRD will bring significant co-financing ($45 million) and will be arranging for technical assistance for project preparation with non-GEF funds.
Program Monitoring and Evaluation	24. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?	DER, October 2, 2012. The estimated CO2 benefits are 13.5 million tCO2e over the lifetime of the investments. Please include the tracking tools at the time of CEO endorsement.
	25. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?	DER, October 2, 2012. Yes.
Agency Responses	26. Has the Agency responded adequately to comments from:	
	• STAP?	DER, October 2, 2012. NA
	• Convention Secretariat?	DER, October 2, 2012. NA
	• Council comments?	DER, October 2, 2012. NA

	• Other GEF Agencies?	DER, October 2, 2012. NA
Secretariat Recommendation		
PFD Clearance	**27. Is PFD clearance being recommended?**	DER, October 2, 2012. Not at this time. Please address the questions in box 4, 9, and 14. DER, November 19, 2012. Yes. The PFD has been technically cleared and may be included in an upcoming Work Program.
	28. Items to consider at subsequent individual project submissions for CEO endorsement.	DER, October 2, 2012. At the time of CEO endorsement submission, please supply Annex E, the estimated schedule of reflows; the tracking tools with CO2 emissions benefits; and respond to any comments from STAP or the Council.
Review Date (s)	First review*	October 02, 2012
	Additional review (as necessary)	November 19, 2012
	Additional review (as necessary)	
	Additional review (as necessary)	
	Additional review (as necessary)	

*** This is the first time the Program Manager provides full comments for the program. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments.**

REQUEST FOR PROGRAM COORDINATION BUDGET/PROJECT PREPARATION GRANT FOR PROGRAM APPROVAL

Review Criteria	Decision Points	Program Manager Comments
Program Coordination Budget/Project Preparation Grant for Program	1. Are the proposed activities for program coordination appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	**3. Is PCB/PPG for Program approval being recommended?**	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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