



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

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| GEF ID: | 9191 | | |
| Country/Region: | Tajikistan | | |
| Project Title: | Green Energy SMEs Development | | |
| GEF Agency: | UNDP | GEF Agency Project ID: | 5476 (UNDP) |
| Type of Trust Fund: | GEF Trust Fund | GEF Focal Area (s): | Climate Change |
| GEF-6 Focal Area/ LDCF/SCCF Objective (s): | CCM-1 Program 2; | | |
| Anticipated Financing PPG: | \$0 | Project Grant: | \$2,519,963 |
| Co-financing: | \$21,900,000 | Total Project Cost: | \$24,419,963 |
| PIF Approval: | | Council Approval/Expected: | October 01, 2015 |
| CEO Endorsement/Approval | | Expected Project Start Date: | |
| Program Manager: | Ming Yang | Agency Contact Person: | Marina Olshanskay |

| PIF Review | | | |
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| Review Criteria | Questions | Secretariat Comment | Agency Response |
| Project Consistency | 1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹ | 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 completed. Tajikistan submitted its third national communication to UNFCCC Parties on 29 December 2014. Please elaborate the consistency of this project with the communication. | 7/31/2015 Done. The following clarifications have been provided. Tajikistan's 3rd National Communication (3rd NC) to UNFCCC emphasizes the importance of renewable energy (small hydro and solar) development, |

¹ 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>MY 7/31/2015 Yes. Comments were cleared.</p> | <p>specifically in remote rural communities, as the priority mitigation, climate change adaptation and poverty alleviation measure for the country. In particular, 3rd NC clearly acknowledges the problem related to the energy deficit in rural areas and limitation electricity supply in rural areas for 2-8 hours per day among key development challenges faced by the country. It further states that since the majority of Tajikistan's population lives in rural areas, the key source of CO2 emissions are 'energy activities' in housing and communal areas. According to 3rd NC, "the contribution of these activities to CO2 emissions has increased from 40% in 1990 to 70% after 2000" and therefore should be the focus of the national mitigation and poverty reduction strategies. In this regard, 3rd NC identifies the development of community-level renewable energy systems (RES) among national mitigation and adaptation priorities and specifies that international support is needed in Tajikistan to assist with "dissemination of best practices at the local level to support and promote state measures on RES".</p> |
| Project Design | 3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, | <p>MY 7/27/2015 Not completed at this time.</p> | <p>7/31/2015 Done. The following explanation has been provided:</p> |

² Need not apply to LDCF/SCCF projects.

PIF Review

| Review Criteria | Questions | Secretariat Comment | Agency Response |
|-----------------|---|--|--|
| | market transformation, scaling, and innovation? | <p>Please write one paragraph the following topic: How will this project have impact of market transformation in the country?</p> <p>MY 7/31/2015 Yes. Comments were cleared.</p> | <p>Expected impact on market transformation: The ultimate goal of the project is to support the transformation of Tajikistan's energy sector, which is highly monopolized and centralized, and facilitate the emergence of new class of independent energy companies, which can offer affordable and sustainable energy services to rural population. Estimated annual market potential for this new business niche is US\$300 million. The ambition and the expected scale of market transformation is to ensure that by the end of the project at least 10% of this market potential (representing US\$30 million in annual revenues) is realized and delivered by new and independent RES-based energy companies (as opposed to less than 1% in the BAU).</p> |
| | 4. Is the project designed with sound incremental reasoning? | <p>MY 7/27/2015</p> <p>Yes.</p> | |
| | 5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs? | <p>MY 7/27/2015</p> <p>Not at this time.</p> <p>On page 2 in Table B, please add quantitative information (amounts) to the outputs from Component 2 of the project: Equity and loan resources leveraged for investment in green energy SMEs.</p> | <p>7/31/2015</p> <p>Numerical target for Output 2 indicator has been set up as follows:</p> <p>Equity and loan resources leveraged for investment in green energy SMEs (additionally, on-top of co-financing committed at the beginning of the project):</p> <p>- at least \$15,000,000 in the form of loans;</p> |

PIF Review

| Review Criteria | Questions | Secretariat Comment | Agency Response |
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| | | <p>If the Agency has any questions on this issue, please contact the GEFSEC.</p> <p>MY 7/31/2015 Yes. Comments were cleared.</p> | - at least \$5,000,000 in the form of equity |
| | 6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered? | <p>MY 7/27/2015</p> <p>Not at this time.</p> <p>Please indicate if this project is relevant to indigenous people.</p> | <p>7/31/2015 Done.</p> <p>The project will specifically target Pamiri Tajiks, a minority group living in the Gorno-Badakhshan Autonomous Province of Tajikistan (GBAO). It is envisaged that at least 50% of the targeted beneficiaries would be Pamiri Tajiks, i.e. 200 households/1,000 people (or 0.05% of the entire Pamiri Tajik population) will directly benefit from the Project.</p> |
| Availability of Resources | 7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply): | | |
| | <ul style="list-style-type: none"> The STAR allocation? | <p>MY 7/27/2015</p> <p>Yes.</p> <p>As of 7/27/2015, this country, which is flexible in STAR use, had a remainder of total STAR allocation: \$2,836,010.</p> | |
| | <ul style="list-style-type: none"> The focal area allocation? | <p>MY 7/27/2015</p> <p>Yes.</p> <p>As of 7/27/2015, this country, which is flexible in STAR use, had a remainder of STAR allocation of \$2,000,000 in climate change and \$836,010 in land degradation.</p> | |

PIF Review

| Review Criteria | Questions | Secretariat Comment | Agency Response |
|------------------------|---|--|-----------------|
| | <ul style="list-style-type: none"> • The LDCF under the principle of equitable access | MY 7/27/2015 N/A | |
| | <ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? | MY 7/27/2015 N/A | |
| | <ul style="list-style-type: none"> • Focal area set-aside? | MY 7/27/2015 N/A | |
| Recommendations | 8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified? | <p>MY 7/27/2015 Not at this time.</p> <p>Please address comments in Boxes: 2, 3, 5, and 6.</p> <p>MY 7/31/2015 All comments have been cleared. At the CEO ER stage, please budget M&E. The Program Manager recommends CEO PIF/PFD clearance.</p> | |
| Review Date | Review | July 27, 2015 | |
| | Additional Review (as necessary) | July 31, 2015 | |
| | Additional Review (as necessary) | | |

CEO endorsement Review

| Review Criteria | Questions | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|-------------------------------------|--|--|----------------------------------|
| Project Design and Financing | 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) | | |
| | 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? | | |

CEO endorsement Review

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| Agency Responses | 11. Has the Agency adequately responded to comments at the PIF ³ stage from: | | |
| | • GEFSEC | | |
| | • STAP | | |
| | • GEF Council | | |
| | • Convention Secretariat | | |
| Recommendation | 12. Is CEO endorsement recommended? | | |
| Review Date | Review | | |
| | Additional Review (as necessary) | | |
| | Additional Review (as necessary) | | |

³ 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.