



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

GEF ID:	9081		
Country/Region:	Turkey		
Project Title:	Promoting Energy-Efficient Motors in Small and Medium Sized Enterprises (PEEMS)		
GEF Agency:	UNDP	GEF Agency Project ID:	5285 (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 1;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$3,750,000
Co-financing:	\$28,340,000	Total Project Cost:	\$32,190,000
PIF Approval:	April 28, 2015	Council Approval/Expected:	June 04, 2015
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ogawa Masako	Agency Contact Person:	John O'Brien,

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	MO March 23, 2015 Yes.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MO March 23, 2015 Yes. 5th National Communication of Turkey placed priority on energy efficiency technology and pilot solution. Turkey has also developed Energy Efficiency Law, Energy Efficiency Strategy Plan and Energy Efficacy Improvement Program. However current regulation is	

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

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>applicable only to new electric motors and exclude non-efficient motors in use.</p> <p>MO March27, 2015 Please submit Operational Focal Point endorsement letter.</p>	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>MO March 23, 2015 Yes. Electric motors are recognized as one of the largest and cost saving potentials of any GHG mitigation, but the replacement or re-manufacturing of existing motors often require significant capital investment.</p>	
	4. Is the project designed with sound incremental reasoning?	<p>MO March 23, 2015 Yes.</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MO March 23, 2015</p> <p>Component 4 Please clarify whether Component 4 targets SME as end user or SME as manufacturer, or both. The paragraph 17 describes that the proposed project targets both, but the paragraph 32 proposes the financial mechanism support end users to purchase and install EE motors. Please provide output 4.3 in the paragraph 31.</p> <p>Component 5 Outcome 5.1 in Table B does not</p>	<p>UNDP Response:</p> <p>Component 4 It is now further clarified that the project targets SME end users who will be the main beneficiaries of the financial support mechanism. (Refer: Table B, Component 4 and para 32, pp 12)</p> <p>Component 5 This has now been corrected and it now matches para 34 “ para 26. It is clarified that the training under component 5 is for manufacturers, industry and end-users whereas training</p>

² Need not apply to LDCF/SCCF projects.

PIF Review

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		<p>match the discussion in the paragraph 34-36. This component should focus manufacturers, industry and general public, and training of laboratory staff will be implemented under component 3. Please revise Table B.</p> <p>The number of conversion of motors to IE2, etc., in the paragraph 17 is different from in the paragraph 43. Please revise.</p> <p>Please look at the project review and STAP comments on Energy Efficiency (EE) motors project in China (GEF ID 5630), and consider possible activities, for example to review global policies and international standard IEC 60034-30 in the Component 1, and demonstration of the high benefit investment in EE motors in Component 5.</p> <p>According to the 2014 Project Implementation Review of EE in industry in Turkey (ID 3747), the rating was unsatisfactory, and the "studies for auditing, database and benchmarking are still pending". Because the proposed project will implement energy audit under Component 4, please review and revise risks and mitigation actions</p>	<p>for laboratory staff will take place under component 3. (Refer: Table B, Component 3 and Component 5 and para 36, pp 13)</p> <p>The figure in paragraph 43 on pp 15 has now been changed to 7.5 – 9.5 million IE2 motors –</p> <p>The revised PIF now includes a review of not only Turkish policies and regulations related to EE electric motors but all international best practice. Component 1 undertakes a review and strengthening of existing policies and regulations both in Turkey and internationally for EE electric motors. Component 1 also now involves the formulation of new supportive policies and regulations for EE electric motors taking into account international best practice (e.g – IEC 60034-30, EU Standard 640/2009 and others –). This is consistent with the UNDP GEF China EE motors project (GEF ID 5630) which undertakes a comprehensive review of both domestic and international policies and recommendations as the basis for formulating new policies and regulations. (Refer: Table B on pp 1 and pp2 , and para 21 on pp 11)</p> <p>The structure and scope of energy audits</p>

PIF Review

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		<p>based on the experiences of on-going projects.</p> <p>MO March 27, 2015 Comments cleared</p>	<p>in PIMS 3747 UNDPO GEF Industrial EE is different from the energy audits contemplated in the EE Motors project. PIMS 3747 covers both walkthrough and detailed audits for the ENTIRE production facility, however, the energy audits under EE Motor project consist of partial audits which focus only on motor-driven systems. Therefore, it is not correct to compare the two projects within the context of energy audits. Secondly, GEF Secretariat will be pleased to know that as of March 2015, the energy audit studies and benchmarking approach have now started and are now underway under Turkey EE Industry project.</p> <p>Table 1:3 on pp17 now has an additional column to assess the risk of energy audits being delayed or not taking place. It is now clearly explained that this is not a significant risk to the project. (Refer Table 1:3, pp 17)</p>
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>MO March 23, 2015 Please describe socio-economic aspect. Currently only gender element is considered.</p>	<p>It is now explained that supporting EE motors also has socio-economic benefits by leading to reduced energy consumption costs for end-users. This is now explained in the revised PIF. (Refer: Para 48, pp 15)</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? 	MO March 23, 2015	The project budget of the PIF has been

PIF Review

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		Yes.	reduced from \$4.385 million + PPG + fee to \$3.750 + PPG + fee at the request of the Turkish Government. Original plans for a slightly larger project have been revised in order to free up more funding under the Turkish climate change mitigation STAR allocation for other projects.
	<ul style="list-style-type: none"> • The focal area allocation? 	NA	
	<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 	NA	
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 	NA	
	<ul style="list-style-type: none"> • Focal area set-aside? 	NA	
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>MO March 23, 2015 Not at this time. Please address the comments.</p> <p>MO March 27, 2015 After receiving the endorsement letter, PIF will be technically cleared.</p> <p>MO March 31, 2015 The endorsement letter was submitted. PIF is technically cleared.</p>	
Review Date	Review	March 23, 2015	
	Additional Review (as necessary)		
	Additional Review (as necessary)		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	<p>1. If there are any changes from that presented in the PIF, have justifications been provided?</p>	<p>MO October 20, 2016</p> <p>Component 1, 2 and 4 Development and implementation of recycling scheme is not eligible under CCM strategy. Please implement this component by co-financing.</p> <p>Component 2 Awareness raising of general public will be implemented in component 5. Please delete this target from Component 2.</p> <p>MO November 28, 2016 Comments cleared.</p>	<p>The recycling schemes to be carried out under the project will be implemented and paid for by the Ministry of Science and Industry as part of their \$2.5 million USD co-financing to the project. Additional text now makes it clearer that the re-cycling schemes are co-financing activities and not supported with GEF resources. Please see GEF RCE doc, pages 7, and Pro Doc, pgs 14 (Para 24) and page 15 (Para 25, output 2.2). Under Output 4.3 of the Pro Doc on pages 17 and 18), the reference to "taking back all phased-out inefficient motors that are being replaced to an accredited recycling facility" is for the establishment of agreements that will enable the 3 to 5 selected OIZs to become the primary management entities of the one-stop shop facility for industrial SMEs to implement motor replacement programmes. Reference to co-financing of recycling scheme can be found on Prodoc, page</p>

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			<p>40 (Table 4).</p> <p>Component 2 no longer has any awareness raising activities but instead focuses on technical training workshops for SMEs.</p> <p>Reference to awareness raising of general public has been removed from Project Document on pages 15, 29 and 49, 52 and 53. Also on page 29 of the project document in the project results framework it has been changed to technical training workshops for SMEs.</p> <p>In the GEF RCE , there are no longer public awareness seminars under output 2.2. Instead there are technical training workshops on replacement programmes for SMEs. This has been changed in Table B on page 2 and in Table 1 on page 7 of the RCE as well as page 22 on the project results framework under outcome 2.</p>
	2. Is the project structure/ design appropriate to achieve the expected	MO October 20, 2016 Output 1.1	This comment is not correct. The survey will collect information about energy

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	outcomes and outputs?	<p>Please explain why the survey on electric motor will not collect information on energy efficiency classes.</p> <p>Output 5.2 Awareness raising for industrial sectors (manufactures and user of motors) will be implemented under Component 2. Please focus on general public in Component 5.</p> <p>MO November 28, 2016 Comments cleared.</p>	<p>efficiency classes for the existing motors already in use, and include rough estimations on their possible EE classes (IE classes) considering their efficiency coefficient and the absence of information on the lifecycle history of the motors in use (i.e. ambient operating conditions, # of rewindings, etc.). DGP already has some basic information about the energy classes of existing motors and under the project this information will be expanded and improved. (refer page 13 of the prodoc, para 24).</p> <p>Output 2.2 is now focused on technical training workshops for SMEs and has nothing anymore on general awareness. Awareness raising for the general public is now fully under Component 5</p>
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	<p>MO October 20, 2016 Yes.</p>	

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	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)	MO October 20, 2016 Please provide response to the comments from Germany on risk. (page 39) https://www.thegef.org/sites/default/files/work-program-documents/Compilation_of_GEFTF_WP_Council_Comments__June_2015_0.pdf MO November 28, 2016 Comment cleared.	These responses can be found on pgs 25 and 26 of this CEO document.
	5. Is co-financing confirmed and evidence provided?	MO October 14, 2016 Please provide translation of the letter from Ankara Chamber of Industry. MO November 28, 2016 Comment cleared.	The letter from Ankara Chamber of Industry is now attached.
	6. Are relevant tracking tools completed?	MO October 14, 2016 Yes.	
	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?	MO October 14, 2016 Yes.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	MO October 14, 2016 Outcome 1 Indicator 2 Project activities will support adoption of several measures, but target is on "1" in mid-term and "2" at the end of the project,	Outcome 1 Indicator 2 We have discussed this matter further with the Ministry of Science and Industry and with DGP. There can only be a

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		<p>which are very small and limited. Please improve the targets.</p> <p>Outcome 1 Indicator 3 Target on the number of phase out of inefficient motors should be developed not under outcome 1 but under overall project objective or under outcome 3. Please revise. Also please delete target on recycling program.</p> <p>Outcome 2 Indicator 2 Please delete general public from this indicator. Please see box 1.</p> <p>Outcome 2 Indicator 3 Officials are not targeted in Component 2. Please use this indicator under Component 1 so that enough officials will work to implement policies and measures.</p> <p>Outcome 3 Indicator 2 Please explain why this indicator limited to "industrial SMEs".</p> <p>Outcome 4 Please consider to include an indicator on local financial institutions. It is understood that this project will reduce barriers and the local financial institution is an important barrier to be addressed.</p> <p>Outcome 5 Please consider to include an indicator on EE motors market sustainability.</p> <p>Outcome 5 indicator 3 Please explain how the target of 2,500 and 10,000 hits are calculated.</p>	<p>target of 2 for this indicator because there are only two measures which the Turkish Government wishes to carry out. Both of these two measures are related to motors harmonization with EU Eco-design standards: (1) the eco-design regulation for electric motors (which is already in force in Turkey) and expected to be recast in near future with extended scope and other eco-design requirements (which will be transposed by the Project); (2) MV&E regime to be established by the Project. These are covered under Footnotes 36 and 37 of ProDoc. If this is not clear and you would like to discuss with UNDP, please let us know.</p> <p>Outcome 1 Indicator 3: The number of phased out inefficient motors has been moved to under the overall project objective and indicators. Changes have been made to the Project Results Framework on page 22 of the GEF RCE page 21</p>

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		<p>MO November 28, 2016 Comments cleared.</p>	<p>and project document pages 28 and 52.</p> <p>Outcome 2 Indicator 2: Outcome 2 and Indicator 2 no longer mentions the general public. It has been deleted.</p> <p>Outcome 2 Indicator 3: Concerning outcome 2, indicator 3, this is being done. Changes have been made in the Project Results Framework as found in CEO ER document, page 22, and Pro Doc, pages 29, 53 and 54.</p> <p>Outcome 3 Indicator 2: Concerning outcome 3, Indicator 2 please refer to Annex K and page 82 of the project document. The only other type of motors are with households and households do not classify as SMEs. The project focuses on industrial SMEs because that is where over 90% of all electric power motor consumption takes place in Turkey. Industrial electric motors (3-phase induction motors) are mostly used by industrial SMEs in Turkey as</p>

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			<p>mentioned in Annex K of the ProDoc, and specifically in Paras K.1 and K.2. As such, this Project only intended to focus on electric motors in industrial SMEs. Changes have been made in the Projects Results Framework as found in CEO ER document, page 24, and ProDoc, pgs 31 and 55.</p> <p>Outcome 4: We have now done this. Number of financial institutions involved with inefficient motor replacement programmes by EOP is added as an indicator to Outcome 4. We target 3 by the mid-term review and 6 by the end of the project. Changes have been made in the Project Results Framework as found in CEO ER document, page 24, and Pro Doc, pages 31 and 55.</p> <p>Outcome 5: Sustainability indicators are already included in the documents in both the project document and the GEF Request for CEO</p>

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			<p>endorsement. The following are all indicators of sustainability under Outcome 4. Indicator 1: Number of motor energy efficiency investment plans (MEEIPs) for industrial SMEs in OIZs by Year 2 and 2,408 by the end of the project which is a sustainable outcome, and Indicator 2: "Cumulative USD Investments through an established "one-stop-shop" FSM by end of the project as \$47 million dollars plus target (if met) represents a sustainable market and Indicator 3) % of SMEs where MEEIP investment is paid back in less than 24 months as short paybacks indicate a sustainable market and Indicator 4) Number of financial institutions involved in EE replacement programs as only in a sustainable market will local financial institutions be involved. Each of these indicators are designed to reflect market transformation sustainability through tracking the "scale-up" of the number of MEEIPs completed and investments</p>

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			<p>made from Year 2 (or the mid-point of the Project) to the EOP. If these indicators are met, they are a good indication that the project has had sustainable results.</p> <p>Outcome 5 Indicator 3: The target of 2,500 hits in Year 2 was tied to the 2,408 MEEIPs by the end of project. It was estimated that by the middle of the project that each MEEIPs generates just over 1 hit and by the end of the project 4 hits. With over 355,000 industrial SMEs (see Para K.2 in ProDoc), and with 2,408 MEIPs we think that 10,000 hits is a conservative target by the of project.</p>
	10. Does the project have descriptions of a knowledge management plan?	MO October 14, 2016 Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	NA	
	• STAP	MO October 14, 2016	

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.

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		Yes.	
	<ul style="list-style-type: none"> • GEF Council 	MO October 14, 2016 No. Please see box 4. MO November 28, 2016 Comment cleared.	
	<ul style="list-style-type: none"> • Convention Secretariat 	NA	
Recommendation	12. Is CEO endorsement recommended?	MO October 14, 2016 Not at this time. Please address comments in box 1, 2, 4, 5, 9 and 11. MO November 28, 2016 All comments cleared. The Program Manager recommends CEO endorsement.	
Review Date	Review	October 14, 2016	
	Additional Review (as necessary)	November 28, 2016	
	Additional Review (as necessary)		