



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

GEF ID:	<b>9218</b>		
Country/Region:	<b>Turkey</b>		
Project Title:	<b>Sustainable Use of Biomass to Assist the Development of Turkey's Economy Towards a Low-carbon Development Path</b>		
GEF Agency:	<b>UNIDO</b>	GEF Agency Project ID:	
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-1 Program 1;</b>		
Anticipated Financing PPG:	<b>\$150,000</b>	Project Grant:	<b>\$4,416,210</b>
Co-financing:	<b>\$27,381,050</b>	Total Project Cost:	<b>\$31,797,260</b>
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Ming Yang</b>	Agency Contact Person:	<b>Mark Draeck</b>

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	MY 7/30/2015 Yes. It is aligned with Program 1 of Objective 1: Promote timely development, demonstration and financing of 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 7/30/2015 Yes. It is stated on page 16.	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the	MY 7/30/2015	See revised section pages 5-8, namely the

<sup>1</sup> 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

## PIF Review

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	<p>drivers<sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<p>Not completed at this time.</p> <p>Please write one paragraph for each of the following topics:</p> <ol style="list-style-type: none"> <li>1. Key drivers of global environmental degradation (the section of 1.1 on page 5 is not sufficient to address this issue), please consider using some quantitative data.</li> <li>2. Innovativeness,</li> <li>3. Sustainability, and</li> <li>4. Potential for scaling up for market transformation.</li> </ol> <p>MY 9/14/2015 Not completed at this time. Please use statistic data to describe the key drivers of GHG emissions in Turkey. The section of 1.1 on page 5 is still not sufficient to address this issue. Please present the major GHG emission sectors in the country and justify the use of biomass will really assist the development of Turkey's economy towards a low-carbon development path.</p> <p>MY 11/19/2015 Not completed at this time. Please address again:</p>	<p>following text section on innovation:</p> <p>"The benefits of modern bio-energy conversion technologies are multiple: emission reductions, diversity of fuel supply and energy security, reduction in fuel costs and reliance on fossil fuels, a reliable energy supply, economic growth, job creation, as well as the global potential for technology transfer and innovation.</p> <p>Long term ownership and sustainability will be ensured through working closely with the government partners (MoFAL/TAGEM and MoENR) and through the development of policy instruments such as the strategic road map. This roadmap will set out steps for these technologies remain a focus beyond the timeframe of the project and will also ensure the steps are outlined for future R&amp;D to ensure that Turkish manufacturers and academic institutions are at the forefront of technology development in this area.</p> <p>Finally, sustainability and replication will be aimed for through the planned interaction with the development and commercial financial institutions.</p>

project's contribution toward achieving the Aichi Target(s)?

<sup>2</sup> Need not apply to LDCF/SCCF projects.

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		<p>1. Innovativeness: The agency responded the comment as follows: "The benefits of modern bio-energy conversion technologies are multiple: emission reductions, diversity of fuel supply and energy security, reduction in fuel costs and reliance on fossil fuels, a reliable energy supply, economic growth, job creation, as well as the global potential for technology transfer and innovation."</p> <p>This is not right responses. Innovation is not about benefits. Rather, it is about new initiative and creative things. Please answer the following questions when addressing the comment: (1) What is new and innovative business model or idea or technology in this project when compared with other similar renewable energy projects in Turkey? (2) Why the GEF should invest in this project?</p> <p>2. Sustainability: Again, the Agency's responses to the comment are not right to the point. Please answer the following question while addressing the comment: (1) How can the 2.3 MW biomass to energy technology (demonstration sub-project) will continue its operation after the GEF</p>	<p>Discussions on securing finance, preparation of due-diligence guidelines and the banks' experience of extending loans for technology innovation in the target sector, will help to reduce perceived risk and encourage future lending.</p> <p>1.1.4) Potential for scaling up for market transformation. The objective to be achieved as a result of this project will be to initiate and strengthen the green industry development through the use of bio-energy. The economic sector of focus will be the agro-industry, which still contributes more to the national economy than any other industry and has an economic significance due to its raw material production and the processing agro-food industry. The project will be used as an opportunity to drive economic development in currently less developed regions of the country.</p> <p>Demonstrating the technical feasibility and commercial viability of industrial bio-energy projects will provide national examples that can be replicated across the country. The pilots will be selected on a number of criteria including their GHG emission reductions and their replicability. The target agro-industrial sector has a wide variety of sub-sectors across the country where the technology could be installed. The modern bio-energy</p>

## PIF Review

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		<p>project implementation period is over? (2) Who will provide continued technical assistance to the demonstration project? (3) How will the refined policy, regulatory framework, and human capability developed through this project continue to be applied in the country?</p> <p>3. Scaling up: How the refined policy, the new regulatory framework, the human capability developed, and demonstrated technology in the project will be duplicated in other part of the country, if without further GEF financing? Will the government or the private sector be ready to scale up the project scope?</p> <p>MY 12/18/2015 Yes, comments were addressed and issues were cleared.</p>	<p>projects will show what is possible and the examples will be disseminated widely in the country, and the implementation and operation of these projects will build up the technical capacity within the stakeholder groups to help in the replication of these projects. Given the commercial interest in these projects, the different proponents will have an interest in keeping the projects running and hence sustain the global environmental benefits beyond the life of the project."</p>
	4. Is the project designed with sound incremental reasoning?	<p>MY 7/30/2015 Yes, it is stated on page 12. The PIF contains updated information on biomass to power generation from the Ministry of Energy and Natural Resources of the country.</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MY 7/30/2015 Not at this time. Component 3 (on page 2) is budgeted with a total of more than \$3 million. The outputs are not convincing nor promising. Please write more details</p>	<p>See revised version of the PIF, especially section B (p2), and section on component 3 (p13 and following). In short: 550 people will be trained through 25 workshops (400 technicians, 50 senior management, 50 government</p>

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		<p>on how the \$3 million will be used. For example, the Agency may need to indicate the number of workshops to be conducted, and the number of technicians from the private sector or from the government to be trained.</p> <p>MY 9/14/2015 Not at this time.</p> <p>The average cost for per person in training is \$5,519, or \$121,419 for each workshop. Please provide detailed training agenda and detailed budget for the workshops.</p> <p>The agency may consider reallocating some of the funds in Component 3 to the INV sub-component in Component 1, in order to make the budget of Component 3 reasonable.</p> <p>MY 11/19/2015 Yes, comments were addressed, but issues are to be cleared in the CEO ER stage. A detailed training agenda and a list of targeted group and people for training should be provided a the CEO ER stage. Also, please present costs of per capita in training, the number of days of the training, and the costs of per workshop.</p>	representatives, 50 trainer-of-trainers)
	6. Are socio-economic aspects, including relevant gender elements,	<p>MY 7/30/2015 Yes, it is stated on page 13.</p>	

## PIF Review

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	indigenous people, and CSOs considered?		
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> <li>The STAR allocation?</li> </ul>	MY 7/30/2015 Yes. As of 7/30/2015, Turkey had a remainder of \$22,453,043 in STAR.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	MY 7/30/2015 Yes. As of 7/30/2015, Turkey had a remainder of \$11,508,085 in CCM of STAR, which was sufficient to cover the project.	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	MY 7/30/2015 N/A	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	MY 7/30/2015 N/A	
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	MY 7/30/2015 N/A	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MY 7/30/2015 Not at this time. 1. Please address comments in Boxes: 3 and 5.  2. Please consider mobilizing more co-financing for this project. Biomass to power generation projects in the GEF used to mobilize highest co-financing ratio. The current co-financing ratio (1:5) needs to be raised.	1. See revised PIF 2. Cofinancing has been raised by 4.6 MUS\$D, and is expected from development financing institutions and commercial banking. Please note that the project will prioritise the generation of process heat from bio-energy for industrial applications, over green power. This has been explained in the description of component 1, on p12 of the revised PIF. 3. Endorsement letter received on 12 August 2015.

## PIF Review

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		<p>3. The endorsement letter from the operational focal point of Turkey is missing. Please provide such a letter.</p> <p>MY 9/14/2015 Not at this time.</p> <p>1. Please address comments in Boxes: 3 and 5.</p> <p>2. Co-financing ratio has been increased to 1:5.9, but it is still far below the average co-financing ratio of GEF renewable energy portfolio. Please consider further increasing this ratio.</p> <p>MY 11/19/2015 Not at this time. Please address comments in Box 3.</p> <p>Furthermore, at the CEO ER stage, please provide a detailed training agenda, a list of targeted group and people for training. Also, please present costs per capita in training, the number of days of the training, and the costs per workshop.</p> <p>MY 12/18/2015 Yes, comments were addressed and issues were cleared. The PM recommends CEO PIF clearance.</p>	

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
		However, at the CEO ER stage, please provide a detailed training agenda, a list of targeted group and people for training. Also, please present costs per capita in training, the number of days of the training, and the costs per workshop.	
<b>Review Date</b>	Review	July 30, 2015	
	Additional Review (as necessary)	September 14, 2015	
	Additional Review (as necessary)	November 19, 2015	

<b>CEO endorsement Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>Project Design and Financing</b>	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?		



## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	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?		
<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	<ul style="list-style-type: none"> <li>• GEFSEC</li> <li>• STAP</li> <li>• GEF Council</li> <li>• Convention Secretariat</li> </ul>		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

<sup>3</sup> 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.