



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

GEF ID:	6942		
Country/Region:	Ukraine		
Project Title:	Finance and Technology Transfer Centre for Climate Change (FINTECC)		
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):			
Anticipated Financing PPG:	\$200,000	Project Grant:	\$7,000,000
Co-financing:	\$45,150,000	Total Project Cost:	\$52,350,000
PIF Approval:		Council Approval/Expected:	October 01, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	David Elrie Rodgers	Agency Contact Person:	Dana Kupova

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	DER, August 14, 2014. Yes.	
	2. Has the operational focal point endorsed the project?	DER, August 14, 2014. Yes. The OFP signed a letter of endorsement for \$7,884,000 inclusive of project, PPG, and agency fees.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DER, August 14, 2014. Yes.	
	• the focal area allocation?	DER, August 14, 2014. Yes.	
	• the LDCF under the principle of equitable access	DER, August 14, 2014. NA	
	• the SCCF (Adaptation or	DER, August 14, 2014. NA	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.
FSP/MSP review template: updated January 2013

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	Technology Transfer)?		
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	DER, August 14, 2014. NA	
	<ul style="list-style-type: none"> focal area set-aside? 	DER, August 14, 2014. NA	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><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>	DER, August 14, 2014. Yes the project is aligned with GEF-6, CCM Objective 1, Program 2.	
	<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>	DER, August 14, 2014. Yes.	
Project Design	<p>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>	DER, August 14, 2014. Yes.	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	DER, August 14, 2014. The project consists of the following components: Component 1. Supporting the design of innovative policy packages to promote energy self sufficiency and technology transfer Component 2. Development of industry guidelines, methodologies, technology baseline data, technical assistance and energy audits	

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		<p>Component 3. Climate technology finance to support development of performance-based financing</p> <p>Component 4. Knowledge management and awareness</p> <p>The project is clearly aligned with the GEF-6 strategic focus on policy packages that address climate change in the broader context of socio-economic policy. Thus the project is evaluating options to examine policies on energy subsidies, energy self-sufficiency, and performance-based financing for energy saving technologies.</p> <p>Please respond to the following questions:</p> <p>a) The GEF funding is reserved solely for Component 3. Please explain.</p> <p>b) Component 1 is closely related to the proposed policy reforms, while Component 3 is working on performance based financing mechanisms. Please be aware that one of the strategic elements for GEF-6 in Program 2 is consideration of policy reforms that address broad socio-economic issues, such as energy subsidies. Please explain how the results in Component 1 will inform the design of Component 3.</p> <p>c) There may be multiple approaches to performance-based financing mechanisms. One standard approach is a "performance award" for successfully completing a project on-time and within budget. Another approach, envisioned in</p>	

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		<p>the GEF-6 focal area strategies is to "Demonstrating a performance-based mechanism linked to emission reductions. Performance-based financing mechanism may provide an innovative alternative, and some GEF Agencies are using this concept in their programs. The GEF will support the testing of incentive mechanisms of financing based on ex-post emission reductions assessments." (see paragraph 49, page 57, GEF_R.6-Rev.04, Programming Directions, March 31, 2014). Please clarify that Component 1 and Component 3 are aligned will consider the latter approach as a priority in the project design phase.</p> <p>d) Component 3 description in paragraph 37 on carbon pricing is very interesting. We urge strong consideration of this option during project design phase.</p> <p>DER, August 22, 2014.</p> <p>a) The GEF funding is used for those components that will have high-impact in catalyzing energy efficiency investments; other sources are used for the technical assistance components. Comment cleared.</p> <p>b) Comment cleared.</p> <p>c) Comment cleared.</p> <p>d) Agreed. Comment cleared.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>DER, August 14, 2014. The project has identified direct emissions benefits of 625 ktCO2e over a 10 year investment period, with additional indirect emissions benefits to be determined during project preparation.</p>	

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		<p>a) Please note, the emissions benefit on page 12 says direct; but the Table F on page 4 says "indirect." Please clarify.</p> <p>DER, August 22, 2024. Comment cleared.</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>	DER, August 14, 2014. Yes.	
	<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>	DER, August 14, 2014. Yes.	
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	DER, August 14, 2014. Yes. There is strong coordination with GEF supported technology transfer projects and EBRD financing efforts in the region.	
	<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 	DER, August 14, 2014. Project offers strong innovation in line with GEF-6 focal area strategies and potential for scaling up.	

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	<p>for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</p> <ul style="list-style-type: none"> Assess the potential for scaling up the project's intervention. 		
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>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?</p>		
Project Financing	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>DER, August 14, 2014. Please see question in box 7, and justify why there is no GEF funding allocated to Components 1,2, and 4.</p> <p>DER, August 22, 2024. Comment cleared.</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>DER, August 14, 2014.</p> <p>a) Please comment the opportunity to enhance co-financing depending on the types of policies and financing options that will be studied during the project design phase.</p> <p>DER, August 22, 2024. Additional co-financing will be pursued. Comment cleared.</p>	
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>DER, August 14, 2014. Yes.</p>	

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	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	DER, August 14, 2014. Yes. The request is within the norms.	
	<p>20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>	DER, August 14, 2014. No non-grant.	
Project Monitoring and Evaluation	<p>21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?</p>		
Agency Responses	<p>23. Has the Agency adequately responded to comments from:</p>		
	<ul style="list-style-type: none"> • STAP? 		
	<ul style="list-style-type: none"> • Convention Secretariat? 		
	<ul style="list-style-type: none"> • The Council? • Other GEF Agencies? 		
Secretariat Recommendation			
Recommendation at PIF Stage	<p>24. Is PIF clearance/approval being recommended?</p>	<p>DER, August 14, 2014. Not at this time. Please respond to the questions in boxes: 7, 8, and 16.</p> <p>DER, August 22, 2024. All comments cleared. This project is technically cleared and can be considered for a future work program.</p>	

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	25. Items to consider at CEO endorsement/approval.	DER, August 14, 2014. a) Please ensure that Component 1 and Component 3 are aligned well with emphasis on performance based mechanisms linked to emissions reductions. b) We urge strong consideration of the carbon pricing option during project design phase. c) Please explore options for expanded co-financing.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	August 14, 2014	
Review Date (s)	Additional review (as necessary)	August 22, 2014	
	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.**