



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

GEF ID:	5357		
Country/Region:	Ukraine		
Project Title:	Removing Barriers to Increase Investment in Energy-Efficiency in Public Buildings in Ukraine through the ESCO Modality in Small and Medium Sized Cities		
GEF Agency:	UNDP	GEF Agency Project ID:	4114 (UNDP)
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:	\$5,480,000
Co-financing:	\$56,673,195	Total Project Cost:	\$62,153,195
PIF Approval:	September 12, 2013	Council Approval/Expected:	November 07, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	John O'Brien

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 ?	MY/DR 4/1/2013: Yes	MY 9/9/2015 Yes.
	2. Has the operational focal point endorsed the project?	MY/DR 4/1/2013: Yes, with a total amount of \$6,090,600.	MY 9/9/2015 Yes.
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	MY/DR 4/1/2013: Ukraine has \$26,940,000 as a total amount of STAR allocation. As of April 1, 2013, if the country's OFP is no longer endorsing the GEFID 4758 Market Development for Sustainable Production	MY 9/9/2015 Yes.

*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

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		and Use of Liquid Biofuels, it has utilized \$22,308,295. Therefore, the country has a reminder of \$6,850,050.	
	<ul style="list-style-type: none"> the focal area allocation? 	<p>MY/DR 4/1/2013: The country has an amount of \$22,460,000 STAR allocation in climate change focal area. As of April 1, 2013, it has utilized \$16,368,807 in climate change, if the OFP is no longer endorsing the GEFID 4758 Market Development for Sustainable Production and Use of Liquid Biofuels. The country has a reminder of \$6,091,193 which is sufficient to cover the amount required in this project.</p> <p>Before moving this project forward, the GEF Secretariat may need to get a confirmation from the OFP of Ukraine showing that the country has really canceled the GEFID 4758 project.</p> <p>MY 4/10/2013: Cleared. The OFP sent an endorsement letter on February 8, 2013 for this project.</p>	<p>MY 9/9/2015 Yes, as cleared at the PIF stage.</p>
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	<p>MY/DR 4/1/2013: Not applicable.</p>	<p>MY 9/9/2015 N/A</p>
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	<p>MY/DR 4/1/2013: Not applicable.</p>	<p>MY 9/9/2015 N/A</p>
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund focal area set-aside? 	<p>MY/DR 4/1/2013: Not applicable.</p>	<p>MY 9/9/2015 N/A</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
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>	<p>MY/DR 4/1/2013: Yes</p> <p>With CCM-2: Promote market transformation for energy efficiency in industry and the building sector.</p>	<p>MY 9/9/2015</p> <p>Yes, as cleared in the PIF stage.</p>
	<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>	<p>MY/DR 4/1/2013: No.</p> <p>It seems that paragraphs 20 and 21 are not really linked to NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports.</p> <p>Please summarize the characterization of needs for energy access and energy efficiency in the National Communication and the NAMA. Please clarify the status of TNA and its energy efficiency reference.</p> <p>MY 4/10/2013: Cleared</p>	<p>MY 9/9/2015</p> <p>Yes, as cleared in the PIF stage.</p>
	<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>	<p>MY/DR 4/1/2013: Not clear at this time.</p> <p>Please take into account possible amendment to legislation and policy on EE building in the future, although it does not happen today. On page 9, a table shows four components in baseline situation. Component 1 reads: "No amendment to new legislation on EE</p>	<p>MY 9/9/2015</p> <p>Not at this time.</p> <p>Over the past two years, the baseline scenario of energy efficiency in Ukraine has significantly changed. There have been many activities and investments in energy efficiency in the country. For example, the EBRD has financed and</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Design		<p>buildings to require energy passports and minimum energy performance standards for existing public buildings. No comprehensive inventory or database or energy monitoring and management system. No system of monitoring and enforcement." The above statement may be true in 2013 for Ukraine, but it might not be true for the country in 2015 or 2017 even without the GEF project.</p> <p>Please keep the following question in mind when designing the project baseline: "What will happen in the country without the GEF project in the next 10 years in terms of energy efficiency for the existing buildings?" At the time of CEO endorsement, please use the GEF/STAP methodology for energy efficiency projects to support the baseline analysis.</p> <p>MY 4/10/2013: Cleared</p>	<p>undertook EE projects in Ukraine that covered Energy Performance Contract (EPC) and Energy Service Companies (ESCs) in public buildings. Please address what new areas this project will cover in terms of EPC and ESCOs. Please add a baseline scenario and GEF investment reasoning scenario the CEO ER document, and justify the proposed GEF project is still innovative and cost-effective in terms of generating global environment benefits from energy efficiency improvement in the public building sector in the country.</p> <p>MY 11/19/2015 Not completed at this time. Please consider adding the following in the baseline: In Ukraine, local/commercial banks have not been actively engaged in financing ESCOs for projects. As a result, the ESCO market is hindered financially. Issues include high interest rates on loan, absence of legislative incentives, lack of a liberalized energy market, short of information on ESCOs to local banks, lack of possibility to receive local guarantees, and insufficient support for servicing energy saving measures.</p> <p>In the project incremental reasoning, please consider writing the following: The GEF/UNDP can address the issues and remove the barriers that lock commercial banks in financing ESCOs.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>Without local/commercial banks involved in the ESCO business, this GEF project will have little real impact in the country.</p> <p>MY 1/5/2016 Yes. Comments were addressed and issues were cleared.</p>
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>MY/DR 4/1/2013: Not really.</p> <p>a) Component 1. Based on the extensive project history in Ukraine, we expect this component to be much stronger and focus on clear regulatory and policy design, drafting, and adoption. This should be a core accomplishment of the project. Please clarify.</p> <p>b) Component 1.1. Please explain how the conduct of energy audits fit into component 1. It seems more logical for this to fit into component 3. Inclusion of policy/regulatory requirements for energy audits could be in this component (see comment on 4.4)</p> <p>c) Component 2. The description of financial instruments is quite limited. Please clarify. Also, please clarify if the financial incentive scheme is to be separate from the policy and regulatory actions. It would make sense that the policy development included a financial incentive or financing structure. Further, please explain the financial barriers to be addressed by the new mechanism and explain why the existing KfW/IFC credit line does not address this barrier.</p> <p>d) Component 3. The incrementality of GEF funding for these pilots is not clear,</p>	<p>MY 9/9/2015</p> <p>Not completed at this time.</p> <p>Table B lists a lot of activities such as investing in and demonstrating projects at schools, kindergartens, and hospitals using EPC modality. These activities have been taking place in Ukraine. Please justify these that are the major activities, outcomes and outputs of the project. Please see comments in Box 6. After these comments are addressed, the GEF SEC will likely make additional comments on Table B.</p> <p>MY 11/19/2015 Not at this time.</p> <p>Per the response sheet, the Agency promised to work with the local/commercial banks to lower the rates of commercial loans to ESCOs. However, in the CEO ER document, it did not indicate how to proceed the task. Please elaborate how this project will engage the local/commercial banks to finance ESCOs' projects with loans that can be accepted by ESCOs.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>especially when \$42 million of co-financing is claimed. Please provide a much stronger rationale for the GEF alternative scenario and what differentiates the GEF pilots from the other investments. In general, we also expect clear explanation for why pilots are needed in Ukraine which has many extensive building projects underway. The comment on page 10 "Pilot projects that demonstrate international best practice with regards to energy-efficiency and passive buildings are unlikely to be implemented in the next five years. The problem is that without GEF support, it is highly unlikely that existing public buildings in Ukraine will receive attention with regard to new energy-efficiency investments" is difficult to reconcile with the \$55 million in claimed co-financing, most of which are pre-existing projects from bilateral agencies and UNDP that are working on the same topic areas. Please justify or drop component 3.</p> <p>e) Bullet 3.4 in Table B, "walk through ..." may not be claimed as investment. It is a kind of training. In general, the GEF grant should not be used to finance a study tour. Please revise it and clarify and delineate TA versus INV spending.</p> <p>f) Component 4. GEF funding should not be used for international conferences. This should be from co-financing.</p> <p>g) Component 4.4. Approved national energy audit program appears to be a regulatory requirement. Should this activity be in component 1?</p>	<p>MY 1/5/2016 Yes. Comments were addressed and issues were cleared.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		MY 4/10/2013: Cleared	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	MY/DR 4/1/2013: Not really at this time. The baseline assumption is based on static scenario. See comments in Box 6. The global environment benefits will likely be overestimated on the basis of this static assumption scenario. MY 4/10/2013: Cleared	MY 9/9/2015 Not at this time. Please address comments in Box 6. Then, additional comments might be provided regarding incremental reasoning and its benefits. MY 11/19/2015 Not at this time. The responses to the GEF SEC comments look good, but the CEO ER does not contain sufficient descriptions and elaborations. Please put more details in Section A4 in the CEO ER document on this topic. Please consider designing a mechanism that will unlock the barriers to the development of commercial bank related financial mechanisms in Ukraine. MY 1/5/2016 Yes. Comments were addressed and issues were cleared.
	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?		MY 9/9/2015 Yes, as cleared in the PIF stage.
	10. Is the role of public participation, including CSOs, and indigenous	MY/DR 4/1/2013:	MY 9/9/2015

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	peoples where relevant, identified and explicit means for their engagement explained?	Please briefly indicate if this project is relevant to indigenous people. MY 4/10/2013: Cleared	Yes, as cleared in the PIF stage.
	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)	MY/DR 4/1/2013: Yes	MY 9/9/2015 Yes.
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	MY/DR 4/1/2013: Yes	MY 9/9/2015 Not described sufficiently. Please see comments in Box 6 and the comments of the US Council members at the PIF stage. MY 11/19/2015 Yes, comments were addressed.
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <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 for sustainability, and the likelihood of achieving this based on GEF and Agency experience. Assess the potential for scaling up the project's intervention. 	MY/DR 4/1/2013: Not completed. Innovative: Yes, since the financial schemes being proposed have not been done in the country before. Sustainability and scaling up: Possibly Not. Please consider adding and significantly expanding the government regulations on the EE upgrading for existing buildings. It will be more sustainable. Example: To facilitate upgrading energy efficiency for existing buildings in Australia, the	MY 9/9/2015 Not at this time. Since the project design has been changed significantly, please write one paragraph for each of the following topics: 1. innovation; 2. sustainability; 3. potential for scaling up; and 4. market transformation. MY 11/19/2015 Not at this time. 1. innovation: Please consider involving commercial banks in financing ESCOs

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>government enforced a regulation in the early 2000s: Existing buildings are not allowed to put on the market for sale, if they are not upgraded to comply with new energy efficiency standards and codes of the government.</p> <p>Can the UNDP work with the government of Ukraine using the similar policy or regulation approach of the Australian government for the existing buildings? In this way, the government of Ukraine can issue "passports" to upgrade their existing buildings.</p> <p>MY 4/10/2013: Cleared</p>	<p>in small cities in Ukraine as an innovative thing in this project.</p> <p>2. sustainability: Please articulate how the innovative initiatives from this GEF project will be continually in operation after the GEF project implementation is over.</p> <p>3. potential for scaling up: How the innovative initiatives from this GEF project will be applied in other part of the country or in the region.</p> <p>4. market transformation. Please address how this GEF project will have a real transformational impact on ESCOs' business in energy efficiency buildings in Ukraine, given that there have been many unsuccessful ESCO projects in the country.</p> <p>MY 1/5/2016 Yes. Comments were addressed and issues were cleared.</p>
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		<p>MY 9/9/2015 Not at this time.</p> <p>The project activities and outcomes have been changed. The baseline and project investment reasoning need to be written to the CEO ER document (The statement < please refer to the UNDP Project document, Sections on "Cost-effectiveness, Sustainability and Replicability on pages 28 to 30" is not sufficient in the CEO ER). A strong justification needs to be presented.</p> <p>MY 11/19/2015 Not at this time.</p> <p>Please consider involving commercial</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			banks in the project as a key task. Then, put the task in the Structure and Design. MY 1/5/2016 Yes. Comments were addressed and issues were cleared.
	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?		MY 9/9/2015 Not at this time. In the CEO ER document, please present a summary on the basis of "Cost-effectiveness, Sustainability and Replicability" on pages 28 to 30 of the UNDP project document. MY 11/19/2015 Not at this time. Please consider redoing the cost-effectiveness analysis while taking into account involving commercial banks in ESCO business. MY 1/5/2016 Yes. Comments were addressed and issues were cleared.
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	MY/DR 4/1/2013: Not clear at this time. In Table C on page 4, please split "Cash and in-kind" into "cash" and "in-kind", and put them in two different rows. MY 4/10/2013: Cleared	MY 9/9/2015 Yes.
	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?	MY/DR 4/1/2013: Not clear at this time a) The representation of co-financing raises some concern and needs clarifications. The co-financing appears to be a mixture of baseline co-financing	MY 9/9/2015 Not at this time. Co-financing letters are not submitted. Next time, please do not submit the CEO ER document if co-financing letters are not available.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	<u>At CEO endorsement</u> : Has co-financing been confirmed?	<p>and project co-financing for the GEF alternative scenario. Please distinguish between the two types of co-financing. b) It is unclear why the UNDP is recording \$18.5 million in cash as co-financing. Please justify.</p> <p>c) Will EBRD be providing a confirmed co-financing letter for \$300,000? The breadth and size of co-financing as listed reduces the reasoning for incrementality of the GEF project. Please justify.</p> <p>d) The project claims a unique aspect of this project is component 2, innovative financing. But the private sector co-financing is listed as TBD. Please explain how private sector leveraging will be pursued and what target level will be aimed for. Please provide an estimate in the co-financing table.</p> <p>MY 4/10/2013: Cleared</p>	<p>MY 11/19/2015 Not at this time. Please send the co-financing letters in a separate file. The letters are not in the GEF PMIS as of 11/19/2015.</p> <p>MY 1/5/2016 Yes. Comments were addressed and issues were cleared.</p>
	18. Is the funding level for project management cost appropriate?	<p>MY/DR 4/1/2013: No.</p> <p>The amount in Table A on page 1 and Table B on page 4 (\$274,000) should be \$260,300, 5% of \$5,206,000.</p> <p>MY 4/10/2013: Cleared</p>	<p>MY 9/9/2015 Yes.</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> ,	<p>MY 4/10/2013: Yes.</p>	<p>MY 9/9/2015 Yes.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	if PPG is completed, did Agency report on the activities using the PPG fund?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	MY/DR 4/1/2013: N/A	MY 9/9/2015 N/A
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		MY 9/9/2015 Yes.
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		MY 9/9/2015 Yes.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		MY 9/9/2015 Yes.
	• Convention Secretariat?		MY 9/9/2015 N/A
	• The Council?		MY 9/9/2015 Not at this time. Please address the comments of the U.S. Council members that are shown below. While doing so, please develop a matrix to show resource contributions and expected outcomes or deliverables of each of the co-financers of the project, such as the GiZ, the USAID, the IFC, the IST-Service LLC, and ILION LLC. Please revise the CEO ER document accordingly. Comments from the Council Member of

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>the United States</p> <p>Although the United States is fully supportive of this project's goals, there are numerous areas in which the proposal should be strengthened. We requested the opportunity to review this project prior to GEF CEO Endorsement to allow UNDP to incorporate responses to our technical questions and comments. In particular we urge UNDP to carefully consider the following recommendations as it prepares the project for CEO endorsement:</p> <p>The proposed project does not take into account major donors' projects including those of the EU, EBRD, GIZ, and USAID. For example, USAID MHRP with NEFCO and E5P started first in Ukraine Municipal ESCO for public buildings in Kyiv. The proposal neglects discussion about these donor initiatives and possible cooperation, synergy, or lessons learned that could help to strengthen the proposed efforts. Additionally, the National Agency for Efficient Use of Energy Resources (NAER) is not mentioned in the proposal but seems to be a natural partner considering they are involved in similar ongoing activities.</p> <p>The proposal does not indicate how funding from the GEF will contribute additional environmental benefits to what has already been or is projected to be accomplished through other</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>completed, ongoing or approved projects funded by other donors. This project does not contribute to SEAPs preparation with clear emission reduction plan of activities and CO2 accounting/sequestration actions.</p> <p>Since the proposed ESCO mechanism requires significant change of legislation to produce large, broader adoption of energy efficiency standards (and donors such as EBRD, WB, and USAID already working on these legal changes) it is unclear that this project will be able to have a larger impact beyond the proposed pilot projects. Along these lines, the project relies heavily on awareness to spur continuing government commitment on energy efficiency, which is not sufficiently convincing. The proposal would be significantly strengthened if there were more engagement in developing appropriate incentives or penalties that would encourage mainstreaming of energy efficiency practices.</p> <ul style="list-style-type: none"> • The proposal does not sufficiently address risks and mitigation strategies. <p>The Project Component 1: Institutional, Regulatory and Legal Framework to Support Energy Efficiency in Public Buildings, calls for new government decrees related to establishing a mandate for SEIA and national targets on energy efficiency. The success of the project will therefore depend, to a large extent, on government action. The Risks section appears optimistic about the prospects</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>for continuing government commitment and engagement on energy efficiency. It would be helpful if the PIF would explain the reasoning further, and provide more detail on how the project will respond in case any delays or obstacles are encountered.</p> <ul style="list-style-type: none"> • The cost associated with this proposed project looks unreasonably high for the proposed very limited impacts. USAID MHRP project implemented 34 demonstration projects for total 7.5 mln USD (50% co-financed by public and private partners). • We also have numerous more technical comments: <p>The proposed attribution of energy efficiency in buildings to the State Agency for Environmental Investments looks incorrect (taking into account of role and responsibilities in the GOU). NAER, MinEcon and MinRegion are responsible for energy efficiency in public buildings.</p> <p>Project Component 2, "Innovative financing mechanisms to provide incentives for the public sector to invest in energy efficiency," will explore "carbon finance through a supported NAMA." It further states that the "supported NAMA like intervention will explore in detail how to build upon work which has already been carried out in Ukraine with regards to Green Investment Scheme (GIS) sales of Assigned Amount Units (AAUs)</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>and "will explore how a supported NAMA like mechanism can be integrated into a possible domestic emissions trading scheme for Ukraine which is currently under investigation." It would be helpful if the PIF would explain how "NAMA" is being defined here. From the description, it is unclear whether the mechanism would work like a supported NAMA with financing support but no sales of emission reductions, or a crediting NAMA (with potential sales/trades of emission reductions to third parties, which can then be used as emission offsets). Or will part of it be supported and part a crediting NAMA, wherein sales of emission reductions are allowed but only after a certain target of (non-tradable) reductions are achieved? This is an important distinction; if the intention is to pursue a crediting NAMA with all reductions available for sale, then some of the emission reductions achieved could be offset through emissions produced elsewhere, reducing the net benefit to the global environment from the project.</p> <p>On page 15, a grid emission factor of 0.91 tons/MWh from an EBRD report is used to estimate the reductions. This is close to what one would expect from coal-fired generation. Given that one-half of the total power generation in Ukraine is from low emission nuclear and hydro power, this estimate thus seems high. Is this a marginal or an</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>average emission factor? Does it account for T&D losses (i.e. per kWh generated basis or delivered basis).</p> <p>MY 11/19/2015 Not at this time. While addressing the comments from the U.S. government, please take into account a unique task that has not been done by other donors in Ukraine. For example, effectively involving local/commercial banks in ESCOs financing. This is important to justify this project!</p> <p>MY 1/5/2016 Yes. Comments were addressed and issues were cleared. See Annex 7.</p>
	<ul style="list-style-type: none"> Other GEF Agencies? 		<p>MY 9/9/2015 N/A</p>
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	<p>MY/DR 4/1/2013: Not at this time.</p> <p>See comments in Boxes: 5, 6, 7, 8, 10, 13, 16, 17, and 18.</p> <p>The overall design appears to be a mixture of building-related efforts without a clear focus and not clearly distinguished from baseline and other projects. Please refine the PIF accordingly.</p> <p>MY 4/10/2013: All cleared</p>	
	25. Items to consider at CEO	MY 4/12/2013:	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	endorsement/approval.	GHG emission reduction is approximately estimated at the PIF stage. The Agency confirmed to calculate emission reductions during the PPG phase with the methodology that was developed by STAP.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		<p>MY 9/9/2015 Not at this time.</p> <p>Please address comments in boxes: 6, 7, 8, 12, 13, 14, 15, 17, and 23.</p> <p>MY 11/19/2015 Not at this time. Please address comments in boxes: 6, 7, 8, 13, 14, 15, 17, and 23.</p> <p>MY 1/5/2016 Yes. All comments were addressed and issues were cleared. The PM recommends CEO Endorsement clearance.</p>
	First review*	April 01, 2013	September 09, 2015
Review Date (s)	Additional review (as necessary)	April 12, 2013	November 20, 2015
	Additional review (as necessary)		January 05, 2016

* 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.