



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

GEF ID:	5365		
Country/Region:	Vietnam		
Project Title:	Energy Efficiency Improvement in Commercial and High-Rise Residential Buildings		
GEF Agency:	UNDP	GEF Agency Project ID:	5245 (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:	\$99,991	Project Grant:	\$3,198,000
Co-financing:	\$16,180,000	Total Project Cost:	\$19,477,991
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	MY 4/3/2013: Yes.	
	2. Has the operational focal point endorsed the project?	MY 4/3/2013: Yes. The OFP of Vietnam endorsed a total of \$3.61 million for this project, including a total amount of \$100,000 for PPG. The letter is in the PMIS.	
Resource Availability	3. 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? 	MY 4/3/2013: The country has a total amount of \$27,510,000 STAR allocation. As of	

		and has a reminder of \$11,563,034.	
	<ul style="list-style-type: none"> the focal area allocation? 	<p>MY 4/3/2013:</p> <p>The country has an amount of \$13,890,000 STAR allocation in climate change focal area. As of April 3, 2013, it has utilized \$5,158,650, and has a reminder of \$8,731,350.</p>	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	<p>MY 4/3/2013:</p> <p>Not applicable (N/A).</p>	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	<p>MY 4/3/2013:</p> <p>N/A</p>	
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	<p>MY 4/3/2013:</p> <p>N/A</p>	
	<ul style="list-style-type: none"> focal area set-aside? 	<p>MY 4/3/2013:</p> <p>N/A</p>	
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 4/3/2013:</p> <p>Yes, with CCM-2: Promote market transformation for energy efficiency in industry and the building sector.</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 4/3/2013:</p> <p>Not completed at this time.</p> <p>The PIF does not contain review information on Vietnam's national strategies and plans or reports and assessments under the Technology Needs Assessment (TNA) (http://unfccc.int/national_reports/non-annex_i_natcom/items/2979.php) and in</p>	

		<p>was completed in December 2010. Please review the country's TNA and the Second National Communication, and clarify consistency with national needs and priorities as articulated in these Convention-related documents.</p> <p>MY 4/10/2013: Cleared</p>	
<p>Project Design</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 4/3/2013: Not clear at this time.</p> <p>In the second paragraph on page 5, the PIF reads: "In addition, UNDP Vietnam has three ongoing projects that are relevant to this proposed GEF project: (1) Strengthening sustainable development and climate change planning, (2) Strengthening national capacities to respond to climate change in Vietnam, reducing vulnerability and controlling GHG emissions; and (3) Strengthening capacity on climate change initiatives in the industry and trade sectors. Selected activities from these projects collectively worth US\$ 2.07 million will be subsumed into the proposed GEF project. In this regard, such activities are baseline activities of the proposed GEF project, and the US\$ 2.07 million collective budget of such activities is considered part of the co-financing of the GEF project."</p> <p>From the three on-going UNDP projects, please list detailed activities that are relevant to the current GEF project, and explain how these activities are essential to the success of the current GEF project. Please also make it clear how the UNDP</p>	

		<p>the current project that was budgeted to the three on-going projects. Will the UNDP write a co-financing letter showing the cash contribution?</p> <p>MY 4/10/2013: Cleared</p>	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>MY 4/3/2013: Not really clear at this time.</p> <p>The key to improving energy efficiency in commercial and high-rise residential buildings in Vietnam is the enforcement of improved energy efficiency building codes. Component 1 in Table B and the second half of page 5 in the PIF are addressing this issue. However, the PIF does not clearly indicate how building owners in Hanoi and Ho Chi Minh will comply with the new EE building codes. Will it be on a mandatory basis or a voluntary basis? If it is mandatory, will the government set up an inspection organization to do on-site inspections for buildings and issue certificates to builders (for new building developments) or sellers (for existing building sales)? If it is voluntary, how can you expect 50% of the buildings in the two cities to comply with EE codes?</p> <p>An example of mandatory regulation in EE building in Australia: To facilitate upgrading energy efficiency for existing buildings in Australia, the 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>government of Vietnam using the similar policy or regulation approach of the Australian government for the existing buildings? In this way, the government of Vietnam can enforce EE codes to upgrade their existing buildings.</p> <p>MY 4/10/2013: 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>MY 4/3/2013: Not at this time.</p> <p>Since the baseline is not clear, the estimation of GHG emission reduction is not sound. See comments in Box 7.</p> <p>MY 4/10/2013: 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>	<p>MY 4/3/2013: Yes.</p>	
	<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>	<p>MY 4/3/2013: Yes.</p>	
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country</p>	<p>MY 4/3/2013: Not sufficiently. Please see the comments in Box 6.</p>	

		MY 4/10/2013: Cleared	
	<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 for sustainability, and the likelihood of achieving this based on GEF and Agency experience. Assess the potential for scaling up the project's intervention. 	<p>MY 4/3/2013: Not clear at this time.</p> <p>Please clarify further the innovation, sustainability, and scaling-up:</p> <p>For sustainability, please indicate what will happen after the project is over in the two major cities in Vietnam in terms of energy efficiency for buildings.</p> <p>As for scaling-up, please justify what will likely take place in other cities in Vietnam during and after the project implementation in terms of energy efficiency buildings.</p> <p>MY 4/10/2013: Cleared</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	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?		
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?	<p>MY 4/3/2013: Not clear at this at this time.</p> <p>Please see the comments in Box 6.</p> <p>Will the private sector provide cash co-financing or equity co-financing in the</p>	

		page 3. MY 4/10/2013: Cleared	
	17. <u>At PIE</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?	MY 4/3/2013: Not clear. See comments in Box 6. To this project, can the UNDP bring cash co-financing that is not related to the three UNDP on-going projects? MY 4/10/2013: Cleared	
	18. Is the funding level for project management cost appropriate?	MY 4/3/2013: Yes.	
	19. <u>At PIE</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?	MY 4/3/2013: Not correct at this time. The OFP of Vietnam approved \$100,000 PPG. The project is asking a total amount of \$109,490 for PPG and fees (\$99,991 PPG plus \$9,499 agency fees). In addition, the OFP planned to spend no more than \$304,600 as fees. The summed fees in this project are \$313,309 (\$303,810 + \$9,499). Please revise the PPG amount and the fees. MY 4/10/2013: Cleared	
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	MY 4/3/2013: N/A	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		

	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	<p>MY 4/3/2013: Not at this time.</p> <p>Please revise the PIF according to the comments in Boxes: 5, 6, 7, 8, 12, 13, 16, 17, and 25.</p> <p>MY 4/10/2013: All cleared</p>	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	April 03, 2013	
Review Date (s)	Additional review (as necessary)	April 10, 2013	
	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.**