



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

GEF ID:	5293		
Country/Region:	Russian Federation		
Project Title:	Save the Source: Catalyzing Market Transformation of Breweries from a Major Natural Resource Consuming Industry to a Pro-active Steward for Resource Efficient Cleaner Production		
GEF Agency:	UNIDO	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	IW-1; CCM-1; LD-3;		
Anticipated Financing PPG:	\$90,000	Project Grant:	\$6,300,000
Co-financing:	\$30,860,000	Total Project Cost:	\$37,250,000
PIF Approval:	February 20, 2013	Council Approval/Expected:	April 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Christian Severin	Agency Contact Person:	Christian Susan

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 ?	11th of February 2013 (cseverin): Yes, Russia is eligible.	
	2. Has the operational focal point endorsed the project?	11th of February 2013 (cseverin): The OFP endorsement letter is expected at any hour.	
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? 	11th of February 2013 (cseverin):The LD funds requested for this project should be available under STAR according to the assigned LD Programme Manager	
	<ul style="list-style-type: none"> • the focal area allocation? 	11th of February 2013 (cseverin): Yes, the funds from IW is available within the Focal area.	

	equitable access		
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> focal area set-aside? 		
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>11th of February 2013 (cseverin): Yes the proposed project is in line with the focal area strategies of CC, LD and IW. However, please do make sure to include at time of CEO Endorsement much stronger, quantifiable output indicators.</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>FJ-AW/CCM - 8 Feb, 2013: Please address part B.1 page 14 the consistency of the project with the Russian federation UNFCCC national communication for the project activities that are not targeting energy efficiency.</p> <p>11th of February 2013 (cseverin): Yes, it is fully aligned with the national strategy (2002 Env Doctrine of the Russian Federation)</p> <p>FJ-AW/CCM - 11 Feb, 2013: Cleared</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>FJ-AW/CCM - 8 Feb, 2013: a) The proposed project indicates that encompasses (i) on one hand \$30 million of co-financing from Baltika focused on making its breweries more water and energy efficient as well as fully compliant with effluent regulations for brewery waste water, and (ii) on the other</p>	

Project Design

		<p>GEF to support the reduction of the indirect environmental impacts of Baltika's agri-industrial suppliers. However, it page 8 also mentions a Carlsberg Group-wide Lean Utilities programme aiming at, among others, reducing energy and water consumption in the agro-industries along the supply chain. It seems therefore, that GEF financing will be used to support a Calrsberg group program that might have been implemented partially in any case. Please clarify. You may then want to consider increasing Calrsberg co-financing for the activities targeting the environmental impacts of Baltika's agri-industrial suppliers.</p> <p>b) In the description of Component 2, please clarify what are the baseline activities that Baltika would have implemented anyway and what is additional thanks to the GEF funding.</p> <p>11th of February 2013 (cseverin): Yes the baseline activities have been described adequately, however, please do make sure to at the time of CEO Endorsement to be prepared to better and in more detail describe how the baseline activities are supporting the GEF activities, especially on component and activity level.</p> <p>FJ-AW/CCM - 11 Feb, 2013: Cleared</p>	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>11th of February 2013 (cseverin): Yes, they are sufficiently clear. However, there is a need to, during PPG to work towards developing more quantifiable output indicators. Please make sure to include in the CEO Endorsement request</p>	

		describing how 1% of the IW GEF grant will be going towards supporting the projects participation of IWLEARN activities.	
	8. Are global environmental benefits adequately identified, and the applied methodology and assumptions for the description of the incremental/additional reasoning sound and appropriate?	<p>FJ-AW/CCM - 8 Feb, 2013:</p> <p>a) Please clarify how the impact of the project on N2O emissions will be monitored</p> <p>b) Please clarify how the metering necessary for the assessment of the excessive fertilization levels may be sustained over time beyond the project duration.</p> <p>c) Please provide an estimation in CO2eq of the project estimated impact on N2O emissions.</p> <p>d) Please clarify how the spent grain will be dried, what type of energy will be needed for that and how it is accounted for.</p> <p>e) Please provide the potential of energy savings as a result of implementing energy efficiency measures</p> <p>f) Please provide an overall rough estimate of the project's impact on GHG emissions including the impact of all its activities.</p> <p>11th of February 2013 (cseverin): Yes</p> <p>FJ-AW/CCM - 11 Feb, 2013: Cleared</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?		11th of February 2013 (cseverin):the main stakeholders has been identified. Please do at time of CEO Endorsement level include a better description of the Socio Economic benefits as well as the gender dimension, including the delivery vehicle(s).

	<p>10. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?</p>	<p>11th of February 2013 (cseverin): Yes, public participation has been described, but please do at time of CEO Endorsement expand on the roles that the public groups and the CSO community will be having in the project.</p>	
	<p>11. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p>	<p>11th of February 2013 (cseverin): Yes, the project includes a matrix outlining the potential risks along with mitigation measures. Climate Change risks have been included in the matrix.</p>	
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>FJ-AW/CCM - 8 Feb, 2013: Please clarify in chapter A.4 page 4 the respective roles, the complementarity and the potential redundancy of the proposed project and of the two other relevant initiatives mentioned.</p> <p>11th of February 2013 (cseverin): Yes, the suggested activities will be coordinated with a number of regional activities, as well as with the Global Beverage round table that Carlsberg takes part in. this will among others ensure that the outcomes of the project will be shared and potentially replicated by the other members of the Global roundtable.</p> <p>FJ-AW/CCM - 11 Feb, 2013: Cleared</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. - Assess whether the project is innovative and if so, how, and if not, why not. - Assess the project's sustainability strategy and the likelihood project outcomes will</p>	<p>11th of February 2013 (cseverin): This is a highly innovate project catalyzing market transformation by demonstrating a replicable approach on how to limit the environmental foot print (Water and Energy) through investments along the entire supply chain. There is a great potential for upscaling the technologies tested through this project, initially through the Global Roundtable for</p>	

	<p>evidence in the literature.</p> <ul style="list-style-type: none"> - Are there measures to secure the institutional and financial stability of the project? - Assess the potential for scaling up the project's intervention strategy and critique the plan for scaling up. 	<p>Carlsberg Group itself, which after all is the fourth largest brewer in the world, hence this investment hold great opportunities for upscaling and replication.</p>	
	<p>14. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>15. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		
Project Financing	<p>16. Is the GEF funding and co-financing per component appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>11th of February 2013 (cseverin): Yes, the ratio between GEF and cofinancing seems adequate.</p>	
	<p>17. At PIF: Is the amount that the Agency is bringing to the project in line with its role? Any comment on the indicated amount and composition of cofinancing? At CEO endorsement: Has co-financing been confirmed?</p>	<p>11th of February 2013 (cseverin): Yes, the amount that UNIDO is bringing to the project is in line with its role.</p>	
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>11th of February 2013 (cseverin): Yes, in accordance with the GEF Guidance.</p>	
	<p>19. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>	<p>11th of February 2013 (cseverin): NA</p>	
Project Monitoring and Evaluation	<p>20. Have the appropriate Tracking Tools been included with</p>		

	indicators, as applicable?		
	21. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	22. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	23. Is PIF clearance/approval being recommended?	11th of February 2013 (cseverin): Yes PIF Clearance is being recommended. FJ-AW/CCM - 11 Feb, 2013: Yes	
	24. Items to consider at CEO endorsement/approval.	For CEO endorsement: a) Please detail the role Carlsberg/Baltika will have in the activities targeting the environmental impacts of Baltika's agri-industrial suppliers, and the interactions between the activities targeting these suppliers and the activities targeting the Baltika facilities. b) Please Detail the energy efficiency measures the project intends to implement to reduce energy consumption and their CO2 impact. c) Please detail the respective roles, the complementarity and the potential redundancy of the proposed project and of the two other relevant initiatives mentioned. d) Please detail the calculations of the emission reduction impact of the project, the methodology used and the associated assumptions.	

Recommendation at CEO Endorsement/ Approval	25. <u>At PIE</u> , is PPG requested and approved? <u>At CEO endorsement/ approval</u> , did Agency include the progress of PPG with clear information of commitment status of the PPG?	11th of February 2013 (cseverin): Yes, PPG request is proposed for CEO Clearance.	
	26. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	February 08, 2013	
	Additional review (as necessary)	February 11, 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.**