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CLIMATE
FUND**

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Consideration of funding proposals – Addendum XXXII

Response from the accredited entities to the
Independent Technical Advisory Panel
assessment

Summary

This addendum contains the response from the accredited entities to the independent Technical Advisory Panel assessments of funding proposals (FP059-FP081) submitted for the Board's consideration at its nineteenth meeting.

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Reply to the Independent Technical Advisory Panel assessment findings (FP 059)

Proposal name: Climate-resilient water sector in Grenada (G-CREWS)
Accredited entity: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Impact potential

Thank you for the positive review.
No further comments.

Paradigm shift potential

Thank you for the positive review.
No further comments.

Sustainable development potential

Thank you for the positive review.
No further comments.

Needs of the recipient

Thank you for the positive review.
No further comments.

Country ownership

Thank you for the positive review.
No further comments.

Efficiency and effectiveness

Thank you very much for the review.

GIZ concurs with the assessment, assuming that the classification “moderate” means “medium” in the GCF categories.

Overall remarks from the independent Technical Advisory Panel:

Max 250 words

Thank you for your positive assessment.

GIZ acknowledges the ITAP’s recommendations and will ensure they are followed.

We would like to add the following comments:

GIZ ensures full compliance with all GCF Environment and Social Safeguard standards including the IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement. Based on a thorough assessment (see disclosed ESS report and ESMP), we expect the project’s impacts on land use and related impacts on livelihoods of affected people to be minor. ESMP Action 7 will ensure compliance with GCF standards and minimize inconvenience to stakeholders. The project may require the acquisition of land, as well as temporary land occupation and the establishment of rights-of-way (for construction works). We do not expect resettlements.

GIZ ensures the project addresses water losses inside Grenadian households. This aspect will be a key element in the proposed awareness and capacity building campaigns. The campaigns include for example the distribution of efficient flow reducers in faucets and showerheads. Moreover, the campaigns will address the issue above average water bills and offer free advice to households on site-specific measures to reduce leakages. In addition, the Grenadian water utility NAWASA will replace all water meters with devices that are more accurate (funded in parallel to the G-CREWS project). More accurate metering will help in detecting low-flow consumption e.g. from leaks at the household level and again allow for site-specific advice.

Reply to the Independent Technical Advisory Panel assessment findings (FP 060)

Proposal name: Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)

Accredited entity: Caribbean Community Climate Change Centre

Impact potential

We welcome the assessment conducted by iTAP and agree that the project has a high impact potential. However, there appears to be some discrepancies in the iTAP notes that we believe require addressing.

Point 2 suggested this project would reduce NRW by 10%; however, this is not the case. This project complements BWA NRW projects implemented thus far, which have reduced NRW by more than 10%. In 2011, Halcrow estimated NRW at 46%, since then BWA has implemented several projects to address the issue of NRW. Whilst more needs to be done, it is estimated that these initiatives have reduced NRW by more than 10%. A conservative estimate of 0.03MGD per Km of main replaced was used.

Point 11a is not aligned with the project implementation plan. Reduction in *tCO_{2e}* per year will commence after the implementation of the PV systems not during each of the project years (2018 – 2023) as is indicated in iTAP notes. The systems are expected to be completely installed two years after the project commences. The calculation of the life time emission reduction uses 30 years.

Paradigm shift potential

This section showed how the benefits of the FP can positively affect Barbadian ideologies. The iTAP conducted an assessment in this section. However, non-uniform comments on the non-revenue water (NRW) subcomponent have been received. In previous interaction with the GCF Secretariat, the NRW component was much better articulated; however, it was suggested that ~~the climate change is not responsible for~~ NRW is not directly related to climate change and therefore this section should be deleted from the FP. ~~Thus, those previous recommendations were followed.~~ We countered suggesting it was essential for building resilience in the water sector and water security, given projected reduced precipitation and increased temperatures, both leading to possible reduction in potable water available for human usage. Nonetheless, this recommendation was adopted by BWA. As such, a closer look at the budget would reveal that GCF's funding to mitigate NRW is minimal. To be exact, GCF potential expenditure on NRW is US\$300,000. BWA's decision to still take action related to NRW is a function of what it could realistically commit to the issue of NRW over the next 5 years. Through the iTAP revision, it seems the team believes that BWA's strategy to deal with the issue of NRW is only through mains replacements but this is not the case. As is set out in the logic framework of the FP, activities 3.1.1, 3.2.1 and 3.3.1, partially encompasses a component in the BWAs NRW water reduction program. These activities were only part of the actions needed to address NRW as set out in accordance with the ~~guidelines~~ International Water Association (IWA) guidelines and American Water Works Association (AWWA) M36 Manual.

Activity 3.1.1

The proposed assessment includes the preparation of a climate resilient investment plan and recommendations for policy and institutional strengthening to support the integration of climate resilience in the sector. The study will contribute to the preparation of a tool for building resilience in the water sector, which could be applied throughout the Caribbean.

Activity 3.2.1

This activity includes the execution of a leak detection survey, execution of a water audit and demand analysis, execution of a foresight and pressure management study, purchase and installation of pressure management equipment, implementation of design and oversight for mains replacement, the purchase of mains and fittings, the creation of a decision matrix that considers gender and stakeholder impact to determine prioritization of mains replacement, and the replacing of 16km of mains. Using information generated by mapping and leak detection activities, replace 16 km of leaky and aged transmission/distribution mains.

Activity 3.3.1

This activity involves installing OPTIRamp software, installing production meters and purchasing leak detection equipment will be used to improve the real-time management of water supply. This tool will be used to improved real-time management of water supply based on BWA collected SCADA data (e.g. reservoir levels, pumping rates), and non-telemetry data (e.g. water meter data).

There may be some discrepancies regarding which GHG emissions calculations the iTAP assessed, because the GHG emissions calculation only uses data from Barbados (please see iTAP comments 11a, 11d, 11e.i, 11e.ii) and not from Jamaica (please see iTAP comment 11e.iii). The GHG emissions calculations were calculated according to the UNFCCC recommended methodology. iTAP comment 11f commends the GHG emissions calculation while Comment 21a, which is used to give a final ranking of “low” denounces the GHG emissions calculations. The GHG emission reduction satisfies the indicative minimum benchmark as given by Board Decisions B.10/17.

We understand that iTAP would have preferred an integrated approach to demonstrate the feasibility of the project, including the technical, financial and economic feasibility. The annexes submitted included: (a) CBA analysis, including the financial and economic analysis and models, (b) Technical evaluation, which reviews the technologies to be used in all activities, (c) Technical Designs for PV systems, Personal Tanks, Rainwater Harvesting Systems and (d) Environmental and Social Safeguards, which identify all potential environmental, and social implications as well as the legal and regulatory environment and its implication for the project.

The FP addresses in detail the six coverage areas under ‘Paradigm shift potential’ as outlined in GCF/B.09/07. iTAP comment 22 states that barring the NRW subcomponent “*the project submission in terms of its paradigm shift potentials may achieve a “High” ranking*”.

Sustainable development potential

A key component for the low rating received in this category has to do with limited presentation made on BWA plans to reduce NRW. The CCCCC and BWA are appreciative of the iTAP recommendation to present a comprehensive strategy to reduce NRW. Since receiving feedback from the iTAP, the BWA has begun to enhance the NRW strategy to ensure it is more closely aligned to the IWA and AWWA guidelines. The CCCCC will hire an independent consultant, who should have knowledge of the IWA and AWWA guidelines, to review the document and where necessary propose additional actions and make recommendation to

improve the strategy. We see this as an opportunity to further enhance/restore the NRW component of this funding proposal. We reiterate here that although the take away by the iTAP seems to equate reduction in NRW to replacement of mains, the planned activities, although not clearly articulated, includes technologies and studies to establish baseline information on water resources and monitor and evaluate the operational performance of the network, with the hope of curbing NRW and improving the energy efficiency of the utility. The recommendations by iTAP are reasonable, barring the NRW subcomponent the comments are highly positive, and we serve to enhance the appropriateness of the proposed actions.

Needs of the recipient

Max 100 words

The rating by iTAP of 'High' is much appreciated. The population of Barbados will unquestionably be made resilient to climate change and extreme climate events. This project will empower the population to build further resilience to climate change. We believe this is a model that can be replicated in other CARICOM member states and Small Island Developing States (SIDS).

Country ownership

Throughout this process stakeholders have been engaged. Although these comments are submitted by the AE (CCCCC), they reflect those of the major stakeholder in Barbados including the Government of Barbados (GoB) and Barbados Water Authority (BWA).

The CCCCC's specific, measurable, achievable, realistic and timely (SMART) approach to project development and implementation requires engagement with all stakeholders including government, technical experts, academia and communities/households/public.

The AE concurs with the iTAP ranking of 'High', which is greatly appreciated.

Efficiency and effectiveness

The iTAP gave a modestly positive overall grade in this section. In particular iTAP comments 55c and 55e highlights some of the needs of this project and the positive impacts that the project will have on the water sector of Barbados and the lives of Barbadians. However, the NRW subcomponent was highlighted (iTAP comment 55l) and thus minimizing the overall grade to 'medium'. As such a revised NRW subcomponent and a NRW program following IWA Manuals and AWWA M36 guidelines have been included once more in the revised FP package. Overall, the FP addresses the five coverage areas under the 'Needs of the recipient' as outlined in GCF/B.09/07. iTAP comments in this section barring the NRW subcomponent are highly positive and these are all appreciated, however, the following discrepancies were identified:

(1) Point 55b should read, "Although the funds will be used for adaptation and mitigation actions that are revenue generating activities, **the actions and associated revenue serve** the purpose of building greater resilience into the water sector of Barbados;"

(2) Point 55g is not accurate. It should read, "It is expected that the installation of renewable energy sources into the electric power supply in Barbados as planned ~~into this intervention~~, will help to drive down BWA's energy cost, create price stability over time and savings that **could be used to build further climate resilience in the water sector of Barbados.**"

(3) Point 55j is not accurate. Please see points related to NRW under section titled, “Paradigm Shift Potential”. The NRW reduction plan is not only to address leaky pipes. Replacing leaky pipes is a priority but BWA also realises that it needs to incorporate other technologies into its distribution system to help with monitoring and real time decision management of the water distribution system. The real time decision-making tool, which includes the purchase of several technologies, will aid the BWA to reduce its NRW.

(4) Point 55k is also inaccurate. As mentioned above, BWA has already implemented/replaced 49Km of mains under a recently concluded project with IADB. This point should read, “BWA recognizes that significantly more mains will need replacement if NRW is to be significantly reduced or eliminated, it has decided that for cost-effectiveness, replacement of leaky pipes will be carried out incrementally. **This project subcomponent is one increment of the BWA’s overarching NRW program, which also seeks to build greater climate resilience in the water sector.** ~~starting from the 16KM of main that has been included in this planned intervention;~~

(6) Point 60 reads, “Given the discussions above, the independent TAP has rated the need for this project by the recipient as “Medium”.”; however, this section was assessing the efficiency and effectiveness of the project. Therefore, the AE is uncertain what the rating was assigned to this section. We assume it is Medium. Notwithstanding, we are comfortable with the assessment and majority of the comments made on this section.

Overall remarks from the independent Technical Advisory Panel:

Max 250 words

The iTAP’s comments are appreciated as well as their endorsement. The iTAP meeting proved to be very significant to the status of the FP. The GHG emission reductions calculations were revised and the iTAP accepted the revised methodology and results of the calculations, which were included in the FP and satisfy the indicative minimum benchmark as given by Board Decisions B.10/17. The iTAP was then made aware as to why the NRW subcomponent in the FP was downsized and why the NRW program was not annexed in the FP package at that time. Due to the iTAP’s recommendations the AE and the BWA have begun to enhance the NRW strategy to ensure it is more closely aligned to the IWA and AWWA guidelines. Currently, the NRW subcomponent of the FP is 96.6% financed by the BWA and 3.4% financed by the GCF. The BWA totally understands and fully supports the iTAP’s comments that a comprehensive NRW program does not only include replacing mains. The comprehensive program that is being enhanced by the BWA provides details of the NRW program including water balance, network audit, review of network operating practices, upgrading and strategy development, and policy change, training and operations. The integrated project feasibility study can provide ease of evaluation of the FP and was highlighted by the iTAP. Although the files annexed to the FP could constitute an integrated project feasibility study, a single coalesced file was not provided. The comments from the iTAP have all been taken into consideration. The AE agrees to the recommended conditions regarding GCF Board approval. These recommended conditions are: (i) The submission and appraisal of the NRW strategy and (ii) NRW strategy implementation should be part of the covenant in the FAA.

Reply to the Independent Technical Advisory Panel assessment findings (FP 061)

Proposal name: Integrated physical adaptation and community resilience through an enhanced direct access pilot in the public, private, and civil society sectors of three Eastern Caribbean small island developing states

Accredited entity: Department of Environment, Antigua and Barbuda (DOE)

Impact potential

Enhancing direct access (EDA) proposals in general do not have as clearly defined climate impacts at the time of submission than project management proposals, since EDA proposals are driven by beneficiary needs and priorities during implementation. The AE has provided *inter alia* the following to define climate impact potential in the context of EDA:

- Indicative activities for each Output that are designed to cope with IPCC and regional climate model projections (Section C.3. Project / Programme Description)
- *Adaptation Options in Buildings* informational guidelines
- Selection criteria and baseline indicators for GCF Impact Potential with mid-term and end-of-project targets
- A programmatic work flow that integrates technical climate analysis and backstopping at each stage

Paradigm shift potential

The aim of the project is to promote local and international best practices while managing potential risks of newly introduced technologies, by building on individual and community adaptation best-practices. For example, after Hurricane Luis in Antigua, houses were built stronger (more concrete). After Hurricane Ivan in Grenada, businesses diversified income sources away from nutmeg and cocoa. Introducing new adaptation technologies designed by external institutions can entail its own set of risks, including lack of uptake, or uptake with unforeseen negative consequences.

The technical support mechanism piloted in Antigua and Barbuda, which will be scaled-up under this project, is a Technical Expert Committee for each sector composed of local practitioners receiving ongoing training. For example, the building sector Expert Committee in Antigua and Barbuda is receiving training from an international engineer via a CTCN technical assistance request.

Sustainable development potential

The observation that, “Accrual of economic co-benefits will depend largely on successful uptake of building code in all the regional countries and their applications” articulately explains the rationale for using a Technical Expert Committee under this project. Building Inspectors on the Committee will be trained and receive hands-on experience with climate adaptation in buildings, increasing the likelihood of the project realizing the economic co-benefits.

Needs of the recipient

N/A

Country ownership

Continuous stakeholder engagement throughout the project cycle is envisioned to bring about behavioural change in tandem with projects interventions. On the other hand, stakeholders have expressed consultation fatigue and meeting burnout, in particular the private sector, where there are expectations for more immediate follow-through.

The project will coordinate with relevant Ministries (Housing, Agriculture, Water) via several mechanisms:

- Permanent Secretary of relevant Ministries represented on the National Steering Committee
- Directors of relevant Ministries represented on the Technical Advisory Committee
- Technician-level representation on the sectoral Technical Expert Committee

Clarification in para 42: The OECS Commission already has an existing Programme Management Unit (PMU) with a monitoring and evaluation unit that provides internal M&E services to projects implemented by the OECS Commission.

Efficiency and effectiveness

Recommending contractors and service providers to beneficiaries was identified as a financial and reputational risk during project preparation. If service providers do not deliver, the project can be blamed; it also exposes the project to reputational risk via bias or perceived conflict of interest. Regarding economies of scale, bulk procurement was considered however the private sector would be more efficient at purchasing and distributing goods.

This project's proposed approach for achieving cost effectiveness in the value chain is to estimate material and service opportunities under the project (Sustainable Procurement activities), and communicate this to markets – hardware stores, architects, engineers, service providers. The mechanism is transparent upstream demand for procurement to promote economies of scale, which avoids potential inefficiencies of a centralized approach.

The project will select microfinance institutions to programme the Revolving Fund based on: 1) credibility/ability to meet GCF standards, and 2) ability to pass on concessionality. The second criteria can be difficult for traditional microfinance institutions to meet.

Overall remarks from the independent Technical Advisory Panel:

The AE project team appreciates iTAP's comments regarding the importance of engagement and participation of direct access entities, and the positive appraisal of the project structure to strengthen direct access in the pilot countries.

We acknowledge that additional work is required for the intervention mechanisms in partner countries, and that the work plan for Year 1 covers the recommended activities.

We note the high number of conditions, between the FAA requirements and iTAP recommendations, to be met prior to the first disbursement, which will incur travel, consultation, legal and administrative costs for the entity and the participating countries. We recommend that the GCF consider providing financial support in the form of an advance payment, providing dedicated Readiness support, or allowing for optional reallocation of existing Readiness funding to assist with meeting conditions prior to first disbursement.

Regarding condition (a)(ii) for proposing alternative management options for the revolving fund, we propose that this requirement be for 2 out of the 3 countries prior to first disbursement, and that the arrangements be outlined for the third country be postponed to prior to the second disbursement. This is to accommodate the different states of readiness in the pilot countries, where Dominica's preparatory activities have been significantly set back due to Hurricane Maria.

Reply to the Independent Technical Advisory Panel assessment findings (FP 062)

Proposal name: Poverty, Reforestation, Energy and Climate Change Project (PROEZA)

Accredited entity: Food and Agriculture Organization of the United Nations (FAO)

Impact potential

The climate change impact baseline has been prepared by the Ministry of Environment, Ministry of Economy and the Economic Commission for Latin-American and the Caribbean (see adaptation baseline in C.2). The 1961-1990 period is taken as a basis. For the year 2100 a continuous increase of the average temperature, equivalent to 4.2°C would occur in the scenario A2 of IPCC and respectively of 3.4°C for scenario B2. The impact of rainfall and temperature levels projected up to 2100 will be expressed on yield reduction for a set of crops basic for family farmers. The yields have a declining trend in both scenarios. The poor and extremely poor family farmers are the higher vulnerable to this impact of the climate change with disproportionate effect on their limited livelihoods. PROEZA promotes both, adaptation to climate change of this poor and extremely poor people and at the same time, mitigation. During implementation, the project will further strengthen the evidence base, in particular working with local and regional institutions and universities to consolidate new information on localized climate impacts.

Paradigm shift potential

As mentioned, the first and most important component is the called “Planting for the Future” that focuses on socially and climatic vulnerable households living in poverty. The GCF financed activities on component I are expected to contribute directly to mitigation by a) reducing loss of native forests; b) expanding the use of improved stoves for heating and cooking; and c) rapidly shifting toward sustainable production of wood-based bioenergy and the substitution of un-sustainable with sustainably produced biofuel. The mitigation potential of component I is 2.22 million ton CO₂eq due to agroforestry systems implementation that corresponds to 28.2% of the PROEZA total mitigation potential.

Sustainable development potential

PROEZA promotes incentives to mitigate climate change through planting fast growing trees in mixtures with valuable native species in an environmental friendly and socially responsible way at the same time that rural poverty and extremely poverty is reduced as a path to increase resilience and adaptation to climate change. On the other hand, PROEZA’s adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change through the diversification of production and options to increase family income through intensive social and technical assistance for the establishment of climate-smart agroforestry production systems and/or multifunctional “Close-to-Nature” planted forests (CTNPF) generating mitigation. The leading elements are both, climatic and social.

Needs of the recipient

Please note also that PROEZA is highly needed by Paraguay considering that the climate change would have significant and differentiated effects and intensities in the poor and extremely poor family farmers. The fundamental variable used for assessing the impact is the yield for a set of crops: cotton, bean, cassava, sesame and sugarcane. It has been obtained the expected yields of the different crops and types of agriculture during the period 2010-2100 and compared them

with the base yield, which corresponds to the average of the yields registered per Department in the period 1991-2007. Projections show that family farming would yield significant reductions in productivity from the beginning of the analysis period, and would be greater in the case of scenario A2 of the IPCC.

Country ownership

PROEZA formulation process was governed by the Ministry of Planning for Economic and Social Development (STP), the Ministry of Agriculture (MAG), the National Forestry Institute (INFONA), the Social Action Secretariat (SAS), the Vice Ministry of Mines and Energy (VMME), the Environment Secretariat (SEAM), and the Paraguayan Institute for Indigenous Affairs (INDI). During the implementation process these organizations will conform the Executive Committee (EC) for the day-to-day governance of the project. Also a Project Steering Committee (SC) at the highest political and sectoral level composed by Ministers/Vice-Ministers, Director Generals and civil society representatives will provide political guidance and visibility, inter-sectoral coordination, information sharing, accountability and transparency. Private sector and civil society representatives will be invited by STP, according to criteria set in the operational manual.

Efficiency and effectiveness

The total Project costs are estimated to be of USD 90.3 million of which USD 25.1 million are requested from the GCF. The estimated emission reduced and avoided are 7.9 million t CO₂eq resulting at a cost for GCF of 3.19 USD / tCO₂eq (in an implementation period of 5 years and capitalization period of 30 years). This price is lower than the price agreed by the GCF Board of 5 USD per ton of CO₂eq. However, the general cost of the project is of 11.47 USD / tCO₂eq. GCF grant allocated for the component 1 and 3 should generate about 2.2 million tCO₂eq directly sequestered in biomass which leads to 11.41 USD per tCO₂eq.

Overall remarks from the independent Technical Advisory Panel:

There are no additional comments from FAO. We thank the iTAP for their review of the proposal.

Reply to the Independent Technical Advisory Panel assessment findings (FP 063)

Proposal name: Promoting private sector investments in energy efficiency in the industrial sector in Paraguay

Accredited entity: InterAmerican Development Bank (IDB)

Impact potential

We agree with the assessment from the ITAP.

Paradigm shift potential

We agree with the assessment from the ITAP.

Sustainable development potential

We agree with the assessment from the ITAP.

Needs of the recipient

We agree with the assessment from the ITAP.

Country ownership



We agree with the assessment from the ITAP.

Efficiency and effectiveness

We agree with the assessment from the ITAP.

Overall remarks from the independent Technical Advisory Panel:

We agree with the assessment from the ITAP and thank the ITAP team for their thorough analysis.

Reply to the Independent Technical Advisory Panel assessment findings (FP 064)

Proposal name: Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments

Accredited entity: InterAmerican Development Bank (IDB)

Impact potential

We agree with the assessment from the ITAP.

Paradigm shift potential

We agree with the assessment from the ITAP.

Sustainable development potential

We agree with the assessment from the ITAP.

Needs of the recipient

We agree with the assessment from the ITAP.

Country ownership



We agree with the assessment from the ITAP.

Efficiency and effectiveness

We agree with the assessment from the ITAP.

Overall remarks from the independent Technical Advisory Panel:

We agree with the assessment from the ITAP and thank the ITAP team for their thorough analysis.

Reply to the Independent Technical Advisory Panel assessment findings (FP 065)

Proposal name: Financial Instruments for Brazil Energy Efficient Cities (FinBRAZEEC)

Accredited entity: World Bank (WB)

Impact potential

No further comments, thank you

Paradigm shift potential

No further comments, thank you

Sustainable development potential

No further comments, thank you

Needs of the recipient

No further comments, thank you

Country ownership

No further comments, thank you



Efficiency and effectiveness

No further comments, thank you

Overall remarks from the independent Technical Advisory Panel:

Thank you very much for your recommendation

Reply to the Independent Technical Advisory Panel assessment findings (FP 066)

Proposal name: Pacific Resilience Project Phase II for RMI

Accredited entity: World Bank (WB)

Impact potential

iTAP comments are noted, and the following clarifications are made in response to key points raised:

Response to Paragraph 2:

The early warning component is described in various places in the GCF submission, including pp 13 – 16, and in the accompanying World Bank Project Appraisal Document (Annex G to the GCF submission), para. 27 (and various other places). A roadmap which sets out what types of systems are suitable, how best to support the systems, and ensure users are fully trained and competent in their use, will be prepared at an early stage of the project. Investment and implementation will be based on the roadmap. Development of the EWS roadmap, investment, and implementation, will be financed entirely by the RMI government using its IDA17 allocation.

Response to Paragraph 3:

The Coastal Vulnerability Assessment (CVA) analysis carried out as part of the project preparation to inform the design of coastal protection works for Ebeye has involved a significant up-front cost. However, the information gathered is essential to developing effective, risk-based treatments to wave induced flooding and shoreline erosion. It was realistic to complete the CVA analysis for Ebeye, covering an island of some 0.36 km², as part of project preparation. Ebeye was also the Government of RMI's first priority. Ebeye, also currently represents more than 70% of the total coastal protection works capital budget under the project. The CVA required for Majuro will be a much larger piece of work, and as agreed with Government, it will be carried out during the first year of project implementation. Coastal Protection Works for Majuro will be financed entirely by the Government using its IDA17 allocation.

Response to Paragraph 5:

The completed CVA and the expanded CVA which will be developed during implementation directly involve generation and use of climate information (e.g. effects of increased frequency of typhoons, sea level rise associated with global warming, and use of climate change scenarios in design assessments and risk analysis), as described in Annex B to the GCF Submission.

Paradigm shift potential

iTAP comments are noted, and the following clarifications are made in response to key points raised:

Response to Paragraphs 12 and 13:

The Project Implementation Unit will have a key role in M&E, including collating M&E data for components 1.1, 2.1, 3 and 4.1 on the behalf of the government and preparing a six-monthly project report, as specified in Annex B of the Project Appraisal Document. Responsibility for data collection will be in accordance with the Results Framework (pp. 37-44 of the Project Appraisal Document, included as Annex G to the GCF Submission).

Response to Paragraph 20:

The proposed approach is highly innovative. The proposed design involves berm breakwaters using riprap or single-layer concrete cubes, with a capping wall in a reef-flat environment, which will be a world first. The berm design has been developed to cope with fully broken reef-wave conditions, a design condition for which there is only emerging knowledge. The design will require further investigation in a laboratory wave flume, to finalize the design geometry and exactly quantify wave overtopping rates, because there is no published guidance suitable for final design purposes. The outcome of this work is expected to add to the research body-of-knowledge in berm breakwater design and overtopping and the overtopping Neural Network database.

Sustainable development potential

iTAP comments are noted, and the following clarifications are made in response to key points raised:

Response to Paragraphs 24:

The coastal protection systems will be designed to suit the prevailing conditions and risks. Ecosystem solutions will have their place under the right circumstances. This will be an outcome of the expanded CVA work under component 2, from which a \$6.8 million capital budget has been allocated against the IDA17 funds (refer to the detailed cost estimates).

Response to Paragraph 27:

Expected annual damages (EAD) are indeed computed based on numerical modelling calculations as this is the only means to estimate damages, particularly for future scenarios. EAD for different alternatives have been estimated and compared in a relative sense in order to eliminate possible errors or inconsistencies in the data and models used. Despite the lack of up-to-date damage data, EAD values have been validated by comparing computed damages damage data from one specific event (storm Nangka) and through site visits and discussion with government stakeholders. This approach provides added confidence in the estimates.

Response to Paragraph 28:

The completed CVA looked at inundation from both the lagoon and ocean side of Ebeye (see Chapter 7 of the Deltares technical report, Annex B to the GCF Submission). The ocean side is the most vulnerable after combined causes of inundation (typhoon waves, swell, tides, storm surge, barometric setup, and sea level rise) is considered. The benefit of investment in risk reduction due to coastal hazards, including sea level rise, is greatest on the ocean side as demonstrated from the technical analysis. That is because exposure to waves, longer wave

periods, and therefore wave-induced runup and overtopping causing “inland” flooding, is greatest on the ocean side. Although the lagoon side is also exposed to certain wave conditions, the project is targeting the area of greatest benefit. In Ebeye, wave induced inundation flows generally move from the ocean to the lagoon side because of the topography. Building elevated revetments on the lagoon side would impede drainage and trap water, including overtopping discharges from the lagoon side (“bathtub” effect). The project will address drainage where the largely broken pipe systems pass through the coastal works. Kalgov have a program to improve cross-island drainage by clearing existing, blocked, pipe systems, which is showing dividends. Also, the ADB water and sanitation project will be addressing drainage to some extent, particularly through bringing in sewer cleaning equipment which *will also be used to clean storm water drains*.

Response to Paragraph 29:

Actions that will be taken during project implementation to reduce gaps between males and females include (among others): (i) development of a gender-sensitive stakeholder engagement plan to ensure that all needs are identified and addressed; (ii) provision of special considerations (i.e., during community consultations) for women facing additional disadvantages in the outer islands; (iii) measures to ensure equal participation of women in the various trainings at national and local level; (iv) Collection of baseline information to document sex-disaggregated results where feasible.

Needs of the recipient

iTAP comments are noted, and the following clarifications are made in response to key points raised;

Response to Paragraph 36:

Institutional capacity building activities will benefit from the inter-institutional coordination mechanisms included in the design of the project. A National Steering Committee will comprise the National Disaster Committee (NDC), representatives from the National Climate Change Committee (NC3) and from Kwajalein atoll. The Chief Secretary Office (CSO) will act as the secretariat to the NSC. The Ministry of Finance (MoF) will be responsible for the overall coordination of project activities, along with the implementation of activities under Components 1, 3 and 4. Ministry of Public Works (MPW) will be responsible for implementing activities under Component 2. A Project Implementation Unit (PIU) will be established within MoF/Division of International Development Assistance (DIDA) and will be responsible for the overall coordination and implementation of activities at an operational level.

Country ownership

iTAP comments are noted, and the following clarifications are made in response to key points raised:

Response to Paragraph 41:

Consultations with the community and land owners were held during the design of the project. Government Agencies, NGO's, civil society and community members were consulted on 5 and 6 of December 2016, and the Ebeye Traditional Landowners, Community Leaders, KADA, KAJUR and the Ebeye Community were consulted on the 7 and 8 of December 2016. The details of these consultations are provided in Annex 10 of the Environmental and Social Management



Framework for the Project, which is included as Annex F to the GCF proposal. Ongoing consultations will be undertaken during project implementation.

Efficiency and effectiveness

iTAP comments are noted, and no further clarifications are required.

Overall remarks from the independent Technical Advisory Panel:

iTAP comments are noted. Regarding the EWS equipment, the project will cover spare parts and support for maintenance during the life of the project. Training for the operation and maintenance of all EWS equipment delivered under the project will also be provided.

However, as for any development project, the RMI government will need to take over responsibility for this once the project ends. In order to support this process, the project aims to leave a legacy of improved capacity to continue to operate, maintain, and improve such systems as business as usual. This will include various initiatives under Component 1, including among other things, development of standard operating procedures, which will cover the use and maintenance of EWS equipment, and provision of guidance to key ministries and agencies in terms of budget allocation for the ongoing maintenance of early warning and forecasting systems and for existing coastal protection infrastructure.

Reply to the Independent Technical Advisory Panel assessment findings (FP 067)

Proposal name: Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan

Accredited entity: United Nations World Food Programme (WFP)

Impact potential

Max 100 words

About the percentage of women: the figure is based on estimates derived from community consultation and previous experience of WFP and the CEP working with vulnerable communities.

About the outreach: the medium impact potential is due to two elements, the first being the micro-sized nature of the project and hence the limited investment compared to the widespread need, and the second, the very vulnerable group targeted. Concerning the first element, it should be noticed that WFP has had very good results in terms of malnutrition reduction in the zones where it has worked however, it remains clear that a larger investment is needed to address a country-wide issue. The second element implies that, based on the feasibility study, the project will conduct a rather focused/intensive support in terms of climate change adaptation given the lack of existing knowledge and awareness, climate adapted practices, and strong institutional structures among the vulnerable communities targeted. However, a significant benefit derives from the engagement in climate change adaptation of some of the most vulnerable population in Tajikistan and the Central Asia region who are otherwise left behind.

Paradigm shift potential

Max 100 words

About the long-lasting impact of the food assistance for assets component: the activities planned in the proposed project are not the usual activities WFP has been doing in the country so far. Rather, this is a specific *climate change adaptation* intervention as opposed to mostly *food security* interventions conducted by WFP so far. However, some lessons can be inferred from WFP's experience on assets creation. For example, regarding maintenance of small scale infrastructure, WFP has been implementing similar activities since early 2000 and there are many evidences that assets were maintained after completion of the activities. Recently, WFP Tajikistan assessed the impact of its asset building programs through satellite imagery. Satellite observation of rehabilitated irrigation canals shows the positive evolution of vegetation coverage (measured through the Normalized Difference Vegetation Index - NDVI) and highlights improvements in terms of new cultivated areas appearing following the rehabilitation of irrigation canals. In summer 2015 and 2016, new crops were detected along the rehabilitated canal, where there were not before. Furthermore, 2011 and 2016 were two comparable years in terms of climatic conditions, yet, these assets retained functionality in spite of a number of shock years after WFP's intervention.

About the behavioral changes: long-term maintenance of the assets built under the project should provide good proof of communities' change in behavior. As noted above, WFP is currently piloting a satellite imagery-based program to monitor the long-term affect of its assets creation interventions.

Sustainable development potential

Max 100 words

Thanks for noting the significant economic and social co-benefits, the AE has not further comment on this section.

Needs of the recipient

Max 100 words

Thanks for noting the high needs of the targeted recipient, the AE has no further comment on this section.

Country ownership

Max 100 words

Thanks for noting the high country ownership of the proposed project, the AE has no further comment on this section.

Efficiency and effectiveness

Max 100 words

About the allocation of funds to the mainstreaming of climate change adaptation into local development plans: this allocation can be found in Output 1.6 in the budget.

About the efficacy of the past assets creation program: as note above, while the proposed project is building on the experience of such past interventions, the two are not the same and it would therefore be difficult to apply the same criteria of judgement. In any case, as noted already, WFP's assets creation programs actually demonstrated a long-standing impact on communities through participants' long-term engagement in maintaining the assets over the years. While this is not as conclusive as an impact evaluation could be, it does speak to the value that communities place on such interventions and their outcomes.

Overall remarks from the independent Technical Advisory Panel:

Max 250 words

Thanks to the ITAP for their valuable comments and recommendations which the AE will take in due consideration during project implementation.

- (a) The AE will work on integrating the O&M plan as indicated by the iTAP.
- (b) Types of seeds and tree species have already been identified by the regions and WFP can provide proof of it through the official letters exchanged on that issue.



- (c) This is already the case. Component 2 is based on WFP's Community-based Participatory planning approach which includes community centric knowledge management and cross-learning activities.
- (d) WFP has a long-standing partnership with the WMO which will surely be engaged.

Reply to the Independent Technical Advisory Panel assessment findings (FP 068)

Proposal name: Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia

Accredited entity: United Nations Development Programme (UNDP)

| | |
|---|--------------------|
| Impact potential | Scale: High |
| <p><i>Assessment finding:</i></p> <p>Georgia has been facing both geological as well as hydro-meteorological hazards. According to Georgia’s various submissions to UNFCCC processes, intensity, frequency of occurrence and geographical spread of extreme hydro-meteorological events are likely to increase under climate change. The (intended) Nationally Determined Contribution of Georgia suggests that, the cost of adverse impacts of climate-induced hazards without adaptation will be in the range of US dollars 10 to 12 billion for the period 2021-2030. According to available documentation, the most cited climate-induced hazards in Georgia include flood, drought, avalanche, wind storm and occasional hails. In 2015, flood due to cloud outburst affected 8,800 people and the functioning of the capital Tbilisi was severely affected due to the same flood event, resulting in loss and damage in unprecedented proportions.</p> <p>Georgia has been relying on old-school hydro-meteorology service, with limited advanced and model-based forecasting capacity. The prevailing hydro-meteorological service cannot provide warnings and advisories of different types of hazards being faced in Georgia. The inefficient climate information service has been coupled with limited but expensive (hard) structural protection measures (mostly flood protection), relocation of victims, post-hazard compensation for rehabilitation, etc. Although it has been deemed necessary, the country lacked in terms of risk zoning, vulnerability assessment, and phasical planning that are based on hydro-geophysical risk assessments, The old legal and institutional framework appears inadequate to address a climate change-induced multi-hazard risk management. This is why, the available climate-induced hazard management could not provide for a conducive environment for the victims to prepare for hydro-meteorological hazards and reduce their loss burden. In the wake of invigorated hydro-meteorological hazards under climate change, Georgia needs technical and financial assistance to address the gaps and barriers that are hindering a system-wide approach for making the country and its people more resilient to climate change.</p> <p>The aim of the project is to address main barriers to the establishment of an impact-based multi-hazard early warning system (MHEWS) and establish systems and processes to support its implementation. The approach therefore is strengthening relevant institutions in terms of capacities (both human resources and equipment), policy harmony and operationalization of a coordinated framework in a bid to optimize outputs on a regular basis. It is interesting to note that, not only all major relevant institutions have been included in the project, they have already shown commitment by contributing co-finance from their respective institutional budgets.</p> <p>The project envisaged three components, each resulting into a specific output, as highlighted below:</p> | |

Output 1: Expanded hydro-meteorological observation network and modelling capacities secure reliable information on climate-induced hazards, vulnerability and risks;

Output 2: Multi-hazard early warning system and new climate information products supported with effective national regulations, coordination mechanism and institutional capacities; and

Output 3: Improved community resilience through the implementation of the MHEWS and priority risk reduction measures.

The breakdown of each of these storyline outputs reveals that all the barriers and gaps identified as stumbling blocks towards achieving the goal stated above, the project will be able to deliver outputs and make the country and vulnerable communities more resilient in future.

An estimated 1.7 million people involving 258,841 households (some 40% of total population in Georgia) will directly benefit from the project (0.89 million beneficiaries are women). Indirectly, the project will help build adaptive capacity of the entire population of the country. The sheer number of beneficiaries appears impressive in terms of impact potential of the project. Upto 200 vulnerable communities will be brought under Community-based early warning programme, while 100 target communities will be brought under the multi-hazard climate risk management practices. In addition, 13 structural measures such as agro-forestry, floodplain restoration and watershed restoration will be considered (as per locational requirement following vulnerability assessment and planning), in order to address amelioration of known hazards such as flood, avalanche and drought.

The project made no attempt to lock-in large investments in vulnerable areas, where the investments could have been subject to climate vulnerability. The processes of targeting vulnerable communities followed simple logic, which appeared effective. Sex-differentiated targeting was also impressive. The project pro-actively ventured into strengthening of institutions, policies and regulatory aspects in relevant fields, that too by involving the key ministries and institutions. Information generation and dissemination have been the central mechanism to build resilience involving communities and such elements of the project will be the keys to achieve multi-hazard early warning system. Moreover, exposure to local-level climate change-induced risks will be reduced through the application of community-based efforts, which keep the windows of learning by doing and grassroots levels. In addition, there will be targeted efforts to raise awareness of target recipients of multi-hazard early warnings and advisories. All these are designed to be delivered within a duration of 7 years time-frame.

Given the wide range of right interventions with technically sound modalities at appropriate scales, the iTAP finds the impact potential to be “High”.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the impact potential.

Paradigm shift potential

Scale: High

Assessment findings:

The project is set to make a paradigm shift: from a weak traditional hazard-response mode to a knowledge-driven and informed disaster risk reduction (DRR) at systems level, Both the relevant institutions and the general beneficiaries (including target communities) will be supported to bring the intended paradigm shift and adopt the said multi-hazard risk management system. The bits and pieces of the programme delineated in the spread of

activities are complementary to each other and deemed necessary not only to force the shift in existing and non-functional paradigm, the testing opportunities and lessons learning exercises within the project period will enable the system to tweak further in order to find best modalities to sustain the new paradigm for resilience.

The project embraces solutions that works and are trusted (for example, adoption of technologies involving computer and informatics systems for generation of early warnings and also for dissemination). The project also builds on available best practices, awareness and knowledge and intends to deliver location-specific climate information services. The project has great potential for applying such services and best practices in small- and micro-scale community-based disaster risk management involving vulnerable communities, where the communities themselves will taste efficacy of informed decision-making processes to enhance their resilience.

All these are captured in a theory of change, as presented. The theory is adequately supported with actions those appear appropriate under the circumstances presented. There is a plan to share the lessons learnt, which will help others to bring in paradigm shift elsewhere. There is evidence of willingness to invest in operation and maintenance beyond the project lifetime, which gives assurance that the equipments and hardware will be maintained – a critically important indication of continuation under a changed paradigm.

At community levels, the project will be addressing prevailing barriers to implement risk-informed community-based (climate change-induced) disaster risk management (CBDRM) actions. With such actions, the beneficiary communities are likely to be more resilient to safeguard their assets and livelihoods. The project creates provisions for expansion of policy and regulatory support towards influencing a long-term sustainable resilience building. Subject to delineation of risk zoning and imposition of regulatory mechanisms, it is anticipated that insurance industry will develop products that will enable the communities towards risk pooling – another important private sector-led mechanism to build micro-level financial resilience.

The iTAP views the paradigm shift potential of the proposed project to be “High”.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the paradigm shift potential.

Sustainable development potential

Scale: High

Assessment findings:

The project promises to contribute to a number of sustainable development goals (SDGs).

SDG-1: It will reduce hunger, especially by offering agricultural advisories to safeguard crops from vagaries of nature and also improving food production;

SDG-2: The project will address poverty issues, by enhancing responses towards effective DRR¹ – the latter being important for safeguarding livelihoods of vulnerable people;

¹ To help avoid human and economic losses.

- SDG-5: It will address gender equity, especially the 52 per cent of the beneficiary population being women;
- SDG-13: It will deliver urgent climate actions towards reducing vulnerability to climate-induced extreme events; and
- SDG-15: Although the project does not target restoration of ecosystem as one of the mainstream activities, it will provide inputs to communities for restoring, preserving and enhancing ecosystems related to agriculture and forestry - counteract degradation of the terrestrial ecosystem, address issues concerning soil and watershed (i.e., lake) conservation and promote ecosystem based approaches to CBDRM.

Since the goal and specific outcomes of the project will be achieved through institutional strengthening processes, which benefits the entire country, the potential contributions on SDGs therefore appear to be significantly high. Not only DRR-related services will be offered, the target communities will attain greater food security by improved decision-making – the latter enabling farmers to make best use of climate information and advisories. Although safeguarding built infrastructure will not be financed through the project, the issuance of early warnings and advisories will provide for indications how best such infrastructure may be made resilient. These potentials indicate that through the application of (multi-hazard) early warning system, a considerable economic co-benefit may be accrued from the project.

Agricultural decision-making may bring considerable economic co-benefit. However, its greater contribution likely to be felt in attaining increased food security – a much coveted social co-benefit. Dwellings/properties saved from known extreme events with adequate early warning can provide for both economic and social co-benefits. Overall, there can be substantial potential economic and social co-benefits, to be enjoyed by the target communities and even by the non-target communities.

The project offers environmental co-benefits as well, although such benefits are not robust and only to be localized in small communities. Small-scale afforestation, soil and watershed (lake de-sedimentation) conservation, actions to safeguard forest vegetations from avalanches and landslides, ecosystem based approaches to DRR at community levels are a few examples of environment-minded activities which will generate environmental co-benefits to be enjoyed by the participating communities.

The process will help the Government of Georgia leverage more financing in DRR and CBDRM. The opportunity for risk pooling through insurance will also leverage private sector financing – a mechanism which enables poor and hazard-affected people to bounce back at a faster rate than in absence of such modalities.

Given the pros and cons of the project on sustainable development potential, the iTAP finds the potential to be only “High”.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the sustainable development potential.

Needs of the recipient

Scale: High

Assessment findings:

The early signs of climate change induced changes suggest that Georgia is among the vulnerable countries. The target beneficiaries are rightly selected, on the basis of their prevailing and projected vulnerabilities to climate change-induced extreme events. The unprecedented floods of 2015 in economically sensitive areas (such as the capital city Tbilisi) and loss of lives and properties clearly highlight the need for a shift in current paradigm. Since climate change is gradually unfolding larger variabilities in water cycles, it is imperative that Georgia must place high emphasis on a robust multi-hazard early warning system, complemented by a few community-based actions and a change in prevailing policy and institutional aspects to better deal with DRR services. This project is therefore found to be an appropriate response to the growing needs of the recipient.

The entire population needs enhanced climate information services in relation to DRR. The country has already incurred an estimated economic loss of about US\$1.2 billion in the past two decades, which is a testimony to the paramount needs of the recipient. Despite such heavy loss burden, the DRR sector could not be serviced adequately due to lack of investment and the investment gap has been widening. Moreover, both macro- and micro-scale food security through unhindered agricultural production needs reliable climate information, backed up by modern computer-aided modeling support and ICT-based dissemination of climate information. Like many other countries in the region, Georgia needs both technical and financial support to address these issues.

The Georgian institutions need enhanced capacities, in terms of human resources and also technologies (i.e., equipment), technical know-how and enabling policy and regulatory framework to sustain the proposed MHEWS. Without revamping the existing 'traditional' hydro-meteorological systems and service delivery capacities, these objectives cannot be achieved. MHEWS itself needs an institutional paradigm shift. A host of documentation from Georgia, which have been forwarded² to the United Nations Framework Convention on Climate Change (UNFCCC), have clearly recognize the needs of the recipient. The project is completely in line with the major needs of various recipients and sectors where resilience building has been prioritized in Georgia. This project therefore appears to be a critical link to help the country achieve both climate resilience and sustainable development.

Georgia however suffers from climate change driven heavy loss burden and on top, by an unfavourable export-import balance. As a consequence, both internal and external indebtedness has significantly increased over recent years. As a developing country, Georgia needs financial support to overcome the critical investment gaps in its DRR and associated sectors. Through the design of this project, Georgian relevant institutions have all committed their financial resources to provide for 61.51 per cent of resources needed to implement the proposed project, leaving only 38.49 per cent of the resources (i.e, US\$ 27.054 million out of a total of US\$70.293 million), that is sought from GCF. The entire amount is sought as grant, primarily to cover additional costs for equipment (O&M costs being committed by local institutions well beyond the project lifetime), training for capacity building and extension of community-based activities.

² For example, the Second and Third National Communication to the UNFCCC, the (Intended) Nationally Determined Contribution to the Paris Agreement under the UNFCCC, etc.

The iTAP acknowledges that the need of the recipient to the proposed project is “High”.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the needs of the recipient.

Country ownership

Scale: High

Assessment findings:

The core elements of the project (i.e., long-term goal, specific objectives and expected outcomes) are aligned with national relevant policies, strategies and action plans. For example, the National DRR Strategy and Action Plan, the draft concept paper/strategy on early warning system and the draft national adaptation plan have created various provisions which are directly in line with the project activities. The project highlighted the needs for capacity building aspects on both DRR and climate change adaptation, which are fully in line with the National Plan of Action for Capacity Development for DRR (2015-2019). Moreover, the project elements are duly reflected in the national communications to UNFCCC and also in the Nationally Determined Contribution (NDC) document. All these suggest that the country is keen on implementing the project and there is adequate ownership exhibited by the country.

The Accredited Entity (AE) is the United Nations Development Programme (UNDP), while the lead Executive Entity (EE) is the Ministry of Environmental Protection and Agriculture (MoEPA). UNDP will implement the project along with various executing agencies. The Ministry in its erstwhile role³ has already experienced in piloting the same concept in Rioni river basin, with support from Least Developed Country Fund (LDCF) that had been administered by the UNDP. Therefore, the institutional marriage under the leadership of UNDP has demonstrated its capacity to carry out successful projects in Georgia. Moreover, MoEPA will draw rich experience of the World Meteorological Organization (WMO) towards establishment of the advanced information collection and computer-aided advanced climate/weather modeling towards generating early warnings and advisories. Since the most relevant national and international organizations are taken on board, a seamless implementation is anticipated under the leadership of UNDP, and with active support from MoEPA, the latter being the national agency having the mandate to lead issues related to climate change adaptation.

The project is found to be a result of strong public/community consultations. Almost all of the interventions have been identified through a systematic process of engagement of people at large, more importantly by the vulnerable communities. Activities related to agro-meteorology were consulted with and designed in close cooperation with representatives of the United Nation Food and Agriculture rganization (FAO) and several departments and specialized agencies⁴/units of the MOEPA, including National Food Agency, Consultation and Research

³ As the Ministry of Environment and Natural Resources Protection (MoENRP), which has already been merged with the Ministry of Agriculture (MOA), as communicated in January 2018 during the assessment period.

⁴ These have been part of the Ministry of Agriculture, now merged with MoENRP to work under the MOEPA.

Center, and Regional departments as well as in consultation with providers of agro-meteorological stations to National Food Agency. By means of conducting institutional consultations, the institutional level needs have been identified. The same processes have led to exhibition of strong commitment in terms of advancing significant co-financing from national institutions. All these suggest that the proposal is a result of stakeholder consultation and engagement.

The National Designated Authority for GCF-related communication has been engaged and it is demonstrated in the signing of a no objection letter. The proposal claims that close contacts have been established with representatives of State Security and Crisis Management Council and its Crisis Management Center under the Prime Minister’s Office to exchange background and project related information.

The iTAP concludes that country ownership of the proposed project is evident, which will be further strengthened (subject to project approval) by undertaking community-level activities such as vulnerability assessment and awareness raising activities.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the country ownership.

Efficiency and effectiveness

Scale: High

Assessment findings:

The proposed financial structure appears adequate, partly because the project budgeting took note of the pilot run of a similar project in Rioni river basin. The seven year time-frame is reasonable, so is the allocation of budget for various needs including human resources. Necessary funds will be channeled to address identified bottlenecks and/or barriers, which makes the financial structure reasonable. The significant co-financing (US\$ 43.239 million out of an estimated budget of US\$70.293 million) to cover predominantly non-climatic elements of the budget makes the proposal a strong case for receiving GCF financing. The project scores high in all GCF investment criteria. Considering Georgia’s high indebtedness both internally and externally, and its inability to draw more than US\$5.0 million from bilateral sources (that amount being committed as a co-financing from SDC), the grant request for US\$ 27.054 million (38.49 per cent of the budget) from the GCF for implementation of the project appears the last option towards reducing climate change-induced vulnerabilities of 40 per cent population.

The entire financing is for the creation of public goods, where private sector investment has never gone into. Therefore, the financing sought will not crowd out private investment for the same cause. If the multi-hazard early warning system is made operational, supplemented by hazard risk zoning and the enabling policy regime, it is expected that as a consequence of the catalytic role of the project, insurance companies might come forward in future with additional finance to offer insurance products, which might further consolidate the current efforts on resilience building of the affected communities.

The project management, as proposed, appears adequately institutionalized, which may be further strengthened if WMO is invited to contribute at the steering committee level. Since the physical resilience building will be ensured by structures under the implementation of the Ministry of Regional Development and Infrastructure (MRDI), the project management and

coordination function would have been strengthened further if MRDI was to be treated as an Executing Entity.

The project's economic analysis is found to be adequately completed. Following the project implementation, the net present value (NPV) appears positive (US\$ 23.38 million over a period of 20 years, using a discount rate of 10 per cent) and favourable. The internal rate of return (IRR) is also acceptable, found to be in the order of 16.6 per cent (considering climate change and 10 per cent benefits being accrued due to early warning systems). The individual sub-components of the project also show acceptable economic returns. For example, the flood resilience building efforts in 13 selected sites will provide for 24.0 per cent returns following the project period. The flood-related early warning system will result in 46.4 per cent return. These clearly shows that the economic considerations of the project are highly favourable for financing point of view.

The sensitivity analysis of financial cost benefit analysis is also impressive and again, favourable, justifying the project as a viable one. In both cases where the costs are increased by 15 per cent or envisaged benefits are reduced by 15 per cent, the NPV still appears positive and the IRR appears 13.8 and 13.3 per cent, respectively. This indicates that, despite a reduction in possibility of financial returns from the project, the economic returns are acceptable despite potential shocks. The extreme case of both the decrease in benefits and increase in costs occurring simultaneously, it is found that the NPV is decreased drastically, while the IRR in such an extreme shocking case appears 10.7 per cent, which is slightly higher than the discount rate used for the calculations. It shows that, even in case of extreme unfavourable economic downturn, the project will still be doing great in financial terms.

The iTAP is of the view that the proposed project is high in efficiency and effectiveness.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment on the project efficiency and effectiveness.

Overall remarks from the independent Technical Advisory Panel:

The iTAP recommends that the Board approve the project, recognizing the vulnerability of the country and its affected population. Moreover, the iTAP recognizes that the project rates high in all the six investment criteria. Such findings along with the inability of the country to take on more loan towards building community resilience to extreme weather conditions, the iTAP considers that the request for a full grant is acceptable.

34. The iTAP also recommends the following:
- (i) Strengthen the Steering Committee by inviting WMO as a member of the committee, and
 - (ii) strengthen the coordination function by accepting MRDI as one of the Executing Entities of the project.

UNDP Response:

The Government of Georgia and UNDP are in agreement with the ITAP assessment. The recommendations of the ITAP are noted and will be followed during implementation. MRDI



will be engaged in the implementation and supervision of the structural measures (Activity 3.3.) and will be a member of the Project Board.

Reply to the Independent Technical Advisory Panel assessment findings (FP 069)

Proposal name: Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity

Accredited entity: United Nations Development Programme (UNDP)

Impact potential

- The option of pond-based drinking water solution meets the criteria of ‘climate change resilience to increased salinity’ as the option involves the raising of embankments as the primary solution to mitigate the risk of saltwater intrusion from storm surges. ONLY existing *freshwater* ponds are proposed to be used for construction of embankments so as to secure these sources of water for cost-effective supply of drinking water for the communities. Approximately 2.5% of the GCF grant (USD624K) is allocated for climate-resiliency of these freshwater ponds including the cost of embankments and the filtration systems.
- The filtration treatment is proposed as an *additional* measure to ensure hygiene and safety/reliability of the freshwater at these ponds water and NOT as the mechanism to address salinity. Since only existing freshwater ponds have been selected with protection provided by raising embankments against storm surges (projected storm surge levels), risk of saltwater intrusion (with breach of embankments) in the future will be significantly reduced. Furthermore, these ponds will continue to be flushed with freshwater during the rainy season. Therefore, the choice of filtration will not reduce the impact of the project.
- The reference to a proprietary technology has been removed from the proposal package. The technology used for filtration treatment (which is embedded within the solution to improve climate-resiliency of the ponds through raised embankments) will be determined to meet the health and safety standards for drinking water (GoB standards/WHO guidelines). The advanced filtration method and technology proposed was used as the proxy to account and budget for level of treatment potentially required at the 41 proposed sites. However, the project includes activities for participatory mapping and site-specific water quality testing at these sites. Therefore, the site-specific treatment method required will be determined and validated during implementation and appropriate technologies will be procured on an open and competitive basis.
- Related to capacity building activities, technical training is provided under Outputs 1 and 2 as well (beyond Output 3) to support skills development, business planning, social auditing etc. for women groups and value-chain actors on livelihoods and on water management and distribution planning and O&M for the water user groups and local support staff. These are detailed in the logframe.
- The existing EWs coverage has an estimated reach of 20%; however, the proposed strengthening of gender-sensitive, last mile dissemination mechanism is expected to reach 100% of the targeted ward populations.

Paradigm shift potential

- The three-tiered model for O&M of the drinking water solutions proposed under the project is based on past experiences and extensive stakeholder consultations including with government, NGOs, and the beneficiary communities. Experiences on the ground have shown that mutual accountability through co-management (and co-funding) of O&M increases the long-term viability of the drinking water infrastructure in the communities.
- The O&M of household RWH systems is entirely the responsibility of the users to cover costs of repair and maintenance. In addition to a nominal fee, HHs (with HH RWHs) are encouraged to set aside a US\$19 per year as a set-aside to cover the costs of major repairs/replacements for the short life assets of household roof catchment and conveyance elements. The institutional RWH systems are co-owned by the institutions themselves and as such inherently entail a model of joint funding for O&M with user contribution through the nominal fee for O&M.
- The small and medium-scale community RWHs as well as pond-based systems (based on filtration system) also combine contributions from the users (the nominal fee for O&M, caretaker salary) with local and national government funding with the latter primarily providing major replacement/rehabilitation costs including owing to cyclones/other disasters.
- The water user groups (tier-1) will also have a representative on a rotational basis to monitor and control (with support from local government) distribution and withdrawal of water.

Sustainable development potential

- Project will upgrade one existing crab hatchery not two and there is a typo in the FP.
- The cost of fertilizer inputs for homestead gardening does indicate use of chemicals; however, the intervention will be modified as stated to mitigate environmental impacts and enhance co-benefits through the introduction of organic methods and integrated pest control.
- Project personnel will attend an induction training covering health, safety, environment and cultural requirement. This training activity will be developed and delivered in the inception phase of the project before implementation of livelihoods activities.
- The project proposes a three-tiered model for O&M that entails co-management and contributions from both the communities and the government. Successful examples of O&M of community-scale systems can be found in projects completed by DPHE, ITN-BUET, Caritas, WaterAid, and OXFAM in Khulna, Bagerhat and Satkhira districts where communities co-manage and co-fund minor upkeep and maintenance works. However, in case of major damage caused by natural disasters, the households from the lower income groups are unable to rebuild these systems without government or NGO support and often in the absence of such tiered-support, these investments have become stranded assets. It is widely recognized by the communities, GoB, and donors that in the absence of any external support the sustainability of the drinking water systems is jeopardized.
- To clarify, the project does require user contributions for the pond-based systems as well just as for the RWHs. Based on the filtration methods selected, the upkeep, maintenance, and caretaker support for the ponds will be funded by the HHs (estimated at USD4.46 per HH per year based on advanced filtration) with the cost of the annual filtration system maintenance (estimated at about USD1200 per site per

year based on advanced filtration system) will be supported by DPHE. These costs have been endorsed by communities and the GoB and DPHE has committed to post-project support for all proposed infrastructure.

Needs of the recipient

Max 100 words

Country ownership

Max 100 words

Efficiency and effectiveness

- The cost-effectiveness of the drinking water solutions also reflects the need for solutions that might be more expensive but improve accessibility for those households (disabled, women/girls as primary earners, ethnic minorities, etc.) for whom HH RWHs are the most viable solution to ensure access to year-round, safe drinking water. While community and institutional scale solutions are more cost-effective, the inclusion of HH RWHs (as per prior feedback by GCF/iTAP) addresses accessibility issues.
- Most RWH systems rely on roof and tank maintenance along with first flush devices for preventing contamination of the rainwater. Simple sand filtration is included for RWH systems with disinfection encouraged at end-point use through training on hygiene practices.
- While advanced filtration was used as the indicative treatment necessary for the ponds, this is a maximum cost estimate to buffer for the cost of filtration. The project proposes and budgets for site-specific water quality testing and this will help determine the most appropriate filtration treatment (to meet GoB standards). Based on this, the appropriate technology would be procured on an open, competitive basis. As detailed in the response on 'sustainable development potential', the O&M for pond-based solutions is supported through both household and GoB contributions. The overall capex for the pond-based systems is about 2.5% of the GCF grant for the project and annual O&M costs supported by GoB is capped at USD1200 per site per year and is likely to be less based on the final selection of the appropriate site-specific filtration treatment.
- The technical analysis indicates the pond-based solution as resilient to salinity only through the investment in raising embankments. The filtration method is not meant to address salinity rather is an additional measure to ensure safe drinking water from these open, surface rainwater storage sources.

Overall remarks from the independent Technical Advisory Panel:

We thank the iTAP for noting the potential for impact and high paradigm shift with the project for the vulnerable coastal populations of Bangladesh. With regards to the comments related to filtration for pond-based solutions, we would like to emphasize and clarify that the project is proposing the selection of existing *freshwater* ponds and investing in raising embankments as a means to protect against saline intrusion from storm surges. It is in this regard that the technical analysis assessed this option as having ‘climate change resiliency to salinity’. The filtration treatment itself is a secondary step to ensure that the water is hygienic and safe for drinking and is not meant to address salinity. About 2.5% of the GCF grant (USD624K) is allocated for the climate-resiliency of these freshwater ponds. The O&M is co-financed jointly by the communities and GoB.

The reference to a particular technology has been removed from the proposal package and replaced with reference to ‘filtration treatment’. The final selection of the filtration treatment and the appropriate technology will be informed by water quality testing. The technologies themselves will be procured on an open, competitive basis according to UNDP procurement policies.

We welcome an independent site-specific assessment along with recommendation of appropriate filtration treatments/technologies during implementation as the activities for site-specific mapping and water quality testing commence for the pond-based solutions (embankments and filtration treatment) at the 41 sites.

Reply to the Independent Technical Advisory Panel assessment findings (FP 070)

Proposal name: Global Clean Cooking Program – Bangladesh

Accredited entity: World Bank (WB)

Impact potential

1. The team has taken into account the remarks from the ITAP on capturing the carbon emission reductions estimations on the basis of fuelwood use only, excluding other biomass residue fuels, and has revised the proposal accordingly.
2. Biomass is the predominant source of fuel for cooking in Bangladesh and fuelwood constitutes about 42% of total biomass cooking energy on average. (1.186 tons of fuelwood compared to 2.9 tons of total biomass that includes other collected biomass residue). Details of the proportion of fuelwood used by the Bangladeshi population out of the total biomass used for cooking are provided in the World Bank/ESMAP working paper “Restoring Balance – Bangladesh Rural Energy Realities” also referenced by the CDM project registered by JP Morgan for Grameen Shakti.
3. Based on the above assumptions GHG emission reductions from the project are now estimated as 2.890 MtCO₂eq (with a total lifetime emissions reductions of 10.526 MtCO₂eq, taking into account market growth in the next decade after the project closure).
4. The project has not factored in the CO₂-equivalent emission reductions of short-lived climate pollutants such as black carbon – a powerful climate forcing agent. The primary BC emissions in developing countries come from burning of biomass for cooking. More than half of BC emissions in Bangladesh come from cookstoves. Bangladesh is also a founding partner to the Climate and Clean Air Coalition (CCAC); Ministry of Environment and Forests of Bangladesh recognizes that black carbon emissions from cookstoves is one of the main sources of SLCP emissions in Bangladesh.
5. Based on the official CDM/UNFCCC approved calculations, 83.4% of fuelwood used in cooking is considered non-renewable. Under these circumstances, it is expected that 35% (42%*83.4%) of ICS installed under the IDCOL program will have direct contribution to carbon emission reductions.
6. Monitoring data of IDCOL from 343,476 households shows exclusive reliance on fuel wood and fluffy fuels (leaves, straws, crop residues etc.) as 10.06% and 0.21%, respectively. Rest 90% uses mixed fuels (fuel wood and fluffy fuels). Under the current monitoring system, the POs collect data on existing fuel usages of each customer and IDCOL verifies the data. So far, breakdown of collected fuel usage data is limited to fuel wood, mixed fuel (fuel wood and fluffy fuels) and fluffy fuels (leaves, straws, crop residues etc.). A more detailed breakdown of mixed fuels and fluffy fuels will be captured as part of the strengthening the monitoring and evaluation aspects in the next phase.
7. The advice on providing incentives to vulnerable communities for development of woodlots for sustainment harvesting of biomass is worth exploring during project implementation. The practicality of such approach will need to be carefully assessed taking into account the eligibility criteria and targeting of vulnerable communities, the kind of incentives needed, stocktaking of other interventions, if any, to identify potential synergies (especially by the environment team of the World Bank in



Bangladesh with which the project team closely coordinated dissemination of ICS to marginalized communities in the first phase of the program). Such assessment will take time and having this as an effectiveness condition would hamper the implementation of this project. One of the key success factors of the IDCOL program is the flexibility in design that allows for innovation and adjustments taking into account implementation experience on the ground. The team proposes to explore this option from the TA support under the project and work with IDCOL to incorporate such intervention during project implementation if assessed to be practical and cost effective.

Paradigm shift potential

8. GHG Emission reduction objectives of the program will be achieved through creating a sustainable market for improved cookstoves thereby reducing the demand for households using fuelwood as their cooking fuel. The success of this intervention is thus on the supply chain for the development of ICS which includes monitored awareness creation activities as pre-requisites for availing payment (Section-H.2). A direct subsidy to end-users would thus contradict the principle around which the intervention has been built. Looking at addressing the upstream/forestry side which requires an entirely different approach for which will require tackling issues like land ownership of vulnerable communities, opportunity costs of not planting fruits/vegetables, and a range of other issues that have linkages with environment/forestry and agricultural sectors and would be a different intervention altogether.
9. Moreover many of the POs mentioned are community based organizations that have been able to harness the trust of the communities to provide new products and services with significant social benefits. Hence looking at the issue as funding going to the POs vs. the communities themselves is not an entirely accurate assumption. The funding is required to invest in the value chain integration to have these products available to the consumers.
10. The World Bank will coordinate with Global Alliance on Clean Cooking (GACC) to conduct analytical studies for analyzing the cultural and religious factors related to the use of cookstoves by communities. GACC has done similar work in other countries and IDCOL program can benefit from their international experience. The experience of IDCOL and POs in national level and local level, respectively, helping the program to actively addressing religious and cultural aspects.
11. The suggestion of integrating educating communities on the impact of wood extraction in ecosystem services is an interesting one and will be considered under the consumer awareness program by IDCOL and the POs.
12. Bangladesh is one of the most vulnerable countries to climate change. Deforestation and the burning of biomass continue to contribute to the climate challenge in Bangladesh with the coastal areas experiencing the worst effects. The climate issue as it related to cooking has been captured in the Country Action Plan for Clean Cookstoves facilitated by the Global Alliance for Clean Cookstoves, as well as in the Climate and Clean Air Coalition (CCAC) as it pertains to SLCPs from cookstoves.
13. While the linkages in the level of household air pollution reduction and health outcomes are more difficult to prove – the climate rationale is much clearer and has been part of the numerous CDM registered carbon finance projects including in Bangladesh (see Improved Cooking Stoves CDM PoA by JP Morgan and Grameen Shakti).

Sustainable development potential

14. The firewood lot intervention suggestion has been noted (see response under impact potential) and will require further strategic coordination with the WB environment and agriculture teams as part of a long-term engagement process.
15. The impact on forest degradation or deforestation through decreased use of fuel wood in efficient stoves will be strengthened by reduced population growth rate of Bangladesh (1.08 in 2016 from 2.82 in 1979).
16. Women already play a key role in the ways that POs interface with the community households. Further gender-specific data disaggregation and intervention strategies will be strengthened through the support of ESMAP's Gender and Energy program.
17. The World Bank will coordinate with Global Alliance on Clean Cooking (GACC) to conduct analytical studies for analyzing the cultural and religious factors related to the use of cookstoves by communities. GACC has done similar work in other countries and IDCOL program can benefit from their international experience. The experience of IDCOL and POs in national level and local level, respectively, helping the program to actively addressing religious and cultural aspects.
18. Affordability has not been identified as a major issue of the program, which has succeeded to disseminate over a million stoves that were paid for by the HH. This indicates that there is an inherent value proposition to the HH that links to economic benefits (fuel savings, time saving, etc.)

Needs of the recipient

19. In two major critical area of the program, selection of POs and selection of stoves, the program established an independent PO Selection Committee and Technical Committee, respectively, where participation from relevant and key national institutions (Section-C.7) is ensured. The project is being implemented in close consultation with SREDA and ERD, Ministry of Finance (Section E.5.3). The program involved GACC, GIZ, CCEB of USAID, and other stakeholders in Bangladesh ICS space (Section E.5.3) and included their inputs in the program design and implementation. The program implementation involved 66 Partner Organizations (POs), mostly NGOs and MFIs, which also providing valuable inputs.

Country ownership

20. In addition to Solar Home System (SHS) Program, the WB/IDCOL already implementing a cookstove program in Bangladesh and 1 million ICS already installed in that program. The SHS program has provided WB/IDCOL with deep understanding on capacity of partner organizations as well as monitoring requirement which was leveraged in Phase 1 of ICS program. Now, in this phase, WB/IDCOL will leverage the learnings from both SHS and phase 1 of the ICS program. Special attention will be given to the challenges faced and lessons learned in the phase 1 of the program (Section-C.2).
21. Compared to most cookstove projects this rate of non-usage or low usage is relatively low but will be further strengthened through increased awareness raising and consumer engagement work through the POs. Moreover, increased inspections on the usage aspects will shed more light on the reasons of low usage or non usage. The POs are required to maintain a level of primary usage threshold (currently 80%) for their areas in order to receive the results-based payments.
22. Partner Organizations are inherently community based who have been providing products and services in the areas of operation for many years. Moreover, in order for POs to be compensated it is required that the households purchase the stoves, which demonstrates the value proposition to the HH. With more cookstove product differentiation in the next phase (Tier 3) the value proposition should increase even further.

23. During the launch of the first phase of the IDCOL ICS program, extensive discussions were held with the GACC, USAID CCEB, GIZ, and other stakeholders who have been involved in Bangladesh ICS space. Efforts were made to find complementarities of activities, with GACC addressing regulatory barriers and national level campaign for creating awareness of ICS, and USAID CCEB working with local entrepreneurs for developing the supply chain for fuel (briquette) and higher efficiency ICS (which were included in the IDCOL program). The IDCOL ICS program took the basic elements of the GIZ program in Bangladesh (i.e. developing a supply chain for locally manufactured stoves). Continuing discussions are held with the relevant stakeholders as part of the implementation of the program to ensure sector coordination and to avoid duplication of activities, including GIZ, USAID, EnDev and GACC.
24. The No Objection letter from the NDA (Ministry of Finance) was sent on 30 August 2017. The team has revised the proposal indicating that this step has been completed.

Efficiency and effectiveness

25. The national level campaigns, capacity building activities, and monitoring process will focus equally on climate change and health aspects. Several pellet stoves already selected and IDCOL is reviewing two pellet manufacturing plants for financing. Research on efficient ways to enhance fuel supply chain will be conducted and necessary steps will be taken.
26. Cluster base baseline survey by POs, national baseline survey by BIDS, as well as experience of phase 1 gave the project deep understanding on WTP of customers. Awareness raising campaigns will employ community people and will focus on increasing WTP for higher efficiency stoves and adoption.
27. The total estimates on emission reductions have now been revised based on the disaggregation of fuelwood vs. residue that is used as fuel for cooking.

Overall remarks from the independent Technical Advisory Panel:

28. Please see the response under the Impact Potential section above (including the revised emission reduction estimates)
29. See responses in the Impact Potential section above on the monitoring and breakdown of fuelwood vs. residue.
30. The advice to present and disseminate a study on access to finance and incentive options that considers community-driven market penetration mechanisms would be very useful and will be explored during project implementation. It would build upon the work already underway by IDCOL.
31. Re: program for development of sustainable woodlots. The team will explore the option under the technical assistance program and work with IDCOL to incorporate it during project implementation. But, the development of such a program could take up to a year and it is thus not advisable for it to be included as an effectiveness condition – as the objective of this project is focused on the demand side of the equation – improving the efficiency of burning biomass fuels for cooking.

Reply to the Independent Technical Advisory Panel assessment findings (FP 071)

Proposal name: Scaling Up Energy Efficiency for Industrial Enterprises in Vietnam

Accredited entity: World Bank (WB)

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|---|
| Impact potential |
| No comment |
| Paradigm shift potential |
| No comment |
| Sustainable development potential |
| No comment |
| Needs of the recipient |
| No comment |
| Country ownership |
| No comment |
| Efficiency and effectiveness |
| No comment |
| Overall remarks from the independent Technical Advisory Panel: |
| No comment |

Reply to the Independent Technical Advisory Panel assessment findings (FP 072)

Proposal name: Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II in Zambia

Accredited entity: United Nations Development Programme (UNDP)

Impact potential

We appreciate the high rating. The Ministry of Transport, under which ZMD is housed, had its' capacities assessed to determine their capability to manage and execute a project of this size. The assessment was conducted by an independent audit firm, Hewo and Co., Chartered accountants, Lusaka. The findings support that the execution and technical capacities strengthened within ZMD over the last 4 years, particularly with the support of an LDCF-funded project focusing on strengthening climate information and early warning system that has helped to strengthen national systems, can be used to execute this project. This project will build on this enhanced capacity and complete the transformation of ZMD from a scientific institution to a service provider of climate information products, tailored to specific sectors such as agriculture. Furthermore, UNDP will assist the ZMD with further enhancing its capacities as well as provide, where necessary, execution support.

Paradigm shift potential

We understand the concern of the ITAP reviewer.
This project will support rice cultivation as a diversification and adaptation strategy. The strategy will be guided by the following principles:

- 1) Used only on flood prone rainfed areas, not irrigated areas
- 2) Supported in areas where it has grown traditionally (7 districts out 16)
- 3) Farmers will be free to choose whether or not to adopt such a risk diversification option
- 4) No more than 25% of the cropping area of a given farm will be used, equivalent to no more than 300 ha of a rice field in the project area.
- 5) All activities related to paddy production will be within 100 meters of the river bank so as to avoid the need for exploitation of other sources of water

Sustainable development potential

We appreciate the high rating and thank you for the comment.

Needs of the recipient

We appreciate the high rating.

Country ownership

We appreciate the high rating.

Efficiency and effectiveness

We agree with the ITAP that the economic analysis presents an extremely conservative and lower bound estimate of the impact of the project. We have intentionally demonstrated that even without considering the worst case of the baseline scenario on increasing drought frequency, this project has positive economic returns. In other words, when droughts occur, which they are projected to, the benefits of the project will only be higher as the without the project scenario will be a lot worse than what was assumed. This is especially important given the prediction of rainfall and drought in the region. The 21st Southern Africa Regional Climate Outlook Forum (SARCOF-21) suggested that based on the rainfall outlook for the region, farmers may be advised to consider growing short season varieties as well as staggering their planting dates. Interventions proposed under this project will help reduce this impact on farmers and largely indicate that the project will have a high economic potential even without estimating the social benefit of the pass-on program. Including the full benefits of the project will clearly mean that the project will be that much more significant.

Overall remarks from the independent Technical Advisory Panel:

UNDP thanks the ITAP for its approval recommendation.

Component 2 will be strengthened by committing to increased efforts towards community-centric knowledge management and cross-learning activities. UNDP commits to making all efforts to ensure knowledge management if most effective and cross-learning activities are supported and encouraged.

Reply to the Independent Technical Advisory Panel assessment findings (FP 073)

Proposal name: Strengthening climate resilience of rural communities in Northern Rwanda

Accredited entity: Ministry of Natural Resources (MINIRENA)

Impact potential

MINIRENA concurs with the assessment but wishes to point out that the number of direct beneficiaries is considerably higher. Disaggregating beneficiary numbers for this type of project is problematic especially for watershed, forestry and agriculture interventions, as many individuals and households will benefit from more than one intervention. Total direct beneficiary numbers for watershed and forestry interventions are estimated on the basis of the area targeted and the population density in the target area and their disaggregation by gender based on census data. In addition, there are interventions planned to build capacity to strengthen climate resilience at the farm and household level (RWH, drainage improvements, off-farm income generating activities etc.). The total is high (360,624) because it counts the no. of people benefiting from each intervention hence captures double counting. However, given that:

- the cooking energy interventions alone will target 125,680 beneficiaries,
- RWH targets 27,456,
- Improvements to surface water management will benefit 93,826 people, and
- Agro-forestry will benefit 49,733 people,

We conclude it is reasonable to assume that the project will effectively reach around 150,000 beneficiaries. More detail is provided in Annex 2 worksheet under “targets”.

Paradigm shift potential

MINIRENA concurs with the assessment but wishes to point out that rural households in Gicumbi experience multiple impacts from climate change (drought and erratic rains leading to food and income insecurity, damage to infrastructure and property and water shortages and in extreme cases loss of lives e.g. deaths in 2017). These impacts are exacerbated by erosion, deforestation and a lack of water storage capacity. There is therefore no singular or sectoral solution to climate change for households living in the target area. An integrated watershed management approach has been proposed as the most effective adaptation measure as vulnerability for most of Gicumbi’s population links to the high dependence on natural resources and in particular, rainfed agriculture. Tackling climate change at the watershed, community and household levels requires multiple, integrated interventions.

Sustainable development potential

MINIRENA concurs with the assessment that the sustainable development potential is high.

We would like to point out that the use of Eucalyptus and Pinus will be restricted to public and private forests where production is a main objective and reflects the need to reduce the fuelwood demand and supply deficit, currently estimated at over 2 million tonnes (97% biomass based energy deficit), and timber for other uses. The urgency of increasing timber and wood supply combined with the existing extreme land and population pressure (Rwanda has the highest population density in Africa), high demand for woody biomass and the fact that, if well grown, Eucalyptus and Pinus are faster growing than native species means that they are important genera. The SFM Feasibility Study Report contains guides to species

choice for exotic and native species for different objectives (that include soil stabilisation and overall sustainable land management) and site types to aid decision making on a forest by forest basis.

Recognising that indigenous species and biodiversity are of great importance, the plans made in the proposal include indigenous species to be used whenever possible in protection forest on very steep areas, particularly above vulnerable land areas – for example tea estates - and along all water courses and some roads. This approach is preferred because it provides both a significant area of indigenous species and good connectivity which is vital for gene flow and maintaining biodiversity. By focusing on both a significant area restored with indigenous species and good connectivity, the proposal leads to the creation of lenses within the landscape that can be used for high production forestry and agroforestry systems while concurrently improving and sustaining biodiversity values and other services such as soil and water conservation and reduction of flooding events.

Needs of the recipient

MINIRENA concurs with the assessment that the needs of the recipient are high.

Country ownership

MINIRENA concurs with the assessment that the country ownership is high.

Efficiency and effectiveness

We refer back to the large number of direct beneficiaries that have not been considered by the assessor under impact potential above.

We would like to clarify that the co-financing is much higher than assessed by ITAP. The GCF FP forms (Section E.6.2) requests information for co-financing for mitigation only (the section title explicitly states '*Co-financing, leveraging and mobilized long-term investments (mitigation only)*'). The level of formal mitigation co-financing is USD 105,964 from The Wood Foundation, but the actual level of mitigation co-financing is much higher. There is an estimated USD 2,858,483 of co-financing from the communities. This was excluded from the FP as it was not practical to obtain letters of commitment from community members. If the community contribution is included, the mitigation co-financing would be USD 2,964,447, equating to 52% of the project's mitigation budget.

There is also a large amount of adaptation co-financing for the project, but as the FP form does not request this, it has not been included. The GoR has pledged USD 147,000 to support community grants and USD 107,026 to cover the cost of the land needed to enable vulnerable households to relocate from areas prone to landslides and flooding. In addition, there is a large amount of community based and government co-financing for adaptation activities for co-finance of rain water harvesting equipment, co-finance from farmers (beneficiaries) for the various climate smart agriculture and agroforestry options and tea and coffee producers.

We conservatively estimate that the adaptation co-finance would be at least a further \$5 million and probably more than this.

For component 1, we would clarify that the interventions are extensive, with 9790 ha of agroforestry, 1250 ha of erosion control, 1375 ha of protective forest and 4,225 ha of resilience interventions with smallholder farmers. This will reach at least 75,000 beneficiaries.

For component 2, the ITAP review incorrectly states that ‘intervention will be demonstrative in nature and will only achieve cost-benefit returns if they are effectively upgraded to involve further beneficiaries’. A detailed cost-benefit analysis of the project interventions found a highly positive benefit to cost ratio for the district project interventions (before upscaling).

For component 3, we would like to clarify that the surface water management and rainwater harvesting interventions go beyond the two new settlements and hence benefit a far larger number of people. We estimate that RWH will benefit 7,656 people and the no. of people benefiting from improved improved surface water runoff to be 93,826.

The design undertook a detailed economic and financial appraisal. This found that all measures have a positive benefit to cost ratio (as noted by ITAP), but the ITAP analysis does not report on the high ratios of the key project interventions. As examples, the economic appraisal found the benefit to cost ratios were 8:1 for tea investments, 5:1 for energy and cookstove, 3:1 for watersheds and even 1.3:1 for forests (a long-term investment due to maturation) even at a 10% discount rate. Further the analysis undertook a full lifetime NPV cost-effectiveness analysis for the mitigation actions, and found this led to a cost-effectiveness of $-\$3/tCO_2$ (i.e. no regret options). In recognition of these values, all interventions have been designed to maximise the use of GCF grant finance and comply with the principles set out in Annex III to decision B.05/07 and GCF guidance (B_10_06). Therefore, grant elements are limited to marginal investments that address the barriers to the uptake of these interventions.

We concur with the conclusion that the pilot housing programs could be replicated in Gicumbi and other regions with a “bankable financial schemes”, but MINIRENA’s accreditation status limits the project’s scope to engage in such schemes with the private sector. This is an area however, that GoR would be keen to pursue outside the boundaries of the project.

However, we would offer an alternative to the ITAP conclusion that there is not adequate provision for scale-up in the project. Component 4 is specifically included to provide resources to ensure that the project approaches are subsequently mainstreamed into policies, programmes and most critically the practices across the country, including in sector development plans. The interventions are presented from p41-44 and a budget of USD 3.2 million has been allocated to ensure there is provision to scale up and replicate. The activities will integrate these climate resilient and green growth practices into sector development planning, providing the opportunity to leverage on sector development budgets (Government and overseas development assistance). This project will also be instrumental in supporting the government to successfully mainstream climate resilience in the primarily rural based roll out of the national “Integrated Development Programme (IDP)”.

Overall remarks from the independent Technical Advisory Panel:

The current District Development Strategies (DDS) for Gicumbi already have made provisions for mainstreaming environmental management and climate resilience in the 6 year planning framework, an input into Rwanda's vision 20150. This sets out measures for the scale up of lessons from the Muvumba watershed funding proposal.

MINRENA accepts the need to make provision to scale up and had in an earlier draft included wider provision for this in the budget but this was removed from the proposal at the request of the Secretariat. It can easily be included but we are mindful that there will be budgetary implications.

Reply to the Independent Technical Advisory Panel assessment findings (FP 074)

Proposal name: Africa Hydromet Program – Strengthening Climate Resilience in Sub-Saharan Africa: Burkina Faso Country Project

Accredited entity: World Bank (WB)

Impact potential

The methodology to assess the number of beneficiaries is based on the methodology used for annual food security and nutrition national surveys and other methodologies used by social protection and safety net projects in Burkina Faso. However, as stated in the proposal (section C.3. FP), a more detailed estimation of the beneficiaries will be made at the start of the project.

As mentioned in the Overall Remarks section below, the project envisages to develop and implement (i) a detailed strategy to train in-house country personnel and to retain their services after project completion and (ii) a knowledge sharing, communication, and dissemination of information strategy.

Paradigm shift potential

The AE confirms that information services will be provided in open, accessible and easy to understand format to ensure maximum social co-benefits under the project. The project identification process was informed by the National Framework for Climate Services and follows a demand-driven approach that is oriented towards service delivery. This approach is aimed at inducing a paradigm shift in how hydromet services are delivered (Section E.2. of the Funding Proposal). Given the low level of performance of hydromet services in Burkina Faso, each intervention is a step forward to an improved level of service.

Sustainable development potential

The provision of improved hydromet services in Burkina Faso will benefit large sections of the society, with specific targeting towards the most vulnerable population, through improved early warning systems and food security monitoring. As noted in the letters of co-financing provided by the Government, the Project directly contributes to the implementation of the Strategy for Accelerated Growth and Sustainable Development (SCADD) 2011-2015, to the National Program for Economic and Social Development (PNDES) adopted in 2016, and to the National Sustainable Development Policy of 2013 which identifies the weakness of the national system for prevention and response to natural disasters in its analysis of the environmental and social sustainability conditions of Burkina Faso.

Needs of the recipient

Burkina Faso is highly vulnerable to climate change. It suffers recurrently from the negative impacts of weather and climate extremes (Section C.1. FP). The country has a substantial need to improve its hydromet and warning systems, which is key to improve resilience to a changing climate (Section C.2. FP). This is expressed by high level of country ownership as reflected in the co-financing commitments from the Government (Annexes 10-14).

Country ownership

The National Adaptation Plan of Action (NAPA) identifies development of hydromet and warning services as a national priority for climate change adaptation, which is a key focus of the proposed project (Section E.5. FP). The project involves all entities associated with the delivery of hydromet and warning services in the country. Although the Ministry of Environment, Green Economy and Climate Change is not contributing directly to this project's implementation, it will benefit from enhanced access to weather, water, climate, food security and disaster risk management information and will be able to utilize the outcomes of the project towards the adaptation priorities of the Government.

Efficiency and effectiveness

Because of the strategic importance of capacity building in the project, and as mentioned in the Overall Remarks section below, the project envisages to develop and implement a detailed strategy to train in-house country personnel and to retain their services after training.

The institutions responsible for operation and maintenance after project completion have confirmed in the "Operation and maintenance budgetary provision agreement to ensure sustainability of the project after completion" that sufficient budget will be allocated to O&M to ensure the sustainability of the project after its completion.

Overall remarks from the independent Technical Advisory Panel:

An operations and maintenance (O&M) budgetary provision agreement has been executed by the Implementing Partners and has been provided as Annex 25. In view of this, as the condition has already been met, this may not be considered further.

In line with ITAP recommendations, the following strategies as requested will be developed and implemented as part of the Project:

1. A detailed strategy to train in-house country personnel is envisaged under Component 1: Capacity building and institutional development - (i) Training and capacity building programs for agencies' staff and management;
2. A detailed strategy of possible climate information products and services to be provided to farmers, insurance companies, private companies and other possible users to ensure additional sustainable income to maintain the Project is envisaged under Component 3: Enhancement of service delivery and warnings to communities - (i) Supporting the implementation of the national framework for climate services; (iii) Developing new products for sector specific needs and (iv) Strengthening "last mile" connectivity to ensure appropriate understanding and use of information.
3. A knowledge sharing, communication, and dissemination of information strategy will be developed under Component 1: Capacity building and institutional development - (ii) Enhancing institutional and regulatory frameworks.

As ITAP feedback is recommendatory in nature, and the World Bank fully conforms to the approach, this may be considered as a recommendation, and not a covenant.

Reply to the Independent Technical Advisory Panel assessment findings (FP 075)

Proposal name: Institutional Development of the State Agency for Hydrometeorology of Tajikistan

Accredited entity: Asian Development Bank (ADB)

Impact potential

Thank you for the positive assessment.

Paradigm shift potential

Thank you for the positive assessment.

Sustainable development potential

Thank you for the positive assessment. We wish to clarify that the gender action plan will be finalized upon ADB Board approval. The plan reflects the project's effective gender mainstreaming in areas of campus modernization, organizational development, training and consultation of stakeholders, and design and provision of services.

Needs of the recipient

Thank you for the positive assessment.

Country ownership

Thank you for the positive assessment. We wish to clarify that the Tajikistan National Climate Change Adaptation Strategy document referred to in the proposal and the ITAP assessment was finalized as of October 2017, but as of January 2018 remains as under final stages of government review for approval.

Efficiency and effectiveness

Thank you for the positive assessment.

Overall remarks from the independent Technical Advisory Panel:

Thank you for the positive assessment and recommendation.

We wish to note that:

- The grant agreement between ADB and Republic of Tajikistan will include covenants for (i) preparation and approval of a sustainable operation and maintenance plan for Hydromet including annually updated budget projections, and (ii) annual state budget made available to Hydromet in line with this plan.
- The finalized gender action plan will be disclosed on the ADB website upon ADB Board approval as per standard practice.

Reply to the Independent Technical Advisory Panel assessment findings (FP 076)

Proposal name: Climate-Friendly Agribusiness Value Chains Sector Project

Accredited entity: Asian Development Bank (ADB)

Impact potential

ADB would like to thank the ITAP for its careful review and concurs with its positive assessment. The assessment accurately reflects the context of the Project, outputs, and its anticipated impact potential, which is significant for both climate change adaptation and mitigation objectives. The project will not only improve resilience of rural infrastructure and improve adaptive capacity of vulnerable populations but also minimize carbon footprint of agricultural operations along the target value chains. The project's demonstrational nature leaves it poised to have a high impact as both an individual project and as a sector influencer.

Paradigm shift potential

ADB appreciates the ITAP's assessment and believes it accurately reflects the strengths of the Project in promoting paradigm shift in Cambodia's institutions, policies, technologies and behavior of stakeholders critical for improving agricultural competitiveness the country. The project advances a holistic approach to sustainability, climate resilience building, and knowledge sharing that can serve as a replicable model for other countries. The project will promote crop intensification, diversification and commercialization in a climate-friendly manner and help in transformation of transport corridors into economic corridors.

Sustainable development potential

ADB would like to thank the ITAP for its detailed assessment of the project's potential contribution to sustainable development. Indeed, the project is designed with Cambodia's sustainable development ambitions in mind. In terms of social benefits, the project's support for installation of biodigesters and compost huts is expected to significantly improve the indoor air quality, which could result in enormous health benefits for the end beneficiaries, especially women and children. We sincerely appreciate ITAP's assessment on project's contribution to gender mainstreaming and empowerment of women.

Needs of the recipient

Thank you very much for the positive and detailed assessment. As has been recognized by ITAP, Cambodia belongs to the Least Developed Countries (LDCs) and requires strong external support on highly concessional terms including grant for the implementation of climate change projects, especially in vulnerable sectors such as agriculture and water resources, which are the focus of this project.

Country ownership

ADB appreciates and concurs with the very positive assessment from ITAP. The strong ownership of the Government of Cambodia is demonstrated by the substantial contributions

to the Project and the significant direct involvement in its implementation. The project is strongly aligned with various government strategies, including but not limited to, the NDC.

Efficiency and effectiveness

We believe that the project design is founded on efficiency and effectiveness principles of GCF. For example, EIRRs for representative sub-projects were above 12%. For GCF financing of \$40 million, the project will mobilize an additional \$101.4 million, representing a cofinancing ratio of 2.5. Only 3.3% of GCF funding is allocated for project management. The project adopts a strategic approach to maximize synergies and resources at both national and provincial levels. It will make use of existing institutional modalities that will ensure that this project is delivered efficiently, effectively and with lasting impact.

Overall remarks from the independent Technical Advisory Panel:

ADB would like to thank ITAP for the positive assessment, very constructive collaboration and a detailed analysis of project's strengths. We acknowledge ITAP's recommendation on the need for ensuring effective infrastructure operations and maintenance (O&M). We appreciate the ITAP recommendation to the board to approve this project.

ADB takes note of the suggested condition by ITAP and would like to make the following observations:

Condition part (i) on annual reporting of O&M budget allocation by the Government of Cambodia does not seem practical for two reasons: First, the O&M expenses during project implementation period will be very limited and will be covered by the project itself. Second, the Government of Cambodia does not allocate project-specific O&M budgets. Instead, each line ministry responsible for implementation of the project will be encouraged to access O&M fund created by the Ministry of Economy and Finance to cover O&M needs after project completion.

The project will comprehensively address O&M needs of different types of infrastructure to be built under output 1 by paying close attention to the four critical factors for O&M success: (a) institutional arrangements (farmer water user groups, cooperatives); (b) capacity building (high-quality, timely training on O&M, especially at provincial and district levels); (c) financing (e.g., cost-sharing mechanisms such as user fees from farmer water user groups, cooperative members) and (d) technical considerations (e.g., construction design and technology choices).

Condition part (ii) on preparation of O&M plans for sub-projects and annual reporting to GCF is noted.

Reply to the Independent Technical Advisory Panel assessment findings (FP 077)

Proposal name: Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project

Accredited entity: Asian Development Bank (ADB)

Impact potential

Many thanks for your positive assessment, we have no further comments.

Paradigm shift potential

Many thanks for your positive assessment, we have no further comments.

Sustainable development potential

Many thanks for your positive assessment, we have no further comments.

Needs of the recipient

Many thanks for your positive assessment, we have no further comments.

Country ownership



Many thanks for your positive assessment, we have no further comments.

Efficiency and effectiveness

Many thanks for the positive assessment, we have no further comments.

Overall remarks from the independent Technical Advisory Panel:

The Project team would like to express its sincere gratitude to iTAP for your constructive comments and guidance which contributed to improve and strengthen the proposal. We look forward to work again with iTAP on future proposals

Reply to the Independent Technical Advisory Panel assessment findings (FP 078)

Proposal name: Acumen Resilient Agriculture Fund (ARAF)

Accredited entity: Acumen Fund, Inc.

Impact potential

We appreciate ITAP's assessment. Based on Acumen's own experience and estimates, ARAF is expected to impact 2.1 million lives directly plus 7.9 million lives indirectly, over 12 years by supporting approximately 18 (to 20) SMEs that align with climate adaptation objectives.

Paradigm shift potential

We agree with ITAP's assessment. The success of ARAF will be demonstrational and further help mobilize private sector capital to climate resilient agribusiness, particularly in Africa, which have been perceived to be of high risk by private sector investors.

Sustainable development potential

We agree with ITAP's assessment. The ARAF investments will promote new skills and technology and as a result contribute to more stable and resilient income generation of smallholder farmers. The ARAF will help the farmers to increase earnings by developing knowledge and expertise in farming and improve access to market and information.

Needs of the recipient

We agree with ITAP's assessment. The ARAF will invest in early-growth stage SME agribusinesses targeting to support smallholder farmers. The perceived risks associated with the early stage nature of the SMEs, innovative business model, and targeted regions understandably stall participation of private sector investors in the region in general and ARAF in particular. The GCF participation in ARAF two-tier capital structure serves as risk mitigation for the private sector investors to commit capital to ARAF.

Country ownership

We agree with ITAP's assessment. The ARAF investment and country strategies are prepared based on the AE operational experience in the sector and the region taking into account the government strategies and plans.

Efficiency and effectiveness

We agree with ITAP's overall assessment. ARAF, being one of the first climate change adaptation focused funds targeting SMEs in East and West Africa, is perceived to be of high investment risk by private sector investors. Therefore a USD 25 million CFLC to be contributed by GCF and AE is required to attract another USD 25 million investment from private sector investors.



Overall remarks from the independent Technical Advisory Panel:

We agree with ITAP's positive assessment of ARAF and strongly believe that the success of ARAF will catalyze more private sector capital into climate adaptation in agribusinesses especially in Africa. We would like to take this opportunity to thank the ITAP for their candid and positive review of our proposal. The engagement with ITAP has been incredibly useful and a great learning experience for us. Thank you once again.

Reply to the Independent Technical Advisory Panel assessment findings (FP079)

Proposal name: Biomass Energy Programme in the South Pacific

Accredited entity: Korea Development Bank (KDB)

This funding proposal has been withdrawn by the accredited entity, on the ground that further due diligence is required, with a possibility of resubmission for consideration of the Board at a subsequent Board meeting.

Reply to the Independent Technical Advisory Panel assessment findings (FP080)

Proposal name: Zambia Renewable Energy Financing Framework

Accredited entity: African Development Bank

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| Impact potential |
| Noted. While rural electrification impact from the technical assistance (TA) may not be precisely quantified as the activities focus on enabling environment, the TA support for site identification and feasibility studies will directly lead to the deployment of mini- and off-projects. The framework targets to enable three projects by end of the implementation period. |
| Paradigm shift potential |
| Noted and no further comments. |
| Sustainable development potential |
| Anticipated benefits from developing a SMEs ecosystem for solar energy services is well noted. |
| Needs of the recipient |
| A need to develop human capacity and awareness for solar energy alternatives is well noted. |
| Country ownership |
| Noted and no further comments. |
| Efficiency and effectiveness |
| A comment regarding the creation of the solar ecosystem in the country is well noted. |
| Overall remarks from the independent Technical Advisory Panel: The recommendations and condition from the ITAP are well noted. |

Reply to the Independent Technical Advisory Panel assessment findings (FP081)

Proposal name: Line of credit for solar rooftop segment for commercial, industrial and residential housing sectors

Accredited entity: National Bank for Agriculture and Rural Development (NABARD)

Impact potential

National Bank for Agriculture and Rural Development (NABARD) concurs with the positive assessment from ITAP and believes it accurately reflects the context of the programme, its structural makeup, and its anticipated impact areas.

Paradigm shift potential

NABARD concurs with the positive assessment from ITAP and believes it accurately reflects the strength of the programme in promoting paradigm shift concepts that are important to the GCF and its board.

Sustainable development potential

NABARD concurs with the positive assessment from ITAP and believes it accurately reflects the sustainable development potential of the programme, in particular the social and health benefits of the programme as well as the demonstrative effects of private sector involvement in clean infrastructure.

Needs of the recipient

NABARD concurs with the positive assessment from ITAP that the needs of the recipient are multiple and are clearly addressed by the programme. ITAP's assessment accurately reflects the GCF's ability to address key barriers, and the programme's ability to unlock key capacities for future scale-up, in accordance with India's NDC.

Country ownership

NABARD concurs with the positive assessment from ITAP and believes it accurately reflects the strong relationship between the FP and India's climate change priorities.

Efficiency and effectiveness

NABARD concurs with the positive assessment from ITAP and believes it accurately reflects anticipated carbon emission reductions as well as the reasonable cost per ton of reduced carbon on the part of the Green Climate Fund.

Overall remarks from the independent Technical Advisory Panel:

NABARD concurs that the programme's demonstrational nature leaves it poised to have a high impact as both an individual programme and as a sector influencer. NABARD will monitor and ensure the concessionality of the GCF loan be passed onto sub-projects.