

# Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility  
(Version 5)

## STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: January 26, 2012

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### I. PIF Information *(Copied from the PIF)*

**FULL SIZE PROJECT GEF TRUST FUND**

**GEF PROJECT ID:** 4788

**PROJECT DURATION :** 5

**COUNTRIES :** India

**PROJECT TITLE:** Promoting Business Models for Increasing Penetration and Scaling up of Solar Energy

**GEF AGENCIES:** UNIDO

**OTHER EXECUTING PARTNERS:** MNRE, IREDA

**GEF FOCAL AREA:** Climate Change

### II. STAP Advisory Response *(see table below for explanation)*

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies): **Minor revision required**

### III. Further guidance from STAP

The project aims at promoting business models for increasing the penetration and scaling up of solar energy in India. STAP welcomes this project, and suggests consideration of the following issues in the next phase of project design to enable achievement of the goals of the project:

1. The project title suggests promotion of business models for the increased penetration and scaling up solar energy in India. It is not clear what business models will be explored and supported and what criteria will be used to guide selection of specific business models – the information requested at the CEO endorsement stage.
2. The project aims at demonstration of technical and financial viability. Will just installation of systems alone ensure financial viability? What specific measures will be undertaken to ensure this? Currently the industry may be depending on subsidized diesel or electricity under the baseline scenario. Are the technologies selected currently financially viable? Are there any examples already in the field?
3. This project proposes ambitious plan to promote solar energy sources in industrial applications in India. The PIF states 16 sectors will be considered. There is a need for prioritizing the sectors and technologies for intervention based on a number of specific criteria, such as technical feasibility, GHG mitigation potential, cost-effectiveness, and replication potential.
4. The PIF does not specify if the project focuses on the promotion of solar energy in large industries or SME or both. Barriers in these sectors and implementation approaches/business models will be different and this information is requested at the CEO endorsement stage.
5. There seems to be a large range of policies, incentives and subsidies already existing according to the PIF. What are the limitations of existing policies and incentives - have these been assessed? Pages 4, 5 and 7 of PIF mention a large number of ongoing initiatives to promote solar energy. What is the innovation that is being proposed in this project? There is a range of ongoing programs described in the PIF for promoting solar energy integration into industrial applications in India. It is not clear what specific comparative advantage this project has and how it will complement or enhance these multiple ongoing efforts.
6. The technology related details given in Box 1 is typical textbook information. More specific details of design, efficiency, source of technologies, their technical performance is needed at the next stage in the project cycle.

7. Scaling up will be a challenge. Only generic options are mentioned. What solar energy specific and India specific options will be considered, since so many incentives already exist in India, as mentioned in the PIF itself, and there may be many more bilateral and multilateral agency initiatives promoting solar energy in India. How will the technologies or designs become financially viable for scaling up? What options will be considered to achieve this?

8. The biggest risk of potential high investment cost for solar technologies and how this risk will be addressed needs to be considered during project preparation.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
<b>1. Consent</b>	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
<b>2. Minor revision required.</b>	STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include: <ul style="list-style-type: none"> <li>(i) Opening a dialogue between STAP and the proponent to clarify issues</li> <li>(ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review</li> </ul> The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
<b>3. Major revision required</b>	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.