

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: May 05, 2013

Screeners: Lev Neretin

Panel member validation by: Ralph E. Sims
Consultant(s):

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

FULL SIZE PROJECT GEF TRUST FUND

GEF PROJECT ID: 5312

PROJECT DURATION : 4

COUNTRIES : Regional (Antigua And Barbuda, Grenada, St. Vincent and Grenadines)

PROJECT TITLE: Sustainable Energy for the Eastern Caribbean (SEEC) Program

GEF AGENCIES: IADB

OTHER EXECUTING PARTNERS: Caribbean Development Bank (CDB), Organization of the Eastern Caribbean States (OECS) Secretariat, and Organization of American States (OAS).

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

1. This is a good project that aims to support EE and RE in 3 Caribbean islands. The main problem with this proposal is its lack of strategic approach supporting EE and RE development in the region. One of the main impediments facing energy systems in the region is their relatively small scale. While many, if not most, Caribbean countries have significant RE potential, their demand is small. Instead of focusing support on site-specific projects, investment institutions such as IADB could divert more resources to addressing the issue of scale. Regulatory frameworks and harmonization issues could be addressed using CARICOM's Caribbean Renewable Energy Development Programme (CREDP), while co-operation via Caribbean Electric Utility Services Corporation (CARELIC) could help to scale up capital investments and attract interest of international developers and independent power producers. STAP recommends that project proponents dedicate a share of project funds and plan appropriate activities to support a regional approach to energy development in the Caribbean and hence achieve economies of scale.

2. In addressing investment costs barrier and developing new financial mechanisms, project proponents are advised to learn from earlier experiences in the region including IADB's own support for RET and EE in Barbados and Jamaica, together with IFC work with the BHD bank supporting wind energy in the Dominican Republic and others.

3. Technical assistance is to be provided by GEF to support NAMAs and study smart-grid options. The choice of technologies for supporting EE and RE remains unknown. Specific sectors and technologies should be prioritized during project preparation taking into account emission reduction potential, cost-effectiveness, market potential including scaling up to regional markets. Note Component II (in Section B Table page 2 and elsewhere) includes legal and financing options under the heading "Technical Assistance" which is somewhat confusing and could be amended. The funding allocation for this Component may need reviewing if so.

4. UNDP and IDB projects already exist so this could be some overlap which needs to be identified and resolved. On-going liaison with UNDP, IDB and GEF should be part of the project management if GEF funding is to complement existing projects as stated. On page 12 it says the SEEC Program will "closely coordinate" with UNDP and UNEP projects but exactly how this will be managed is not clear.

5. There are multiple business models supporting RE projects including third-party energy services, property-assessed clean energy loans, utility-based models, "anti-turn-key" models and many others (REN21 Renewables Global Futures Report 2012, Paris: REN21; <http://www.ren21.net/>). STAP recommends that different business models be explored during project preparation and documented later on.

6. Training will be provided but by whom? Who will train the trainers?
7. There are a number of methods of supporting EE measures in commercial, public and residential sectors. The PIF is vague in justifying what sectors and technologies will be targeted as well as what would be the most cost-effective and impactful measures to support EE measures: e.g. standards and labels, building codes, targeting of particular systems (such as motors, pumps) etc. The overall maturity of EE markets in selected countries should be explored and appropriate measures designed taking into account national circumstances as well as regional perspectives during project preparation. The GHG emission reductions calculations are somewhat indicative. For EE the recently published STAP methodology could be a valuable tool - see <http://stapgef.org/node/792>
8. Selection of RE pilot projects by each country has not yet been done. On what basis will they be selected and how will the funding allocation be divided? This is a gap in the proposal. Also on page 9 it states the SEEC will invest in 3MW of RE projects -solar PV and SWH. How does this match with the statement made above that RE pilot projects are yet to be identified? There appears to be a disconnect here. It is good solar cooling has been included as a technology.
9. The PIF is silent on whether off-grid or on-grid solutions or both will be supported and why. This information and appropriate justification is requested at the CEO endorsement.
10. In Section A, the PIF mentions a long list of barriers that all sound legitimate. However, the risk mitigation description (Section A3) is rudimentary and missing a range of important risks associated with the existing barriers, so it could be revised accordingly.
11. The project is lacking MRV - needs indicators and milestones to assess whether or not the project could be successful.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	<p>STAP acknowledges that on scientific or technical grounds the concept has merit. However, STAP may state its views on the concept emphasizing any issues where the project could be improved.</p> <p>Follow up: The GEF Agency is invited to approach STAP for advice during the development of the project prior to submission of the final document for CEO endorsement.</p>
2. Minor revision required.	<p>STAP has identified specific scientific or technical challenges, omissions or opportunities that should be addressed by the project proponents during project development.</p> <p>Follow up: One or more options are open to STAP and the GEF Agency:</p> <ul style="list-style-type: none"> (i) GEF Agency should discuss the issues with STAP to clarify them and possible solutions. (ii) In its request for CEO endorsement, the GEF Agency will report on actions taken in response to STAP's recommended actions.
3. Major revision required	<p>STAP has identified significant scientific or technical challenges or omissions in the PIF and recommends significant improvements to project design.</p> <p>Follow-up:</p> <ul style="list-style-type: none"> (i) The Agency should request that the project undergo a STAP review prior to CEO endorsement, at a point in time when the particular scientific or technical issue is sufficiently developed to be reviewed, or as agreed between the Agency and STAP. (ii) In its request for CEO endorsement, the Agency will report on actions taken in response to STAP concerns.