

# 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 Program Framework Document (PFD)

Date of screening: 07 October 2008

Screener: Douglas Taylor, STAP Secretary

Panel member validation by: N.H. Ravindranath

### I. PIF Information

#### Full size project      GEF Trust Fund

GEFSEC PROGRAM ID: 3756

GEF AGENCY PROGRAM ID:

COUNTRY(IES): Indonesia, Philippines, Thailand, Vietnam and Malaysia

REGION: South East Asia

PROGRAM TITLE: REDUCING INDUSTRY'S CARBON FOOTPRINT IN SOUTH EAST ASIA THROUGH COMPLIANCE WITH A MANAGEMENT SYSTEM FOR ENERGY (ISO 50,000)

GEF LEAD AGENCY: UNIDO

OTHER GEF AGENCIES: (select), (select), (select)

GEF FOCAL AREA (S): Climate Change, (select), (select)

GEF-4 STRATEGIC PROGRAM(S): CC SP-2 Industrial EE

EXPECTED NUMBER OF PROJECTS UNDER THE PROGRAM DURING CURRENT GEF TRUST FUND REPLENISHMENT PERIOD: Five

### II. STAP Advisory Response

1. Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies):  
**Consent**

### III. Further guidance from STAP

STAP consents to the program "Reducing Industries Carbon Foot Print in South –East Asia". IPCC (2007) has highlighted that rapid growth in energy consumption per capita is occurring in many developing countries and the adverse implications of increasing prices of oil and gas on access to energy, equity and sustainable development. This program helps to assist industries in the South-East Asia to reduce the energy cost and GHG emission and to cope with the steep increase in the price of oil and gas. This program has well laid out project components, expected outcomes and expected outputs. However the critical activities required to achieve the outputs and outcomes are not adequately described and STAP recommends attention to the following points while development of subsidiary projects takes place.

1. **Technological Interventions and Innovation:** The project Components included have evolved from the vast experiences of UNIDO and other agencies in the region.
  - o There is a need for scientific criteria for selecting specific industries or enterprises in the different countries of the region for intervention. There is a further need to prioritise industries for technical interventions. The criteria could include GHG Mitigation potential, Cost-benefit analysis and barriers to promoting energy efficiency. The extent of the inclusion of SMEs and large industries in the proposed program is necessary, to devise strategies to overcome the barriers, which vary with the scale of the industries.
  - o The incremental cost involved for the industries to shift to energy efficient systems and financial mitigation measures are not adequately addressed.
  - o Scientific rationale for system level vs. Component level intervention is required, since the cost implications and CO2 emission reduction per \$ of investment could vary.
  - o IPCC (2007) report provides enormous details of Technological Interventions in different industrial sectors, cost effectiveness, barriers and policy and other options to overcome the barriers. IPCC highlights the cost effectiveness of low GHG emission technologies as very critical for the spread of energy efficient alternatives.
  - o The report further states that possible solutions to improve cost effectiveness are to restrict intervention to specific target groups or technologies.

2. **Barriers:** There is a need to identify and prioritise the critical barriers for different industries in different countries and according to the stakeholders. A method such as AHP could be adopted for ranking the Barriers considering for multiple stakeholders.
3. **Risks:** The financial risks associated with the incremental cost to the industries are not considered. Further the risk of poor performance of the in technical interventions could be considered along with mitigation measures.
4. **Baseline and Control Groups:** It is desirable to have GHG emission profiles and future trends under baseline scenario for different industrial sectors to assist in selection of industries and enterprises as well as for monitoring the program's impact.