

Clean technology innovation programme for SMEs and start-ups in the Republic of Moldova

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10457

Countries

Moldova

Project Name

Clean technology innovation programme for SMEs and start-ups in the Republic of Moldova

Agencies

UNIDO

Date received by PM

2/16/2021

Review completed by PM

3/31/2021

Program Manager

Ming Yang

Focal Area

Climate Change

Project Type

MSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, the project remain aligned with the GEF CCM focal area elements as presented in PIF.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Not at this time. In Table B,

1. Please indicate the number of enterprises for "1.2.2 Enterprises are connected to financing opportunities and provided with tipping point investment facilitation support"

2. please elaborate the outputs of 1.2.4 (namely, Investment is mobilized to deploy innovative cleantech solutions across various sectors, with GET \$100,000 and Co-financing \$ 5,010,000.) For example, the number of SMEs will improve their energy efficiency by XYZ percentages, etc.

3. Please indicate the number of workshops to be conducted and the number of people will have their capacity strengthened for "2.1.1

Institutional capacity building of the CIEE actors is conducted"

These numbers are available in Annex A project results framework. Please use them.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

The outputs 1.2.2, 1.2.4, and 2.1.1 were appropriately amended (i.e. quantitative specifications were included)

With reference to the comment provided by the Secretariat on 3/22/2021, the co-financing contribution to PMC was increased (so that the contribution of GEF and other co-financing partners to the PMC is proportional).

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, the co-financing amounts and types are adequately documented and the letters are available at the GEF portal.

Agency Response

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is on page 79.

Agency Response

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, in the current CEO AR package, the indicator targets look reasonable for a country such as Moldova.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is shown on pages 19-27.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is stated on pages 27-34.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

2/20/2021 MY:

Not completed at this time.

For the components presented on pages 32-52, please describe the outputs /outcomes in a quantitative manner. Please see the comments in the second box of this review sheet.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response A quantitative description of outputs/outcomes was added (marked yellow).

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is on page 53.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is on page 53.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is stated on pages 53-55.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, they are stated on pages 55-56.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Not at this time.

A general map is good but not enough. Please provide a map to show the specific places where the selected SMEs will get benefits from this project.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response An amended map an written explanation was provided.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the
implementation phase, with information on Stakeholders who will be engaged, the means of
engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes. A document (Annex G) on stakeholders engagement is submitted to the GEF Portal.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes. A document (Annex H) on gender and women's empowerment is submitted to the GEF Portal.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, three private firms will provide equity financing for the project. They will be co-stakeholders of the project.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, project risks analyses including climate risk analysis and COVID-19 risk analysis are shown on pages 69-72.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Not completed at this time.

Please use a chart to show the relationship of the project stakeholders under the framework of coordination.

Please double check the project coordination plan and make sure that UNIDO will not undertake any execution functions for the project.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response A chart was included. The project coordination plan was double checked and it was made sure that UNIDO would not undertake any execution functions for this project.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is stated on page 74.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Not completed.

Please elaborate knowledge and experiences to be delivered from this project with timeline and milestones in a Table.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response An additional elaboration/explanation was added (marked yellow) and a table included.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is stated on page 76-77.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is shown on page 77.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, they are either inserted in the CEO AE document or submitted separately to the GEF Portal.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Yes, it is in Annex A.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

10/14/2021 MY:

Yes.

The meeting took place on September 23, 2021, and the US government comments were addressed and issues were cleared. An email on 10/14/2021 from UNIDO summarized the meeting results. The email was copied and filed in the document folder of this project.

All comments were addressed and issues were cleared.

Agency Response

7-Oct-21

Following the feedback received from GEF Council Members in June 2021, additional informal consultations were held with relevant stakeholders in Moldova, followed by the revision of the co-financing structure, update of the description of baseline scenario (regulatory environment and baseline projects) as well as revision of relevant Annexes (G, K). A final validation workshop took place on 30 September 2021. Also, based on feedback received for other child projects, several parts of the proposal were adjusted and ToRs for PMU members were provided in Annex Q.

STAP comments

Secretariat Comment at CEO Endorsement Request
2/20/2021 MY:

N/A

Agency Response
Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request
2/20/2021 MY:

N/A

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request
2/20/2021 MY:

N/A

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request
2/20/2021 MY:

N/A

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
2/20/2021 MY:

Please elaborate why about 2/3 of the PPG has not spent yet.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:

<i>Project Preparation Activities Implemented</i>	<i>GEIF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Finalization of project documents (gender analysis, stakeholder engagement plan, ESMP, finalizing co-finance and implementation and assessment of execution arrangements) as well as internal review and approval processes	25,000	2,949.62	21,198.53
Assessment of the project executing entity	10,000	10,851.85	0
Consultation with country stakeholders	15,000	0	15,000
Total	50,000	13,801.47	36,198.53

ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:

<i>Project Preparation Activities Implemented</i>	<i>GEIF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Finalization of project documents (gender analysis, stakeholder engagement plan, ESMP, finalizing co-finance and implementation and assessment of execution arrangements) as well as internal review and approval processes	25,000	2,949.62	21,198.53
Assessment of the project executing entity	10,000	10,851.85	0
Consultation with country stakeholders	15,000	0	15,000
Total	50,000	13,801.47	36,198.53

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response

An explanation was added and marked yellow. Please also note that there was an error in the previous submission, and the figures have been corrected.

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

Not at this time.

Please provide a map that shows the project boundary and all direct beneficiaries of the project. Also, please state that the project boundary will not overlap any other country's territory.

3/5/2021 MY:

Yes, comments were addressed and issues were cleared.

Agency Response A map was provided and it was stated that the project boundary does not overlap any other country's territory.

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

2/20/2021 MY:

N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

.2/20/2021 MY:

Not this time.

Please address the comments above.

Also, it will be better if the Agency can write a couple of paragraphs to describe the Figure of Theory of Change on page 36.

3/22/2021 MY:

Not completed yet. There is one more comment on PMC to be cleared.

	Sub Total (\$)	777,273.00	9,350,000.00
Project Management Cost (PMC) ⓘ			
	GET	77,727.00	280,000.00
	Sub Total(\$)	77,727.00	280,000.00
	Total Project Cost(\$)	855,000.00	9,630,000.00

In most GEF projects, the GEF and other co-financing parties proportionally contribute to PMC. For this project, the GEF contributes 10% (max amount already) but other co-financing parties contribute 2.99%. Please re-evaluate the budget for PMC. If the total PMC budget is not sufficient, please consider increase co-financing contribution to PMC. If the total budget is enough, please justify it.

3/31/2021 MY:

Yes, all comments have been addressed and the project document has been revised. The PM recommends technical clearance.

	Sub Total (\$)	777,273.00	8,754,545.00
Project Management Cost (PMC) ⓘ			
	GET	77,727.00	875,455.00
	Sub Total(\$)	77,727.00	875,455.00
	Total Project Cost(\$)	855,000.00	9,630,000.00

8/30/2021 MY:

In June the US government commented on the project, and UNIDO tried to address the comments. But the US government was not convinced with the responses. The US government stated the remaining issues on June 1, 2021 as copied below.

- ? We appreciate the efforts to address our concerns about the co-financing; however, we are still concerned about the viability of the proposed co-financing. The applicant substituted the Ministry of Economy and Infrastructure (MEI) budget -- which was earmarked to support the photovoltaic park -- with the total EEA state budget (Energy Efficiency Agency under the MEI), which is also earmarked for Moldovan government activities. It is unrealistic to anticipate that the entire agency budget could be or would be leveraged as co-funding for this activity. The applicant appears to be claiming co-funding with expenditures the Moldovan institutions were planning to make anyway, but their response provides no line item specific to this application for Global Cleantech Innovation Programme (GCIP) Moldova Accelerator.
- ? Until significant institutional issues are addressed, such as the connection process, system operator capacity, and system size/configuration, we do not see how S.A. RED-Nord would be able to make equity investments in startups to modernize electrical grid infrastructure.
- ? We still have concerns this activity would duplicate or distract from other ongoing efforts, including priority reform efforts by the Moldovan government in the energy sector.

UNIDO promised to continue revising the project per the advice of the US government. UNIDO will host a meeting with the US government in September or October 2021 to update the revised project.

10/14/2021 MY:

The meeting took place on September 23, 2021, and the US government comments were addressed and issues were cleared. An email on 10/14/2021 from UNIDO summarized the meeting results. The email was copied and filed in the document folder of this project.

All comments were addressed and issues were cleared. The PM recommends technical clearance for this project.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	2/20/2021	
Additional Review (as necessary)	3/22/2021	
Additional Review (as necessary)	3/31/2021	
Additional Review (as necessary)	8/30/2021	
Additional Review (as necessary)	10/14/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations

The objective of the project is to accelerate high-impact clean technology innovation for large-scale deployment and green job creation in small and medium enterprises (SMEs) in Moldova. It will transform early-stage innovative cleantech solutions into scalable enterprises, and strengthen cleantech innovation and entrepreneurship ecosystem. Innovativeness of the project includes (1) engaging multi-stakeholders to foster the expansion of start-ups of SMEs into innovative cleantech markets; and (2) not only focusing on enterprises, but also on strengthening the entire cleantech innovation and entrepreneurship ecosystem by building capacity in national institutions, creating strong linkages among the most relevant ecosystem players. With limited GEF funding (\$855,000), this project will mobilize \$9.63 million co-financing with \$8.26 million (88%) of grant and equity investments. The national government and the private sector play the major roles in co-investment, which will effectively support the sustainability and scaling-up of the project in the country. The project targets to mitigate a total of 378,000 tonnes of CO₂, with \$2.26 of GEF funding per tonne.