



# Global Program on Climate-Resilient Renewable Energy Systems in SIDS ? National Project in the Republic of Palau

Review PIF and Make a recommendation

## Basic project information

<b>GEF ID</b>	12296
<b>Countries</b>	Palau
<b>Project Name</b>	Global Program on Climate-Resilient Renewable Energy Systems in SIDS ? National Project in the Republic of Palau
<b>Agencies</b>	UNIDO
<b>Date received by PM</b>	3/5/2026
<b>Review completed by PM</b>	
<b>Program Manager</b>	Katsumasa Tanaka
<b>Focal Area</b>	Climate Change
<b>Project Type</b>	MSP

## GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

### 1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

**b) Is the General Project Information table correctly populated?**

Secretariat's Comments

**April 13, 2026**

b) Yes. Thank you for addressing the comments.

**March 20, 2026**

a) Yes.

b) Not yet.

- Please remove "Endorsement for the" from the Project Title.
- Please leave the "Project Sector (CCM Only)" blank because this project is not funded by CCM resources.
- Under project tags, note that this project does not fall under the "Innovation" window; kindly ask the agency to tag it as "No."

Agency's Comments Done. However, if the project sector is left blank, we cannot proceed with the submission in the system. Therefore, we have retained the existing classification: GEF Focal Area ? Climate Change; Sector ? Climate Change Adaptation..

## **2. Project Summary**

**Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?**

Secretariat's Comments

**March 20, 2026**

Yes.

Agency's Comments N/A

## **3 Indicative Project Overview**

**3.1 a) Is the project objective presented as a concise statement and clear?**

**b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?**

Secretariat's Comments

**April 13, 2026**

a-b) Yes. The comments have been addressed.

**March 20, 2026**

a) Not yet.

•The field is currently left blank.


b) Not yet.

•There are two Component 2 included in the Indicative Project Overview. Please consolidate them.

•Similarly, there are two M&E components included. Please remove the second one.

•In the Indicative Project Overview table: Please move the M&E component to the M&E section.

M&E	Technical Assistance	3.1 Effective and adaptive implementation and evidence-based learning	3.1.1: M&E reports (e.g. PIRs, data tracking framework, incl. gender and youth action plan reporting)	SCCF-A	119,715.00	300,000.00
			3.1.2 Mid-term and Terminal evaluation report			
			3.1.3 Sharing of M&E data and analytics with the G-RES program			
Monitoring and Evaluation (M&E)						
Sub Total (\$)					2,514,025.00	4,600,000.00



Agency's Comments **This was adjusted.**

**3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?**

Secretariat's Comments

**March 20, 2026**

Yes.

Agency's Comments N/A

**3.3 a) Are the components adequately funded?**

**b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**

**c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments

**March 20, 2026**

a-c) Yes.

Agency's Comments N/A

#### **4 Project Outline**

##### **A. Project Rationale**

##### **4.1 SITUATION ANALYSIS**

**a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?**

**b) Are the key barriers and enablers identified?**

Secretariat's Comments

**March 20, 2026**

a-b) Yes. Please refer to GEF's comments in 9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval.

Agency's Comments N/A

#### **4.2 JUSTIFICATION FOR PROJECT**

**a) Is there an indication of why the project approach has been selected over other potential options?**

**b) Does it ensure resilience to future changes in the drivers?**

**c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?**

**d) are the relevant stakeholders and their roles adequately described?**

Secretariat's Comments

**April 13, 2026**

All comments have been addressed. Thank you.

**March 20, 2026**

#### Overview

- GEF appreciates this robust proposal that responds to the country needs with strong alignment with AIFFP, ADB, and JICA's projects.
- Under Section 7 on GRES, please mention the global/regional project (GEF ID: 12229). Please also include the project under the "Alignment with other programs and projects" subsection.
- Since this project is funded solely by SCCF Window A (SCCF-A), please remove paragraphs and sentences mentioning SCCF-B. No need to provide justification for SCCF-B.

Duplication - Please address the following duplications to streamline the PIF.

- "Project Objectives and SCCF Core Indicators" subsection under A. Project Rational is duplicative with C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities. Please consolidate it to C. Alignment with (...).
- "Strategic Project Justification and Additionality", "Additionality" and "Value Proposition" subsections under A. Project Rational are duplicative with Section 5 on GEB and additionality under B. Project Description. Please consolidate and streamline them. These elements can be

integrated well under "4. Alternative Transformational Project Scenario" subsection, using the GEF's Incremental Cost Reasoning framework. (Ref: <https://www.thegef.org/documents/incremental-costs>)

- "National Alignment" subsection under A. Project Rational is duplicative with C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities. Please consolidate it to C. Alignment with (...).

- Please bring the "Alignment with other programs and projects" subsection under A. Project Rational to "Coordination and Cooperation with Ongoing Initiatives and Project" subsection under B. Project Description.

a-d) Yes.

Agency's Comments1. The Project ID was mentioned under section 7 and also under alignment with other programs and projects.

2. SCCF-B was removed throughout.

3. Duplication: The mentioned sections were consolidated and the information moved as suggested.

## **5 B. Project Description**

### **5.1 THEORY OF CHANGE**

**a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?**

**b) Are the key outputs of each component defined (where possible)?**

Secretariat's Comments

**April 17, 2026**

a-b) Yes. The comment has been addressed.

**April 13, 2026**

a-b) Not yet.

- Output 2.1.3 is still missing in the Project Description.

**Outcome 2.1: Operationalization of the Peleliu solar PV mini-grid through resilient technology transfer.**

2.1.1 Feasibility assessments and EPC (Engineering, Procurement, and Construction) documentation: Before installation, a specialized technical assessment will be conducted to define the precise configuration of the climate-resilient grid-forming inverters and Battery Energy Storage System (BESS). This ensures that the procurement process prioritizes hardware that can withstand the high-salinity, high-humidity coastal environment of Peleliu, effectively de-risking the project from premature equipment failure. This output will also include the financial structuring and mobilisation of co-funding for the full implementation of the project.

2.1.2 Engineering supervision for the installation of availability and resilience measures: To ensure the highest standards of technology transfer, expert engineering oversight will be provided throughout the installation process. This includes the commissioning of the grid-forming logic that allows the solar array to establish grid frequency and voltage independently, ensuring the system can maintain 'diesel-off' operations without compromising grid stability. The installation works will be used as much as possible to train local technical personal, particularly also female and young technical experts.

2.1.4 Dissemination of results through the G-RES and GN-SEC network: The project will utilize the Global Network of Regional Sustainable Energy Centres (GN-SEC) and the Global Resilience (G-RES) platform to share lessons learned on 'diesel-off' island microgrids, positioning Palau as a regional leader in SIDS-wide energy adaptation.

- Other comments have been addressed. Thank you.

## March 20, 2026

### Overview

- GEF appreciates Component 1, which covers the national electricity system, beyond the targeted scope of Component 2.
- GEF also appreciates the design of Component 1 which takes into consideration a range of future climate scenarios, which is critical for adaptation planning.

a, b) Not yet.

- For non-technical readers, please include a brief explanation that advanced grid-forming inverters (GFMs) are a newer class of power electronics used in modern electric grids, especially those with high shares of renewable energy, such as solar and wind, as they can create and stabilize the grid. Please mention this in the Project Rational, if relevant.
- Please ensure the document clearly states that improvements to the stranded system in Peleliu will not promote the use or installation of diesel equipment, but will focus exclusively on renewable energy systems.
- While national-level investments by development partners, such as ADB and AIFFP, enhance overall grid stability, this SCCF intervention focuses on last-mile resilience for MSMEs that are most vulnerable to climate-induced power disruptions. Please indicate whether there are other communities or islands similar to Peleliu where the project could be scaled, and if so, outline a strategy for scalability.
- Would it be possible to collaborate with local CSOs or private sector organizations under 1.1.4? If so, please elaborate on the potential collaboration.
- It appears an Output on the installment of the energy system is missing under Component 2. Please refer to GEF's comment above under 3 Indicative Project Overview.

### Agency's Comments

? For non-technical readers, please include a brief explanation that advanced grid-forming inverters (GFMs) are a newer class of power electronics used in modern electric grids, especially those with high shares of renewable energy, such as solar and wind, as they can create and stabilize the grid. Please mention this in the Project Rational, if relevant.

This was integrated in the Project Description section.

? Please ensure the document clearly states that improvements to the stranded system in Peleliu will not promote the use or installation of diesel equipment, but will focus exclusively on renewable energy systems.

This is now clearly stated.

? While national-level investments by development partners, such as ADB and AIFFP, enhance overall grid stability, this SCCF intervention focuses on last-mile resilience for MSMEs that are most vulnerable to climate-induced power disruptions. Please indicate whether there are other communities or islands similar to Peleliu where the project could be scaled, and if so, outline a strategy for scalability.

A para on the replication potential was integrated under the transformational scenario section.

? Would it be possible to collaborate with local CSOs or private sector organizations under 1.1.4? If so, please elaborate on the potential collaboration.

This was added.

? It appears an Output on the installment of the energy system is missing under Component 2. Please refer to GEF's comment above under 3 Indicative Project Overview.

? This was changed and aligned.

**Comment 16 April 2026: Output 2.1.3 was incorporated in the Project Description.**

## 5.2 INCREMENTAL/ADDITIONAL COST REASONING

**Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

Secretariat's Comments

**April 13, 2026**

Yes. The comment has been addressed.

**March 20, 2026**

Not yet.

•Please see the comment on Incremental Cost Reasoning under 4.2 JUSTIFICATION FOR PROJECT above.

Agency's Comments This was integrated as suggested - the aspect of incremental costs strengthened.

### 5.3 IMPLEMENTATION FRAMEWORK

**a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?**

**b) Comments to proposed agency execution support (if agency expects to request exception).**

**c) Is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area**

**d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?**

Secretariat's Comments

**April 13, 2026**

a-c) Yes.

**March 20, 2026**

a) Not yet.

- There is a concern that involvement of multiple executing entities complicate the project execution. Please clarify how the project intend to confirm the executing entities and how they coordinate within the implementation structure.

c) Not yet.

- Please refer to GEF's comments above and fill the Coordination and Cooperation section.

**Coordination and Cooperation with Ongoing Initiatives and Project.**

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

UNIDO serves as an implementing agency, providing technical oversight and ensuring alignment with G-RES in SiDS. The final execution strategy will be determined during the PPG phase in close partnership with the Government. The indicated activities linked to the G-RES in SiDS programmatic level will also depend on GEF financing for the global-regional component.

**Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words,**

b, d) Yes.

Agency's Comments

- There is a concern that involvement of multiple executing entities complicate the project execution. Please clarify how the project intend to confirm the executing entities and how they coordinate within the implementation structure.

**This will be clarified during the PPG phase. For now, these partners are just indicated as potential execution partners. It is the intention to have one main execution partner.**

- Please refer to GEF's comments above and fill the Coordination and Cooperation section. **The section was filled.**

**5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?**

**b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?**

Secretariat's Comments

**April 13, 2026**

a) Yes. The comments have been addressed.

**March 20, 2026**

a) Not yet.

Meta Information Section

- Please uncheck the SCCF-B field because this project is funded exclusively by SCCF-A.
- Please consider unselecting the collaboration with GCF field, unless there is a strong alignment with one/some of their projects. If there is an alignment, please elaborate more in the "Coordination and Cooperation with Ongoing Initiatives and Project" subsection under B. Project Description.

b) N/A

Agency's Comments

This was done.

**5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?**

Secretariat's CommentsN/A

Agency's CommentsN/A

**5.6 RISKS**

**a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?**

**b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?**

**c) Are environmental and social risks, impacts and management measures adequately screened and rated at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat's Comments

**April 13, 2026**

a-c) Yes. The comments have been addressed.

**March 20, 2026**

a-c) Not yet.

- On technological risk, introduction of grid-forming control and the integration of BESS could potentially face technical challenges. Please reconsider the risk rating and suggest mitigation measures.
- The rating under the Environmental and Social risk category (currently low) should be the same as the rating under the key risk table, Environmental and Social Safeguards (ESS) risk, as per the GEF risk appetite GEF/C.66/13.
- Under key risk table, please explain how the overall risk was identified.

Agency's Comments

The descriptions for the technology risk and the overall risk rating were updated and the ESS risk adjusted to moderate.

#### **5.7 Qualitative assessment**

- a) Does the project intend to be well integrated, durable, and transformative?**
- b) Is there potential for innovation and scaling-up?**
- c) Will the project contribute to an improved alignment of national policies (policy coherence)?**

Secretariat's Comments

**March 20, 2026**

a-c) Yes.

Agency's Comments N/A

#### **6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities**

**6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?**

Secretariat's Comments

**April 13, 2026**

Yes. The comments have been addressed. Thank you.

**March 20, 2026**

Not yet.

- Although the project is not requesting CCM funds, it is recommended to indicate alignment with the GEF-8 CCM Strategy entry point 1.2 ?Enable the transition to decarbonized power systems? to demonstrate coordination across the GEF family of funds.
- GEF would appreciate it if the Agency could provide the GHG spreadsheet to show this project contribution to CCM.

Agency's Comments

? A para was integrated under Alignment and also the GHG emission reductions were specified. The GHG emission reduction calculation is attached.

**6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)**

Secretariat's Comments

**April 13, 2026**

Yes. The comment has been addressed.

**March 20, 2026**

Not yet. Please refer to GEF's comment under 4.2 JUSTIFICATION FOR PROJECT above.

Agency's Comments

This was addressed.

**6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?**

Secretariat's CommentsN/A

Agency's CommentsN/A

**7 D. Policy Requirements**

**7.1 Is the Policy Requirements section completed?**

Secretariat's Comments

**March 20, 2026**

Yes.

Agency's CommentsN/A

**7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?**

Secretariat's Comments

**April 17, 2026**

Yes. The comment has been addressed.

**April 13, 2026**

Not yet.

- While it is well noted that agency has added additional information on who was consulted in project design stage, agency should, at this stage, be able to better substantiate which local community groups and CSO were consulted.

### **March 20, 2026**

Not yet.

- While IPLC, CSO, Private Sector are checked "Yes" under the Stakeholder Engagement section, none of them are listed under the table. Please address the discrepancy. If consultation with IPLC, MSMEs, CSOs and vulnerable populations has been done, please elaborate on their potential roles related to project components and activities. If not, please do so during the PPG phase.
- Please also refer to the comments under 5.1 THEORY OF CHANGE above and under 9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval below.

Agency's Comments

- Consultations with CSOs and vulnerable populations will be done during the PPG phase. There text was added.

5.1 was strengthened

**Comment 16.04, 2026:** A list of CSO consulted during the PIF design phase was included (see table)

## **8 Annexes**

### **Annex A: Financing Tables**

**8.1 Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

**STAR allocation?**

Secretariat's CommentsN/A

Agency's CommentsN/A

**Focal Area allocation?**

Secretariat's CommentsN/A

Agency's CommentsN/A

**LDCF under the principle of equitable access?**

Secretariat's CommentsN/A

Agency's CommentsN/A  
**SCCF A (SIDS)?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's CommentsN/A  
**SCCF B (Tech Transfer, Innovation, Private Sector)?**

Secretariat's CommentsN/A

Agency's CommentsN/A  
**Focal Area Set Aside?**

Secretariat's CommentsN/A

Agency's CommentsN/A  
**8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's CommentsN/A  
**8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat's Comments  
**March 20, 2026**

Yes. GEF appreciates UNIDO's efforts to leverage robust co-financing. Please liaise with listed co-financers during the PPG phase to obtain co-financing letters.

Agency's CommentsN/A

**Annex B: Endorsements**

**8.4 Has the project been endorsed by the country?(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's CommentsN/A

**Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's CommentsN/A

**Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's CommentsN/A

**8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?**

Secretariat's CommentsN/A

Agency's CommentsN/A  
**Annex C: Project Location**

**8.6 Is there preliminary georeferenced information and a map of the project?s intended location?**

Secretariat's Comments  
**March 20, 2026**

Yes.

Agency's Comments N/A

**Annex D: Safeguards Screen and Rating**

**8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?**

Secretariat's Comments

**March 20, 2026**

Yes.

Agency's Comments N/A

**Annex E: Rio Markers**

**8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?**

Secretariat's Comments

**March 20, 2026**

Yes.

Agency's Comments N/A

**Annex F: Taxonomy Worksheet**

**8.9 Is the project properly tagged with the appropriate keywords?**

Secretariat's Comments

**April 13, 2026**

Yes. Thank you.

**March 20, 2026**

Not yet. Please properly select appropriate keywords. Please check other approved PIFs for your reference.

Agency's Comments  
This was done

**Annex G: NGI Relevant Annexes**

**8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat's Comments N/A

Agency's Comments N/A

**9 GEFSEC Decision**

**9.1 Is the PIF and PPG (if requested) recommended for technical clearance?**

Secretariat's Comments  
**April 17, 2026**

Yes. The all comments have been addressed. It is recommended for technical clearance.

**April 13, 2026**

Not yet. Please address the remaining comments.

**March 20, 2026**

Not yet. Please address the comments above.

Agency's Comments  
**9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval**

Secretariat's Comments  
During the PPG phase,

•Please conduct more **thorough analysis on how underlying factors and drivers of the project** (weather conditions, natural hazards, energy infrastructure, as well as the drivers identified under 1.3 of "Project Rational") could be affected by different scenarios of the climate change.

- Please conduct **further stakeholder engagement** with local communities, private sectors, and potential CSO partners (for Output 1.1.4 and others if relevant).
- Please conduct further consultation with Gov. of Palau and PPUC and elaborate more on the **technical requirements/specification for Component 2**.
- Please also liaise closely with key relevant projects, by **AIFFP, ADB and JICA** and elaborate more on how this project will collaborate with these projects in the CEO ER.
- Please liaise with listed **co-financers** during the PPG phase to obtain co-financing letters.

Agency's Comments Well noted.

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>3/20/2026</b>	
<b>Additional Review (as necessary)</b>	<b>4/13/2026</b>	
<b>Additional Review (as necessary)</b>	<b>4/17/2026</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		