

Piloting innovative financing for climate adaptation technologies in medium-sized cities

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10433

Countries

Global (Antigua and Barbuda, Mozambique, Lao PDR)

Project Name

Piloting innovative financing for climate adaptation technologies in medium-sized cities

Agencies

UNIDO

Date received by PM

5/21/2021

Review completed by PM

2/28/2022

Program Manager

Yuki Shiga

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

Yes.

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 Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

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

1.10.2022:

Cleared. Earlier comment(s) are appropriately addressed.

11.18.2021:

Some of the co-financing support from the countries are pending on budget availability, and the total of such co-financing is not small. Please elaborate on how the project can make sure these budget will be available for the project implementation and also on plan B in case these were not available.

6.1.2021:

The proposal states "Efforts are being deployed by the UNIDO to remediate to the current situation and provide the letters at the earliest possible." Please elaborate on these efforts, in particular, what has been done so far and what will be done to ensure that the letters can be obtained in a timely manner. Also, please discuss further on "the earliest possible"; when is this expected? In addition, please explain how this delay /decrease in co-financing will affect overall project design. Furthermore, "current amount" of CTCN's in kind contribution is indicated as \$300k in the table in the para 1. However, according to an explanation about this figure elsewhere in the document it seems that this could be \$150k. Please clarify/correct the figure. GEF cannot count any co-finance that does not include a letter at the time of CEO Approval; thus it is encouraged to have more co-financing to be confirmed with letters at this stage, in order to get much closer to the amount that was indicated at PIF stage.

Recommended action: Please address the above points.

Agency Response

Answer to Comment 11.18.2021

Due to the current situation related to COVID-19 and its effects in the countries economies, the cities were more cautious about future fixed commitments.

UNIDO is well aware of this situation and its implications and plans to strengthen the efforts to involve the private sector and unlock private funds from the beginning of the project.

As stated in the last paragraph of the section Private Sector Engagement, the co-financing

from the public sector is to create enabling framework conditions that de-risk key interventions envisaged by the proposed project. Should the public co-financing not materialize at the expected level, the catalytic aspect of the project activities designed to involve the private sector and foster public-private partnerships should further stimulate and lead to private investments during and beyond the project lifetime. These activities and funding schemes have been explained in para. 345 to 365.

Additional co-financing in the form of grants, seed funding, equity from angels, venture capital funds, impact investors, crowd funding platforms, etc. might be mobilized during the implementation of the project from the private sector. In line with GEF guidelines on co-financing. The co-financing that will be mobilized from the private sector during the implementation of the project will be monitored and reported through regular reporting mechanisms to the GEF.

Answer to Comment 6.1.2021

The Table "C. Confirmed sources of Co-financing for the project by name and by type" has been corrected. Co-financing letters have been received from the three countries and are presented in Annex K.

The government of Antigua and Barbuda provided a co-financing letter for a total amount of USD 150,000 in-kind to be used to support the project by providing technical assistance, while the cities of Kaysome Phomvihane (Lao PDR) and Chowke (Mozambique) provided co-financing letters for USD 150,000 in-kind and USD 300,000 as grant respectively.

Initially, the CTCN planned to contribute by providing USD 300,000 in-kind. However, it was decided to split the amount in USD 150,000 in-kind and USD 150,000 as grant.

Finally, during the PPG phase, it has become apparent that the solo co-executing partner for this project would be UN-Habitat. Although UNEP FI will not provide co-financing for the project, their involvement and cooperation would be further pursued during and beyond the implementation phase.

Paragraphs under "Investment Mobilized" section have been updated.

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 Yes.

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 Yes.

Agency Response

Answer to Comment 2.2.2022:

PMC related to co-financing amounts have been updated. Currently, PMC are around 9.8% for the GEF grant and the co-financing

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

2.2.2022:

Cleared. Earlier comment(s) are appropriately addressed.

1.27.2022:

Please check Meta-Information; on LDCF/SCCF.

1.18.2022:

Please check Meta-Information; on challenge program and SIDS selections.

1.10.2022:

The split between two funds for indicators are sufficiently provided. However, please check Meta-Information. This is a LDCF-SCCF challenge program project; however, this is not appropriately selected.

11.18.2021:

- Indicators seem to be fed only to SCCF. As this is LDCF-SCCF MTF, indicators must be split between two funds. Also please provide rationale/source for the % used to estimate the benefit from the surroundings. For example, 15% of the population for Lao and 2.25% of the area for Antigua.

- Meta-Information: Please once again check the selection etc. For example, this is a LDCF-SCCF challenge program; however, this is not appropriately selected.

6.1.2021:

Please elaborate and provide further justification on how will the project directly benefit surrounding cities. Please include in the explanation how expected results from the surrounding cities were calculated.

Recommended action: Please address the above points.

Agency Response

Answer to Comment 1.27.2022

The misunderstanding has been clarified. The Meta-Information on LDCF and SCCF sections has been revised as requested.

Answer to Comment 1.18.2022:

The comment has been addressed and the correct boxes ticked.

Answer to Comment 1.10.2022:

Thank you for pointing out this omission. The comment has been addressed.

Answer to Comment 11.18.2021

Indicators have been revised (Indicator 4 has been slightly increased) and an explanation about the split between SCCF and LDCF has been added for each of them. Please refer to para. 284-312.

The tracking tool for the Core Indicators have been updated as well.

Answer to Comment 6.1.2021

Explanation and justification about the expected results and benefits for the surrounding cities have been provided in section "Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)".

In section II, Core Indicators (para 287 to 296), it has been added a more detailed explanation on how the impact and beneficiaries of the projects have been calculated. In addition, the Tracking Tool for CCA has been filled in.

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Overall sufficient. Please provide clarification on how ?23 times more? were calculated in para 8 (the proposal states that this is as shown below (Figure 3); however, Figure 3 does not seem to show this).

Agency Response

This was an example referring to a disaster level storm, which is 23 times more damaging to small states as compared to larger states. In this case it is $0.7 * 23 = 16.1$. An amended explanation has been introduced in para 15.

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

Secretariat Comment at CEO Endorsement Request

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

- Sustainable Cities Impact Program Global Platform (SCIP-GP) funded by the GEF could be one of the ongoing initiatives this project can also consider as a baseline.
- Please provide some information on how three cities were selected amongst others to confirm the selection was done appropriately. Please include explanation on how the selection has been done without utilizing PPG budget for the selection of cities.

Agency Response

Information has been added to Table 1 (para 47) of relevant programs.

Information about the process of selection of the 3 cities was added to Part II - Project Justification (para 3 - 8).

The selection of the cities was made by UNIDO officers in cooperation with UN Habitat and the countries. Tasks related to this process were carried out as part of officers regular activities, therefore no PPG budget was used.

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

1.10.2022:

Cleared. Earlier comment(s) are appropriately addressed.

11.18.2021:

GEFSEC has at the PIF stage requested to consider including local entities as an executing agency by CEO Approval stage. While explanation has been provided on capability/appropriateness of UN Habitat, please elaborate on what efforts have been made so far on including local entities. In addition, please provide further explanation on how local actors (e.g. national government; municipal governments; private sector; and/or others) will be directly engaged in implementation activities through this project.

6.1.2021:

Para 158: Please elaborate on the 'responsibility' stated in this para. What is each

institution responsible for? In addition, GEFSEC has at the PIF stage requested to consider including local entities as an executing agency by CEO Approval stage, after countries/cities are selected. This is to secure strong and proactive engagement from the local country/community and ensure knowledge and experience from the project remain with them. Please elaborate on how this has been done. Please also elaborate on why UNHabitat can be considered as local entity and how can it ensure strong and proactive engagement from the local country/community and ensure knowledge and experience from the project remain with them.

Agency Response

Answer to Comment 11.18.2021

After the PIF was approved by the GEF, new mayors for the cities of Chokwe and Kayson Phomvihane assumed offices in the local government administration. As well as new Lao and Mozambique's GEF Operational Focal Points were appointed. UNIDO local representative, CTCN focal points, and UN Habitat, contacted the new representatives at the country and city-level during the preparation of the proposal. A first call was organized with each city to introduce the context and the objective of the project after which the draft proposal was sent for review. The selected cities were active in the revision of the activities, outcomes, as well as the definition of the Stakeholder Engagement Plan and of the List of Stakeholders presented in Annex H. The cities were also directly involved to justify the reasons their cities had been selected to be the host of this project and provide information about existing initiatives available locally to access CCA finance. During project implementation, the stakeholders will be the key decision-makers to design specific climate change adaptation financial tools and mechanisms potentially suitable for their cities and create capacity of future users on the application of these tools to support pilot cities to gradually unlock access to these mechanisms. UN Habitat officers in the countries that had been involved in the definition of the proposal since the PIF will be maintained. UN Habitat has been selected as an executing entity for the activities to be conducted in the field and also to act as a local entity in the selected countries. Therefore, UN Habitat will have a dual role in the project, acting as a global agency and local entities. This explanation has been included in para. 169 and details of the activities and how cities will be involved during the project implementation are given in para. 172-265.

Answer to Comment 6.1.2021

Responsibilities have been clarified and also the decision to use UN Habitat agencies as local entities has been justified in para 165 - 167.

The responsibilities of each institution have been also amended in Section 6 - Institutional Arrangements.

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Not very clear. Please elaborate or indicate where to look for such information.

Agency Response

The section "Incremental Reasoning" (para 268 - 275) has been amended to further explain how the implementation of the project will contribute to resolving part of the barriers identified in the baseline. Co-financing structure has also been further elaborated. Nonetheless, part of the issues explained in this section, are further elaborated in other sections of the proposal: para 169 - 263 explain the different activities that will be implemented to engage key stakeholders, the knowledge transfer and capacity building activities in the countries, the de-risking activities, etc.

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Not clear. Please refer to the comment in Section I-7.

Agency Response The expected contribution to global environmental benefits or adaptation benefits has been clarified and it has been added a more detailed explanation on how the impact and beneficiaries of the projects have been calculated under Section II, Core Indicators (para 282 - 294).

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Innovation:

- Please provide brief explanation on innovation to be advanced through each of the financing strategies conveyed in this proposal.

- Please clarify by when each Stage can be achieved. Also, please elaborate on how the project is designed to ensure that the project can successfully proceed to the higher Stages mentioned in 'innovation' section of the proposal.

Sustainability:

Please elaborate on how the tools developed through the project will be 'sustained' beyond the project duration, including in terms of financial sustainability for continued. It is important that the local entities themselves can maintain, not just use, the tools themselves. Conditions surrounding the cities and underlying presumptions etc. can change over time. How can the project ensure the effectiveness of the tools beyond the project duration, and in changing conditions etc.

Scaling Up:

Please further consider opportunities to leverage existing platforms for cities, such as for example GPSC (Global Platform for Sustainable Cities), from the scaling and also knowledge management/sharing perspectives. GPSC is mentioned in the text, but not very clear on how this platform will be effectively used.

Recommended action: Please address the above points.

Agency Response

Innovation

- The financial instruments detailed under each of the 3 stages proposed for the present project may be considered either as innovative or as regular depending on the targeted entity's maturity to attract finance under this instrument. For example, while a megacity of a middle-income country may easily tap into green bonds, the same instrument will be considered as highly innovative for a smaller city of a LDC or a SIDS. The latter can only possibly reach the required maturely stage by the end of the proposed project. The innovation in this project also lies in the approach itself, in which targeted cities undergo a thoroughly designed process which aims at making them ready to access financial instruments inaccessible for them as of now. Indeed, a country needs to acquire a certain level of infrastructural and economic development and to demonstrate a safe investment environment in a number of respects, including by creating a climate resilient investment environment, before it becomes attractive to private investors. Grants and concessional loans can hence help bringing the country and its cities to being attractive for blended finance instruments. The latter are themselves a tool to prepare the country and its cities for full fledged private investments. Each stage therefore unlocks the next stage and supports the overall country's and city's growth and climate resilience. In this approach, climate resilience contributes to a steady economic and social development. Para 156 - 183 provide information on the innovative components of financing strategies of this proposal. Paragraphs under "Stage 3 - Full-fledged private sector related innovative CCA financial mechanisms" (para 342 - 359) provide additional detail on the different financing strategies that could be implemented.

- Each of the 3 stages is correlated with a set of implementing tools, which are scheduled to be put in place as per the workplan defined for the project and which hence indicates by when each stage is expected to be implemented. Stage 1 incorporates implementing tools 1 to 3; Stage 2 incorporates the implementing tool 4; and, Stage 3 incorporates implementing tools 5 and 6. Although it cannot be guarantee that each of the 3 pilot cities will

successfully move from one stage to another, the stages have been elaborated in such a way that chances for the selected cities are maximized to reach the next stage. However, actual success depends on numerous quantitative factors, for example an active support of the national government, receptiveness of the municipal government to different stages of the training and their ability to apply the acquired knowledge to their city's specific context, the ability to generate supportive partnerships, etc. In other words, the proposed project can only lay down the best and most realistic conditions possible for the cities to move to stages 2 and 3, but it should be taken into account that the projects is targeting low-income small cities with little internal capacity. This explanation has been incorporated in para 311-312.

Sustainability

The project aims to significantly improve the pilot cities' economic attractiveness through reducing its infrastructure related climate risks and allowing cities to access new financing sources. The knowledge and experience gained by the cities, such as climate sensitive capital expenditure planning, are expected to generate high and sustained interest of the cities because these will allow them to grow socio-economically along with strengthening their climate resilience. While there are uncertainties related to the progress that each city will be able to make, the project aims to achieve a buy-in of the cities at the end of the project duration, which is the best guarantee of the beneficiaries pursuing the proposed approach further. In addition, Tool 5 aims to unlock private investments and foster the involvement of the private sector in the development and implementation of future infrastructure and CCA projects in the 3 cities, leading to financial sustainability. Para 360 - 362 incorporate this information.

Scaling up

The tools and methods to be developed under the project will be made available to all LDC and SIDS countries with which the implementing and executing partners interact. The CTCN network and data management system, regarded as the global largest repository for climate change technology data, will incorporate the outcomes of the project, which will greatly contribute to a global dissemination. In addition to making the toolkit publicly available on the CTCN website, through its annual regional forums, its network of NDEs, GEF Operational focal points, and its network of over 500 organizations across the world, the CTCN will promote this approach at national or sub-national levels.

In particular, the CTCN will carry out the following scaling up activities:

- Holding a webinar on CCA finance for the target cities (expected reach out: 500 participants).
- Featuring the project in the CTCN newsletter.
- Presenting lessons learned and good practices at the margins of UNFCCC meetings (expected reach out: 200 people).
- Presenting lessons learned and good practices during the private sector match-making initiatives organized in the regions.

In addition to the efforts of the CTCN, the UNEP FI, collaborating center of UNEP - the host of the CTCN, will also engage with its large network of commercial banks to disseminate the tools and methods developed under the project. Finally, the implementing agency (UNIDO) as well as the executing agency (UN Habitat and UNEP/CTCN), will liaise with their partners and collaborative centers as well as with the relevant existing platforms involved in leveraging financing for cities, such as GPSC (Global Platform for Sustainable Cities) for example, to communicate the results of the project and increase the potential of scaling up the experience to other LDC/SIDS and medium to small cities globally. The sub-section on "Potential for scaling up" - paragraphs 368- 371 - have been updated to consider the potential opportunities from the scale-up perspective.

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

Yes.

Agency Response

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

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

1.10.2022:

Cleared. Earlier comment(s) are appropriately addressed.

11.18.2021:

Buy-in from the cities is crucial to ensure ambitious adaptation benefit targets as well as sustainability of the project. Please further elaborate on how the project can ensure this buy-in from three cities/countries.

6.1.2021:

Please refer to the comment in Section II-12.

Agency Response

Answer to Comment 11.18.2021

The cities participating in the project are both, main stakeholders and beneficiaries of this project. As described in the Stakeholders Section, during the project implementation the stakeholders will be placed as the decision-makers to design specific climate change adaptation financial tools and mechanisms potentially suitable for their cities and create capacity of future users on the application of these tools to support pilot cities to gradually unlock access to these mechanisms.

A Steering Committee will be created for each city composed of representatives of public offices directly involved in the project. Therefore, stakeholders will be engaged in all the project activities and will review draft reports, participate in capacity-building sessions as well as workshops, and define how they want things to be designed so that they are suitable for the selected cities. To achieve such involvement, all identified stakeholders will be invited to a kick-off meeting in person if COVID19 restrictions enable it, during which the purpose of the project, its timelines, main results, and the role they are expecting to play will be discussed and clarified. A timeline of engagements will be defined, and the minutes of the meetings will be redacted.

Additionally, to the workshops and capacity-building sessions specially designed for the project, stakeholders have been engaged since the PIF to clearly (i) identify the risks and the opportunities arising from the project, (ii) prepare (and revise during the inception phase) a list of stakeholders that will be affected as well as the ones that should be involved in the project implementation, and (ii) define communication channels for each city to ensure that the activities undertaken during the implementation is provided to the stakeholders in a meaningful way. The communication plan will also address how the feedback and disclosure of the stakeholders should be integrated to ensure that the cities remain the decision-makers. A clear plan to collect appropriate data, indicators, and benchmarks will be established from the start for each of the cities and will be endorsed by the stakeholders.

In order to strengthen the cities' knowledge in adaptation benefits, UNIDO could organize an online information session for the cities and countries' representatives.

Answer to Comment 6.1.2021

A Stakeholder Engagement Plan has been developed for this proposal and is attached in Annex H.

Section 2 - Stakeholder Engagement Plan has been further expanded and includes a clear stakeholder engagement plan, the stakeholders expected to be engaged during the implementation phase, the means of engagement, as well as the dissemination of the information. A description on the way the stakeholders have been engaged during project design phase has also been added.

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

Yes.

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

It is not clear how the private sector will be engaged as a stakeholder, which is a requirement of projects supported through the GEF Challenge Program for Adaptation Innovation. Please explain what strategies will be used to engage specific private sector actors through this project, including through the development and implementation of the innovative financing instruments mentioned in the section on innovation, as well as add them to the list in the stakeholder section of the proposal.

Agency Response

The private sector is expected to have a dual role as financier and as stakeholder of the project. A number of the project activities target the private sector with the objective of involving this sector and unlocking private investments. Section 5 - Private Sector Engagement has been modified to include details on how the private sector will be engaged as a stakeholder during the implementation of the project. Further information is also provided under the activities that have a private sector component (para 169 - 245). Strategies to engage the private sector have been elaborated on para 170-180, para 236-238, as well as Section 5. Private Sector Engagement.

Private sector financiers will be engaged during the design and implementation of the Tool 5 (Present selected CCA projects to identified sector financiers). The private sector is also the core beneficiary of activity 2.1.2.2 during which 1 to 2 highest priority project proposals will be prepared in order to be submitted to the private sector to test their interest. The activity 2.1.3.1 will focus on organizing a seminar during which projects ideas will be pitched to selected innovative private sector finance representatives (para 230 - 238). Furthermore, through exploring de-risking options, the project will reduce the investment risk currently borne by private sector financiers when investing in adaptation.

For many of the undersubscribed investment funds, this will allow for the development of new investment portfolios. Finally, by engaging the private sector in the prioritization and finalization of innovative adaptation investment plans, the project will ensure that the final investment portfolio has been vetted by both the demand and supply side of the investment equation. In doing so it will provide private sector investors with an opportunity to shape investment offerings to ensure that they are fit for purpose.

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

Yes.

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

1.10.2022:

Cleared. Earlier comment(s) are appropriately addressed.

Please refer to the comment in Section II-3. Please clarify whether responsible entities stated after each component in para 158 will play and/or will be responsible for the execution or not.

Agency Response

Table 2 (para 165) presents the responsibilities of each agency.

Also Table 10 in Section 6 - Institutional Arrangements and Coordination has been amended and shows the responsibilities of each agency.

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

Yes.

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Please refer to the comment in Section II-7.

Agency Response Section 8 - Knowledge Management has been updated with a timeline and a set of deliverables.

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

It is unclear how the budget stated in the proposal links with those in the Project Budget Table in Annex.

Agency Response

Section 9 - Monitoring and Evaluation has been amended based on this comment.

Funds have been re-allocated between Activity 3 and Activity 4.

An updated version of the indicative budget containing the GEF grant amounts is submitted as Annex I.

The table in Section 9 includes the GEF grant and the Co-financing funds allocated for the M&E activities.

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

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

11.18.2021:

Cleared. Earlier comment(s) are appropriately addressed.

6.1.2021:

Please refer to Section II-17 on the budget.

Agency Response

Answer to Comment 2.2.2022

Annex A has been updated and targets for LDCF/SCCF indicators have been included

The budget table has also been introduced in the project document and uploaded as an attachment.

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request 2.28.2022:

Cleared. Earlier comment(s) are appropriately addressed.

Agency Response

Answers to Comments 2.2.2022:

1. Project start date has been updated to July 2022.

2. Thanks to the support from IT team, this comment has been addressed.

3. The issue regards the LoEs has been clarified and Tables D and F have been revised accordingly.

4. Please see our response above, under sub-section: Project Preparation Grant.

5. Please see our response above, under sub-section: Annexes.

6. Comment has been addressed.

Answer to comment 11.18.2021

New endorsement Letters for Lao PDR and Mozambique are provided as Annex K.

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

2.2.2022:

Cleared. Earlier comment(s) are appropriately addressed.

1.18.2022 /1.10.2022:

Please check Table F for PPG. PPG has been requested for this project, but 'PPG Required' is selected as 'false'.

6.1.2021:Please refer to the comment in Section II-2.

Agency Response

Answer to Comment 1.18.2022:

With the help of the GEF Portal technical team, the issue has been resolved and the ticked box for the PPG support should be now visible to the GEF.

F. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$) 50,000 PPG Agency Fee (\$) 4,750

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds €	PPG(\$)	Agency Fee(\$)	Total(\$)
UNIDO	SCCF-A	Global	Climate Change	NA	33,333.00	3,167.00	36,500.00
UNIDO	LDCF	Global	Climate Change	NA	16,667.00	1,583.00	18,250.00
Total PPG Amount(\$)					50,000.00	4,750.00	54,750.00

Answer to Comment 1.10.2022:

Table F has been filled in at the time of the PIF and CEO submissions. From our end, it seems complete (screen shot below) but if we have misunderstood your request and/or still cannot see table F filled in, please let us know.

F. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$)

50,000

PPG Agency Fee (\$)

4,750

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds ⓘ	PPG(\$)	Agency Fee(\$)	Total(\$)
UNIDO	SCCF-A	Global	Climate Change	NA	33,333.00	3,167.00	36,500.00
UNIDO	LDCF	Global	Climate Change	NA	16,667.00	1,583.00	18,250.00
Total PPG Amount(\$)					50,000.00	4,750.00	54,750.00

Please refer to the answer provided for the comment in Section II-2

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

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

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

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

2.28.2022:

Cleared. Earlier comment(s) are appropriately addressed.
This CEOAR is recommended for technical clearance.

2.2.2022:

Not yet. Please address the followings:

1. Project Information: Please correct the expected implementation start to a future date and kindly updated the expected completion date (36 months in between).
2. Project Information: There are three countries participating in this project (Antigua & Barbuda, Mozambique, Lao PDR) ? these countries have to be included in the section 'Countries'.
3. LoE: Letters are provided but are incomplete as they are not representing the whole GEF financing amount ? each letter has to include the whole amount of both Trust Funds (SCCF and LDCF).
4. PMC: there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 9.8%, for a co-financing of \$1,697,418 the expected contribution to PMC must be around \$166,346 instead of \$132,582 (which represents 7.8%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.
5. Annex A: Please include or elaborate on linkage with LDCF/SCCF Indicators
6. Layout (Annexes A and E): these are off margins. Please fit within the margin and/or indicate/include the link to the original excel file.

1.27.2022:

Not yet. Please refer to the review items and resubmit for consideration.

1.18.2022 /1.10.2022:

Not yet. Please refer to the review items and resubmit for consideration (please highlight the update).

11.18.2021:

Not yet. Please refer to the review items and resubmit for consideration (please highlight the update).

Also please once again CHECK OFP Endorsement Letters. Those from Lao and Mozambique do not seem to be from the current OFP.

6.1.2021:

Not yet. Please refer to the review items and resubmit for consideration (please highlight the update).

Also please check OFP endorsement letters. Some do not seem to be signed by the the current OFP.

https://www.thegef.org/focal_points_list

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/1/2021	
Additional Review (as necessary)	11/18/2021	
Additional Review (as necessary)	1/10/2022	
Additional Review (as necessary)	1/18/2022	
Additional Review (as necessary)	2/2/2022	

CEO Recommendation

Brief reasoning for CEO Recommendations