

# Accelerating Cuban low-carbon and circular solutions for micro-, small and medium-sized enterprises

Review PIF and Make a recommendation

## Basic project information

**GEF ID**  
12227  
**Countries**  
Cuba  
**Project Name**  
Accelerating Cuban low-carbon and circular solutions for micro-, small and medium-sized enterprises  
**Agencies**  
UNIDO  
**Date received by PM**  
12/18/2025  
**Review completed by PM**

**Program Manager**  
Saba Kalam  
**Focal Area**  
Climate Change  
**Project Type**  
MSP

## 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

01/07/2026

1. Cleared

Agency's Comments

## 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

3/18/2026

Cleared

01/07/2026

1. The PIF has very well detailed out the objective, it will be helpful to list each component with some details in this section.

Agency's CommentsThe Project Summary section has been updated to explicitly list all four components and provide brief details (key focus and indicative outputs/activities) for each component, alongside the objective, to improve clarity and readability.

### 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

3/18/2026

3.1 a) Cleared

3.1 b) Cleared

01/07/2026

3.1 (a) The project objective in its current form sounds more like a goal rather than a specific objective of this project. If the project intends to work only with the MSMEs low carbon value chain, then please keep the objective limited to MSMEs stating the impact to be larger in residential, tourism and industrial sectors. The question it has to answer- Would this project be sufficient to impact Cuba's overall residential, tourism and industrial sectors? In our view the project can have impact on the way MSME operates and thereby have an impact on overall residential, tourism and industrial sectors.

3.1 (b)

#### General

The project needs to define the MSME sectors it will work with. The sectors mentioned across the PIF document are not consistent. It varies from industrial, construction, tourism, others, etc..

**Component 1:** It is not clear whether component 1 is for larger residential, tourism and industrial sector or just MSMEs. The outputs associated with this outcome should also clearly highlight the coverage and the impact in specific sectors. Also, each sector has very different set of decision/policy makers, regulations, and investment cycles, how this component will have an aggregated impact and the highest level.

**Component 2:** Component 2 has not taken into account the value chain diagnostics of the MSMEs; how the technology readiness of the MSMEs will be assessed, how the baseline will be established, how the MSMEs will be selected based on the mitigation potential of activities. Outcome 2.1 and related outputs are more material focused rather than sector focused. It is difficult to envision the emission reduction potential through these outputs.

**Component 3:** Cleared

#### Agency's Comments

3.1 (a) The project objective has been revised to focus explicitly on MSMEs as the direct beneficiaries, while clarifying that impacts on the residential, tourism and industrial sectors are expected indirectly through downstream adoption of MSME-supplied low-carbon/circular products and services. The PIF now explains this catalytic pathway in the Project Summary/Description (i.e., MSME pilots and enabling frameworks influence end-use sectors without implying economy-wide sector transformation).

3.1 (b)

The PIF now clearly distinguishes the project's direct support to MSMEs from its downstream impacts. Direct interventions focus on MSMEs in priority low-carbon/circular value chains (e.g., waste valorization, biomaterials and bioenergy), to be confirmed and refined during the PPG phase. References to construction, tourism, industrial and residential sectors refer to end-use markets where MSME solutions may be adopted, generating indirect and catalytic impacts.

**Component 1:** Component 1 has been clarified as an economy-wide enabling package (standards/technical requirements and green public procurement) that applies across end-use sectors (e.g., construction, tourism and industry) and creates demand signals and implementation pathways for MSME-supplied low-carbon and circular solutions. The Component 1 outputs now explicitly reference sector coverage and explain how aggregated impact is achieved through centralized standard-setting and procurement systems despite differing sectoral decision cycles.

**Component 2:** Component 2 has been strengthened to clearly describe the diagnostic and pilot selection pathway and to make the mitigation logic more visible. The PIF now outlines a multi-stage value-chain diagnostic and technology readiness screening (including baseline establishment for shortlisted pilots), and states that MSME pilots will be selected during the PPG phase based on mitigation potential, technical feasibility/readiness and commercial viability/market relevance. The narrative also clarifies how pilots translate into GHG reductions (substitution of higher-carbon inputs, avoided waste emissions through valorization, and efficiency gains), supported by baseline data and monitoring.

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

Secretariat's Comments

3/18/2026

Cleared

01/07/2026

Gender dimensions: Some concrete activities related to mapping existing women's cooperatives, entrepreneurs, and informal enterprises active in relevant value chains may be considered. Also, gender responsive selection criteria for MSME pilots, including women owned or women managed enterprises may be considered.

Knowledge Management: Please also ensure that lessons learned on gender mainstreaming and integrating gender perspectives, are produced and widely disseminated to ensure scaling up and replication.

M&E: Cleared

Agency's Comments

The PIF has been strengthened to operationalize gender responsiveness in Component 2 by incorporating gender-responsive value-chain diagnostics and pilot selection criteria. This includes mapping women-led MSMEs/cooperatives (and relevant informal enterprises), integrating gender considerations into readiness and baseline assessments, and prioritizing women-owned or women-managed enterprises for pilot selection. The project will track participation and benefits using sex-disaggregated indicators, including the share of women-owned/women-managed MSMEs supported.

KM: Knowledge products will document what worked to increase women's participation and benefits in MSME pilots/value chains and will be shared through the Community of Practice and the Market/Technology Observatory, alongside replication and scale-up activities.

**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

3.3 a) Cleared

3.3 b) Cleared

3.3 c) Cleared

Agency's Comments

#### 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

3/18/2026

Cleared. All comments addressed.

01/07/02026

Please consider answering the points given below in the Project rationale.

1. What is the baseline emission of the MSMEs in the sectors mentioned? What drives emissions in the residential, tourism, and industrial sectors in Cuba?
2. Types of MSMEs and their formal/informal nature. Material flows and emission profiles differ significantly, which materials (being used) are carbon intensive and why circular alternatives are not currently adopted?
3. Which policies, standards, or codes will be targeted and how trade restrictions and import limitations will be tackled?
4. Given Cuba's constrained private finance environment, how will pilots transition to market scale?

Agency's Comments

The PIF now addresses the four points raised by: (1) clarifying key emission drivers in downstream end-use applications and confirming that MSME-level baselines will be established during the PPG phase to quantify and verify GHG reductions; (2) clarifying the MSME landscape (including cooperatives and relevant informal actors) and confirming that Component 2 diagnostics will identify carbon-intensive material flows and barriers to scaling circular alternatives; (3) specifying the policy instruments targeted under Component 1 (standards/technical requirements, conformity/testing and green public procurement, including integration into at least two procurement frameworks) and explaining how import/trade constraints will be managed through locally compatible inputs, and explaining how import/trade constraints will be managed through locally compatible inputs, stronger local testing/validation and early procurement planning; and (4) clarifying how pilots can move toward scale despite

limited finance by combining standards/validation (to reduce risk) with procurement/anchor demand, with pilot-specific scale-up pathways defined during the PPG phase.

#### **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

3/18/2026

Cleared

4.2 a) Cleared

4.2 b) Its important to showcase how will pilots transition to market scale and any changes in the policy will not have substantial impact on the outcomes of the project.

4.2 c) Cleared

4.2 d) (O&P Team) While this project focuses on micro, small and medium-sized enterprises, please ask agency to elaborate on any potential roles of civil society and local community groups and any plans to engage and consult these in project development.

#### Agency's Comments

4.2 b) The PIF already clarifies (section above) the pilot-to-scale pathway under constrained private finance (demand creation combined with de-risking through standards and local validation, with pilot-specific scale-up pathways defined during the PPG phase). In response to this comment, the PIF has been further complemented to clarify that project outcomes are resilient to future changes in policy drivers, as the intervention package is not dependent on the timing or continuity of any single regulation. Cross-cutting standards, conformity/testing approaches and green public procurement criteria remain applicable across end-use applications even as policies evolve, while sector-tailored implementation guidance supports uptake under different policy scenarios.

4.2 d) The PIF has been complemented in Section D (stakeholder engagement) to clarify the role of civil society and community groups and how they will be engaged. Civil society/community actors will be involved during the PPG phase through stakeholder mapping and local consultations in proposed pilot locations to inform inclusive pilot design and risk management, and during implementation through periodic feedback/consultation and participation in Component 3 knowledge-sharing and replication activities (e.g., the Community of Practice).

### **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

3/18/2026

Cleared

5.1 a) The concept sets a strong overall direction, but it is currently framed at a very high level. It would benefit from clearer sector specific focus, a more explicit mitigation pathway.

5.1 b) Cleared

Agency's Comments A) The Theory of Change has been strengthened to provide clearer sector-specific focus and a more explicit mitigation pathway. The narrative now links MSME pilots and priority value chains (e.g., waste valorization, biomaterials and bioenergy) to downstream end-use markets (e.g., construction/public buildings, tourism facilities and industrial/residential uses, as applicable), clarifying where uptake is expected. It also explicitly describes the mitigation mechanisms (substitution of higher-carbon inputs, avoided waste emissions through valorization, and reduced energy intensity/efficiency gains) and notes that pilot baselines will be established during the PPG phase to quantify and verify GHG reductions.

**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 5.2 Cleared

Agency's Comments

**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

3/18/2026

Cleared

01/07/2026

(O&P) The LoE stipulates that the Science Innovation Hub of the Technological University of Havana and the Ministry of Higher Education are expected to execute the project. If that is the case, please include the information in the executing partner of the portal.

### General Project information

<b>Project Title:</b>	Accelerating Cuban low-carbon and circular solutions for micro-, small and medium-sized enterprises		
<b>Region:</b>	Latin America and the Caribbean	<b>GEF Project ID:</b>	12227
<b>Country(ies):</b>	Cuba	<b>Type of Project:</b>	MSP
<b>GEF Agency(ies):</b>	UNIDO	<b>GEF Agency ID:</b>	250004
<b>Executing Partner:</b>	TBD	<b>Executing Partner Type:</b>	
<b>GEF Focal Area (s):</b>	Climate Change	<b>Submission Date :</b>	12/17/2025

I am pleased to endorse the preparation of the above project proposal with the support of the GEF Implementing Agency listed below. If approved, the preparation of the proposal will be supported by and the project executed by The Science Innovation Hub of the Technological University of Havana José A. Echeverría (CUJAE), Ministry of Higher Education (MES). I request the GEF Implementing Agency to provide a copy of the project document before it is submitted to the GEF Secretariat for CEO endorsement / Approval.

Agency's Comments Modified accordingly

**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

3/18/2026

Cleared

01/07/2025

5.4 a) Please share the excel tool of the emission reduction calculation.

Agency's Comments

Emission Reduction Calculation has been uploaded under Roadmap and Documents Section, please refer to the Updated version.

The current direct GHG mitigation estimate is an initial, conservative projection based on high-level assumptions and generic/global emission factors, as there is no national framework or calculation tool currently used by MSMEs to estimate CO<sub>2</sub>e at this level, and several pilots represent new production lines with no historic operational data. An indicative estimate was therefore prepared using assumed annual reductions for five MSME pilots (plastic waste, steel waste, paper/cardboard, diesel engine repowering, and bioenergy) and projecting these reductions over the implementation period, resulting in 5,286 tCO<sub>2</sub>e (project lifetime).

The estimate will be revisited and refined during the PPG phase based on MSME-specific baseline audits and operational data (e.g., quantities recycled, kWh saved, engines converted, fuels substituted), and updated with the most appropriate Cuba-specific and/or IPCC emission factors and the applicable GEF methodology.

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

Secretariat's Comments NA

Agency's Comments

#### **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

01/07/2026

5.6 Cleared

Agency's Comments

#### **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

3/18/2026

Cleared

01/07/2026

5.7 Yes, it could be transformative if the comments given above are addressed appropriately.

5.7 b) The project needs to strengthen the narrative and corresponding outputs to showcase how will pilots transition to market scale.

5.7 c) Cleared

#### Agency's Comments

A) The project is designed to be well integrated, durable and transformative by combining (i) enabling policy instruments (updated standards/technical requirements and green public procurement), (ii) MSME-led pilots that validate low-carbon/circular materials and value chains under Cuban conditions, and (iii) a national innovation ecosystem (Community of Practice and Market & Technology Observatory) that packages and disseminates lessons and technical guidance for replication. Durability is reinforced through institutional capacity-building and embedding requirements into procurement/standards systems that continue beyond the project, while pilots are designed with replication pathways (market integration packages and scale-up roadmaps) and will be refined during the PPG phase based on readiness, mitigation potential and market relevance. Together, these elements move beyond isolated demonstrations toward sustained market uptake and broader system change.

B) The project supports innovation through prototyping and pilot validation of 2 to 3 low-carbon/circular material value chains with MSMEs, supported by engineering design, readiness screening and baseline measurement. Scaling-up potential is strengthened through market integration packages (compliance routes and anchor buyers/off-takers) and pilot-specific scale-up roadmaps, combined with demand signals from updated standards and green public procurement. The PPG phase will further define the most feasible partnership/contracting/financing approach for each pilot contemplating the Cuban context, supporting replication beyond the initial demonstrations.

#### 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

01/07/2026

Cleared

#### Agency's Comments

**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

01/07/2026

Cleared

Agency's Comments

**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 CommentsNA

Agency's Comments

#### **7 D. Policy Requirements**

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

Secretariat's Comments

01/07/2026

Cleared

Agency's Comments

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

Secretariat's Comments

01/07/2026

yes, cleared

Agency's Comments

#### **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 Comments

01/07/2026

Cleared

Agency's Comments

**Focal Area allocation?**

Secretariat's Comments

01/07/2026

Cleared

Agency's Comments

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

Secretariat's CommentsNA

Agency's Comments

**SCCF A (SIDS)?**

Secretariat's CommentsNA

Agency's Comments

**SCCF B (Tech Transfer, Innovation, Private Sector)?**

Secretariat's CommentsNA

Agency's Comments

**Focal Area Set Aside?**

Secretariat's CommentsNA

Agency's Comments

**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

01/07/2026

yes, cleared

Agency's Comments

**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

3/18/2026

Cleared. PMC cofinancing changed.

01/07/202

(O&P Team) Cofinancing resources allocated to PMC are not proportional to the GEF resources allocated to PMC. For a cofinancing of \$8,368,520, the 10% would be \$836,852, instead of \$506,852, which represents 6%. Please ask the Agency to amend.

Agency's Comments Amended

**Annex B: Endorsements**

**8.4 Has the project been endorsed by the country's(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

3/19/2026

Cleared

3/18/2026

We could not find the new LoE on the portal. Can you please make sure the new LoE is uploaded.

01/07/2026

(O&P Team) The letter of endorsement was signed by Dr. Lisbet Font Villa on March 4, 2025. Our records indicate that Dr. Font Villa became Cuba's OFP on August 13th, 2025. Either a new LoE needs to be provided dated after August 13 2025 or the OFP needs to notify the GEF Secretariat, by writing, the date by when she was officially appointed OFP so that we update our website.

Agency's Comments

3/19/26

Fixed and a letter with the correct date has been enclosed.

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

Secretariat's Comments

01/07/2026

Cleared.

Agency's Comments

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

Secretariat's Comments

01/07/2026

Cleared.

Agency's Comments

**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 CommentsNA

Agency's Comments

**Annex C: Project Location**

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

Secretariat's Comments

01/07/2026

Indicative referencing given. Cleared

Agency's Comments

**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

01/07/2026

ESS uploaded, cleared

Agency's Comments

**Annex E: Rio Markers**

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

Secretariat's Comments

01/07/2026

Cleared

Agency's Comments

**Annex F: Taxonomy Worksheet**

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

Secretariat's Comments

01/07/2026

Cleared

Agency's Comments

**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 CommentsNA

Agency's Comments

**9 GEFSEC Decision**

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

## Secretariat's Comments

3/18/2026

Cleared

01/07/2026

The concept sets a strong overall direction, but it is currently framed at a very high level. It would benefit from clearer sector specific focus, a more explicit mitigation pathway.

**Agency's Comments** This point has been addressed through the revisions reflected under Theory of Change. The PIF now provides clearer sector/end-use focus by linking MSME pilots and priority value chains (e.g., waste valorization, biomaterials and bioenergy) to downstream applications (e.g., construction/public buildings, tourism facilities and industrial/residential uses, as applicable). It also makes the mitigation pathway explicit (substitution of higher-carbon inputs, avoided waste emissions through valorization, and reduced energy intensity/efficiency gains), with baselines established during the PPG phase to quantify and verify GHG reductions.

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

## Secretariat's Comments

3/18/2026

Cleared. gender analysis will be conducted during the PPG phase.

01/07/2026

(O&P Team): Please strengthen the reflection of gender perspectives and women's empowerment in the project components after the gender analysis have been conducted. In the development of the Gender Action Plan, please indicate measures to facilitate and support its implementation (e.g., budgets, regular monitoring, adaptive management, etc.). Please ensure that in the development of the results framework, gender-specific indicators are included to facilitate monitoring and reporting. Please make a reference to include in PIRs, MTRs and TE, reports on gender-specific results, including the implementation of the Gender Action Plan.

## Agency's Comments

Gender mainstreaming requirements for CEO endorsement are explicitly reflected in the project design (according to this round of GEF SEC comments). A gender analysis will be completed during the PPG phase and will inform refinement of activities across components. A Gender Action Plan will be prepared, including implementation measures, monitoring and adaptive management. The results framework includes gender-specific indicators and sex-disaggregated monitoring (e.g., participation/benefit metrics for women-led or women-managed MSMEs), and progress on gender outcomes and GAP implementation will be reported through PIRs and assessed in the MTR and TE.

## Review Dates

**First Review**

**PIF Review**

**1/12/2026**

**Agency Response**

**Additional Review (as necessary)**  
**Additional Review (as necessary)**  
**Additional Review (as necessary)**  
**Additional Review (as necessary)**

**PIF Review**  
**3/19/2026**

**Agency Response**