Home RoadMap

Promoting Better Access to Modern Energy Services through Sustainable Mini-grids and Low-carbon Bioenergy Technologies Among Guinea-Bissau’s Forest-dependent Communities

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

9561

Countries

Guinea-Bissau

Project Name

Promoting Better Access to Modern Energy Services through Sustainable Mini-grids and Low-carbon Bioenergy Technologies Among Guinea-Bissau's Forest-dependent Communities

Agencies

UNDP

Date received by PM

5/29/2019

Review completed by PM

12/5/2019

Program Manager

Satoshi Yoshida

Focal Area

Climate Change

Project Type

FSP

PIF
CEO Endorsement

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Yes.

(1) At PIF stage, it was envisaged that mini-grids would be powered by both small hydro systems and Solar PV systems. Following the constraints of hydro coupled with the severe water pattern changes in the country due to Climate Change, it was recommended to narrow down the focus to solar PV-based only.

(2) The targeted installed capacity decreased from 2 MW at PIF stage to 1.2 MW at CEO endorsement stage. 1.5 MW out of the 2 MW were supposed to be generated from hydro. Therefore it is difficult to reach the same capacity with only Solar PV. In addition, more accurate data has been gathered during the PPG phase, showing that 1.2 MW is an achievable target for the project.

(3) The words “integration” and “system management” are removed from the project objectives and components as it referred mainly to the linkage between hydro, water, forest and charcoal.

(4) The co-financing amount increased from 9,000,000 USD to 14,500,250 USD. The main increase came from private sector. From USD 0.5 million at PIF stage, it increased to USD 4 million, as a strong private sector company joined the initiative and provided co-finance letter. This also shows a strong private sector engagement for this project.

(5) The project logical framework has been simplified to reduce the overall number of outputs (from 19 at PIF stage to 11 at CEO ER stage). While the underlying activities identified in the PIF’s outputs remain, the outputs have been merged in the PPG to increase clarity in the project’s structure.

Response to Secretariat comments

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Not yet.

As described in the Project Document, despite that Guinea-Bissau is rich in renewable energy resources, it faces big challenge to access modern energy services, whose electrification is the lowest in Africa (11%) and less than 1% in rural areas. This project aims to adopt and promote renewable energy mini-grids and low carbon bio-energy technologies (kilns and stoves) for forest dependent communities in the country that will contribute to multiple social, economic and environmental benefits including climate change mitigation, sustainable energy access, reduction of deforestation, improvement of rural living condition and women empowerment. However, CEO ER and its Project Document needs to justify how to achieve the objective of the project and how to realize the theory of change, in particular, fro the context of replication, scaling up and sustainability. Detailed comments are as follows;

[Comments]

(1) Annex K: GHG Caluculation (Project Document). Please provide breakdown of GHG emission avoidance from low-carbon bio-energy technology including ; (i) 4,064 tons of CO2 avoided by utilizing improved kilns and stoves; (ii) 14,000 tons of CO2 avoided during the project; (iii) relation between "emission reduction of approximately 3.7 tCO2 per ton of charcoal produced" and figures in (i) and (ii); relation between figures in Table 21 and figures in (i) and (ii), (iv) relation between "wood saved per year" and "total CO2 reduction equivalent /year" in Table 21.

(2) Figures on GHG emission reduction under this project are not consistent between Core Indicator 6 (direct: 57,700 tons-CO2eq, in-direct 577,000 tons-CO2eq) and Part 2/A.7 Benefits (488,090 tons-CO2eq). Please clarify the difference.

(3) Co-financing from Rural Energy Services SSD/FRES ($4,000,000): What activities will SSD/FRES co-finance for the project? Please identify these activities (In Component 3?) in Table in Annex X (Total Budget and Work Plan) in the Project Document.

(4) Co-financing from other private sector: Key Stakeholders' Table shows that "national/international enterprises in RE sector" and "private installers and mini-grid operators" will proved equity investment for the pilot project, and also shows that "national commercial banks and regional development banks" will provide loans and funds for pilot communities. Please provide more information on these stakeholders and please elaborate to receive co-financing from these stakeholders for promoting the project. Furthermore, the Agency needs to identify names of these private sector and to receive the confirmation letter for co-financing the project. Please clarify these points.

(5) Budget table: Total GEF financing amounts for Component 3 and for project management cost indicated in Annex X in the Project Document are different from those in Part 1/Table B (Project description summary). Please revise them.

(6) Sustainability: The Project Document states that "loan guarantee funds" is a key for sustainability of this project. At the CEO ER stage, no loan guarantee fund has been established for the investment in mini-grids and low-carbon bio-energy technologies in the country. Please justify how the Agency and Executing Partners will realize establishment of the funds for replication, scaling up and sustainability of the project.

AT, 11/06/19: Thank you for your detailed explanation. Comments have been cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

(1) Thanks for these helpful comments. Annex K is revised to include detailed GHG Calculations low carbon biotechnology technologies. ProDoc page 177.

(2) Thanks for this helpful comment. GHG emission figures are now harmonized.

(3) Thanks for these comments. As a reminder for completing the Total Budget and Work Plan (TBWP), the guidance note indicates that "Only cash co-financing actually transferring to UNDP bank accounts and to be budgeted and used under the project should be entered in the main TBWP table and in Atlas. Other co-financing should only be shown in the summary table". The co-financing from SSD/FRES is parallel, e.g. managed by the co-financer, and not transferred to UNDP accounts. Therefore, only a summary of these funds can be presented as per the Summary budget table (table 14) in page 89 of the ProDoc.

With regard to SSD/FRES' co-financing of USD 4m, SSD/FRES is a leading private sector company in Guinea Bissau focused on decentralized rural electrification using solar PV. Initially supported by EU funding, as of the end of 2018 SSD-FRES has a portfolio of over 5,100 customers. SSD-FRES' co-financing will be part of the the 7 pilot sites (1.2MW) in component 3. SSD/FRES currently has activities in two of the pilot locations identified, in Pitche and TcheTche. The precise locations, business-model and form of co-financing will be determined during project implementation, and will be aligned with the three models identified in the CEO ER (Section A.1.3, page 14).

(4) Thanks for these comments. This touches on a key issue for the project design – on the one hand, the need for investment and private sector business models to be central to the project's objectives; on the other hand, the fact that Guinea Bissau is one of the most challenging private sector environments in the world.

As indicated in the risk table and in the barrier analysis, Guinea-Bissau faced and continues to face a high level of political instability. With this political instability, the reality is there are limited private investors and all projects are donor driven and largely unsustainable. Private sector investors consider Guinea-Bissau a high-risk environment to invest in renewable energy projects. In the 2018 Doing Business data of the World Bank and the IFC, Guinea-Bissau ranks 175th out of 190 countries.

Specifically on mini-grids, the project's approach recognizes both Guinea-Bissau's challenging general private sector investment environment, as well as nascent status of solar mini-grid technology more generally. As such, the project will explore three variations of business model for mini-grids ((1) utility-based; (2) private sector O&M; (3) private sector BOO)), and over time will seek to shift the market to the more private sector oriented models (2 and 3). These three models give the project flexibility to advance in a phased approach, taking into account Guinea-Bissau's private sector context. This thinking is set out in Section A.1.3, page 14.

In this regard, it is already a great success that one private sector company – SSD/FRES (see above) – has committed to partner with the project and has provided co-financing commitments. As also stated in the CEO endorsement request, changes from PIF to CEO Endorsement include an increase in the co-financing amount from 9,000,000 USD to 14,500,000 USD. The main increase came from private sector. From USD 0.5 million at PIF stage, the co-financing from Private sector increased to USD 4 million.

However, given the particular challenging context in Guinea Bissau and the need for flexibility on different models, the decision was made not to pursue additional co-financing from other private sector actors beyond SSD/FRES at this stage. Outreach to other private sector stakeholders – such as Impar, Dura Energy, Prosolia, PP

Energy and ELMI SARL - was made, however co-financing commitments were not requested. During project implementation, and hopefully when the overall political situation is more stable, coupled with the policy measures that the project intends to put in place, this will result in private sector engagement and financing from these and other actors. This will be reflected in the various reports of the projects such as Project Implementation Reviews (PIRs), Mid-Term Review (MTR) and the Terminal Evaluation (TE).

(5) We have now reconciled all of the financial figures for the Component 3 and project management. The corrected figures are reflected in the GEF Portal.

(6) As per UNDP rules and regulations, UNDP cannot manage a Guarantee fund mechanism. However, UNDP can help or support national stakeholders to do so. In Guinea Bissau, there is a Ministry in charge of Guarantee funds. This is why it is indicated in the ProDoc, under Output 1.2 “Financial incentives and market mechanisms”, that the project will collaborate with loan guarantee funds and commercial banks to facilitate promoters' access to financing, provide advice when formulating the business plan and loan applications, and identify other sources of financing for promoters.

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat Comment at CEO Endorsement

AT, 07/02/19:

Please address the relevant comments in Box 2 above.

*Unit GHG abatement cost is 50 ($/ton-CO2) (direct) and 5.0 ($/ton-CO2) (in-direct, top-down calculation)

AT, 11/06/19: Comment cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

Comments in Box 2 are addressed. The updated figures are:

*Unit GHG abatement cost is 31 ($/ton-CO2) (direct) and 3.1 ($/ton-CO2) (in-direct, top-down calculation)

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Table 4 (Risk Table) in the Project Document:

[Comment]

There is a risk on financial sustainability for investment in min-grids and low-carbon bio-energy technology (for example, suspension of credit financing and failure of loan guarantee funds). Please add the risk and relevant mitigation measures.

*Risks on climate change mitigation and adaptation were checked in the social and environmental risk screening checklist in the Project Document (page 112)

AT, 11/06/19: Comment has been cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

Thank you, the mentioned risk is added in the risk table.

CEO ER: page 54

ProDoc: page 66

5. Is co-financing confirmed and evidence provided?

Secretariat Comment at CEO Endorsement

AT, 07/02/19:

Co-financing is confirmed from the following organizations. Co-financing rate is 1 : 5.0 ($2.91M: $14.5M)

Ministry of Energy: $10,000,000 (in-kind)

Rural Energy Services SSD/FRES: $4,000,000 (equity)

UNDP: $500,000 (grant)

[Comment] Please consider receiving any type of co-financing from other private sectors including national and international enterprises in the RE sector, national commercial banks and regional development banks.

AT, 11/06/19: Comments cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

Please refer to our responses in Box 2, responses (4) and (5) regarding co-financing amounts.

6. Are relevant tracking tools completed?

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Yes.

Response to Secretariat comments

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat Comment at CEO Endorsement

N/A

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat Comment at CEO Endorsement

AT, 07/02/19

[Comment]

Table "Expected stakeholders engagement per output" in page 124: Output 1.3 The stakeholders include GEF Small Grant Program. Please provide more information on the relevant SGP project.

AT, 11/06/19: Comment cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

A table listing the relevant SGP projects is added in pages 127 and 129 of the ProDoc, and in Section A.6 of the CEO endorsement request

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

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Yes.

AT, 11/06/19: There is another issue to be addressed as follows;

A letter of OFP to request for provision of project support services has been received. In terms of institutional arrangements and coordination, it shows that UNDP will perform a part of executing functions including recruitment of an international consultants, contractual service and events/training that amounts to $75,000. While there is a letter signed by the GEF OFP, there is no justification for UNDP to perform such functions. (the exception to the Policy on the preclusion to merge implementing and executing function was introduced in the Guidelines *with the clear intent* of allowing –on special circumstances only— an avenue for GEF Agencies to overcome situations of extreme capacity challenges in countries). In this regard, please delete any description mentioning UNDP's services for executing the project (for example, "UNDP, as the GEF Implementing Agency, is responsible for the execution of the GEF resources and the cash co-financing transferred to UNDP bank account only."(Pro Doc page 85), paragraphs on "UNDP Direct Project Services as requested by Government" (Pro Doc page 85-86)). Please also deleting the budget line on "Project Support Cost " amounting to $75,000 in the Budget Table (Pro Doc page 90) and revise others in the Table accordingly.

AT, 12/05/19: Comment cleared. Thank you.

Response to Secretariat comments

S.T Dec 2, 2019

The M&E table is revised in both the ProDoc and the CEO endorsement request documents. The letter of support from the OFP regarding Direct project services was indeed part of the first Submission. But nevertheless, after some discussions with the country, DPC has been removed from the project. There is no longer reference to DPC in the ProDoc. Budget table has been revised (pages 88-90).

10. Does the project have descriptions of a knowledge management plan?

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Not yet. The current description (see below) is too short. Please describe the knowledge management plan in more detail.

The project results will be collected, documented and disseminated in an appropriate manner within and beyond the project intervention through existing networks and information sharing forums. A tailored audience, specific knowledge products and channels adapted to the target groups will be defined to ensure effective dissemination of best practices and lessons learned from the project.

The country will participate in relevant platforms and networks, such as the Renewable Energy Trade Platform in the West and African sub-region, providing and receiving inputs. The project proposal will therefore define how information on national projects will be shared and updated on these platforms. Sharing lessons learned and experiences through the platform will ensure the alignment of this proposed project with other national, regional and global transparency initiatives.

To promote learning, Component 2 training activities will be complemented by peer-to-peer visits and participation of relevant government staff in international conferences, workshops and meetings. Importantly, the exchange of lessons learned will be a two-way and participative process.

AT, 11/06/19: Comment cleared.

Response to Secretariat comments

S.T. Oct 21, 2019

The knowledge Management section is revised to contain a more descriptive text along the 7 key points for Knowledge Management: 1) Overview of existing lessons and best practice that inform project concept; 2) Plans to learn from relevant projects, programs, initiatives & evaluations; 3) Proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation; 4) Proposed tools and methods for knowledge exchange, learning &

collaboration; 5) Proposed knowledge outputs to be produced and shared with stakeholders; 6) Discussion on how knowledge and learning will contribute to overall project/program impact and sustainability and 7) Plans for strategic communications.

CEO ER: Section A.8 page 56

ProDoc: Section 4.3 page 66.

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat Comment at CEO Endorsement AT, 07/02/19: Yes.

Response to Secretariat comments

STAP

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

GEF Council

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

Convention Secretariat

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat Comment at CEO Endorsement

AT, 07/02/19: Not at this time. Please address all comments stated above. In addition, please address the following comments;

Part 1 / Rio Marker on climate change mitigation is entered '1', however that should be '2'. Please revise it.

AT, 11/06/19: Comments dated 07/02/19 have been cleared. However, there is another issue to be addressed as follows;

A letter of OFP to request for provision of project support services has been received. In terms of institutional arrangements and coordination, it shows that UNDP will perform a part of executing functions including recruitment of an international consultants, contractual service and events/training that amounts to $75,000. While there is a letter signed by the GEF OFP, there is no justification for UNDP to perform such functions. (the exception to the Policy on the preclusion to merge implementing and executing function was introduced in the Guidelines *with the clear intent* of allowing –on special circumstances only— an avenue for GEF Agencies to overcome situations of extreme capacity challenges in countries). In this regard, please delete any descriptions mentioning UNDP's services for executing the project (for example, "UNDP, as the GEF Implementing Agency, is responsible for the execution of the GEF resources and the cash co-financing transferred to UNDP bank account only."(Pro Doc page 85), paragraphs on "UNDP Direct Project Services as requested by Government" (Pro Doc page 85-86)). Please also deleting the budget line on "Project Support Cost " amounting to $75,000 in the Budget Table (Pro Doc page 90) and revise others in the Table accordingly.

AT, 12/17/19: Comments 11/06/19 have been cleared. Thank you. However, there are additional comments as follows. Please address.

1. Executing Partner.

The Executing Partner Type should be changed to Government

Other Executing Partner(s):
Direction General of Environment/Secretariat of State of Environment, Direction General of Energy/Ministry of Energy, National Institute for Research and Applied Technology (INITA)

Executing Partner Type
GEF Agency

2. M&E. Translations cannot be paid from M&E. Please revise.

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget[1] (US$)		Time frame
		GEF grant	Co-financing	
Translation of MTR and TE reports into English	UNDP Country Office	10,000	5,000	As required. GEF will only accept reports in English.

3. On Execution Functions for UNDP

A Project Manager is the only staff mentioned in ProDoc – however, in the budget there are 2 lines that make reference to the project staff (v *and* z) – please explicitly clarify which project staff is being charged to the PMC and confirm that no project staff will be charged to the project's components.

Project management	MADS/ UNDP	62000	GEF	71400	Contractual Service - Individual	18,502.00	18,550.00	18,550.00	18,550.00	18,550.00	92,702.00	v
		62000	GEF	71699	Travel	4,700.00	4,700.00	4,700.00	4,700.00	4,700.00	23,500.00	w
		62000	GEF	74100	Professional Services	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00	x
		62000	GEF	72200	Supplies	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	7,500.00	y
					Total GEF management	**27,702.00**	**27,750.00**	**27,750.00**	**27,750.00**	**27,750.00**	**138,702.00**	
		4000	UNDP	71400	Contractual Service - Individual	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	200,000.00	z
					Total management of UNDP	**40,000.00**	**40,000.00**	**40,000.00**	**40,000.00**	**40,000.00**	**200,000.00**	
					Total management	**67,702.00**	**67,750.00**	**67,750.00**	**67,750.00**	**67,750.00**	**338,702.00**	

u	Support for preliminary design studies and the purchase of equipment or construction
v	Project staff costs
w	Inland travel on the project sites.
x	Audit fee – Annually as per UNDP audit Policy
y	Office supplies and stationery
z	Project staff costs

4. Co-financing

The government endorsement letters have not been translated to English – please translate them to English (UNPD's co-financing letter is the only one in English).

5. Core Indicators

The number of people targeted by the project indicated in the core indicator is higher than what is indicated in table 5. The assumption of 10 people per household in Table 5 also is also way higher than average data available for the region. Please clarify.

March 17, 2020 SY:

1. Executing Partner.

The comment cleared.

2. M&E. Translations cannot be paid from M&E. Please revise.

The comment cleared.

3. On Execution Functions for UNDP

Thank you for the clarification. As requested, please confirm that the project staff of the GEF part (“v” line) will NOT be charged to the project’s components (charged to PMC only).

4. Co-financing

Thank you for the translation. We noted that the project period in the letter from UNDP does not reflect the current schedule of the project. Please revise the letter and, please demonstrate and confirm that letters from Ministry of Energy and Rural Energy Services SSD/FRES are still valid in terms of amounts and type of co-financing as they indicate. If there is any change, please revise all documents accordingly.

5. Core Indicators

Thank you for the clarification. We understand that the indicator includes beneficiaries of both mini-grid and kiln and cookstoves while table 5 includes beneficiaries of mini-grid only. Cacheu, in the table 5, has 7,126 populations but only 364 women are there. Please review this part.

Also, to clarify the indicator, please provide the breakdown of beneficiaries (mini-grid, kilns and cookstoves), which will be in total 25,000.

6. Responsible Party

We noted that MEIRN is the responsible party in the workplan in the ProDoc, which is not the executing agency (MADS). Please clarify and revise if necessary.

May 18, 2020, SY: Comments cleared with the revised documents and responses while noting the change on the start date of the project to minimize implications of the COVID-19 pandemic.

2.

Response to Secretariat comments

S.T. Oct 21, 2019

Thank you, the CCM Rio Marker is revised to 2.

S.T. Dec 2, 2019
The M&E table is revised in both the ProDoc and the CEO endorsement request documents. The letter of support from the OFP regarding Direct project services was indeed part of the first Submission. But nevertheless, after some discussions with the country, DPC has been removed from the project. There is no longer reference to DPC in the ProDoc. Budget table has been revised (pages 88-90).

S.T. Mar 6, 2020

1. Executing Partner

The Executing Partner Type is changed to Government (Portal)

2. M&E Table

The M&E table is revised, and the translation cost is no longer charged to GEF funds (ProDoc p. 80; CEO ER p. 61).

3. Execution Functions for UNDP

Please be advised that budget lines (*v and z*) are not the same. The "v" line refers to GEF funds while the "z" line refers to UNDP funds (e.g. co-financing). The budget lines v and z in the ProDoc are revised to provide more details (ProDoc p. 90-91).

4. Co-financing

All the co-financing letters have been translated into English.

5. Core indicators

Please be advised that this project has 2 different angles of intervention: energy access through Solar PV based mini-grids and low carbon technologies through improved cookstoves and clean charcoal production. The number in the Core indicators table is the total of beneficiaries, while table 5 refers only to the number of populations reached by the Solar mini-grids. Thus, it is normal that the figure in Table 5 is lower.
Regarding the assumption of 10 people per household, as indicated as a footnote in the table itself, these figures came from the INEC, the national statistic body. But these figures are dated from 2009. This is why the WB conducted an extrapolation analysis in 2016 based on a growth rate of 2.5%, and a female-to-male ratio of 51%. It has to be noted that Guinea Bissau has been facing several crisis since decades and no proper census have been conducted since. Due to the crisis, there are several internally displaced peoples and households are not typically parents and children, but include additional family members that left unsecured areas.

ST - May 15, 2020

3. On Execution Functions for UNDP

It is confirmed that the project staff of the GEF part will not be charged to the project's components.

4. Co-financing

Thank you. The co-financing letter were indeed issued during the PPG phase when designed the Project Document. The agency confirms that both the letters from the Ministry and from SSD/FRES are still valid. Regarding the letter from UNDP, it is re-issued to match the updated project timeframe.

Due to the current COVID-19 crisis, it has been agreed by the project stakeholders to launch the project next year. The new project timeframe is January 2021 to December 2025.

Guinea-Bissau has over 500 confirmed cases of COVID-1 as of May 11th, 2020. This represents a lot in a SIDS context. The Prime Minister and 4 members of his cabinet has been tested positive. The pandemic, which accentuates the fragility of the public service provision to the citizens is intertwined with a political crisis following contested results of the Presidential elections.

The state of emergency declared due to the pandemic might be an impediment to a nascent rule of law and the socio-economic consequences may be devastating for a country dealing with multifaceted crises.

The COVID-19 pandemic is likely to quickly overwhelm the inadequate national health and law enforcement institutions that lack basic infrastructure, personnel, supplies and operational capacities.

In the short time, there could be a higher rate of COVID-19 related fatality but the pandemic risks to further strain the already fragile Bissau-Guinean social fabric and with direct to social cohesion and the weak social contract between the state and its citizens.

Being highly dependent on a single crop (cashew) export and importing the most basic commodities, restrictions measures in Guinea Bissau such as on border closures, quarantines, and market, supply chains would have devastating consequences on people's livelihoods. This includes the procurements of solar panels and other importations the is needed by the project during its implementation.

With all these consequences, it has been advised to delay the current project start until 2021, when hopefully things will be in a better controlled situation.

5. Core Indicators

Thank you. There was a typo in the Cacheu figures and the right figure for women is 3,640 (instead of 364). The overall breakdown of beneficiaries is estimated as 22,700 from mini-grid systems and 2,300 from cookstoves (2,000 from improved clean stoves and 300 from improved kilns). These numbers will be re-assessed during project implementation and reported further at MTR.

6. Responsible Party

Thank you. The executing agency (MADS) is indicated now in the workplan, instead of MEIRN.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief Reasoning for CEO Recommendations

Guinea-Bissau is rich in renewable energy resources; however, it faces big challenge to access modern energy services, whose electrification is the lowest in Africa (11%) and less than 1% in rural areas. This project aims to adopt and promote renewable energy mini-grids and low carbon bio-energy technologies (kilns and stoves) for forest dependent communities in the country that will contribute to multiple social, economic and environmental benefits including climate change mitigation, sustainable energy access, reduction of deforestation, improvement of rural living condition and women empowerment.

The project is comprised of the three components; (1) Policy and financial instruments and incentive scheme for solar mini-grids and low-carbon bioenergy technologies (TA), (2) Capacity building for mini-grid and low-carbon bioenergy, (3) Mini-grids and low-carbon bioenergy technologies roll-out (INV) including installation of 1.2 MW of solar-PV based power generation capacity at 7 pilot sites as well as commercialization of 5,000 improved cookstoves and deployment of 50 improved kilns.

During the PPG stage, there have been several changes in the project design including the followings;

(1) At PIF stage, it was envisaged that mini-grids would be powered by both small hydro systems and Solar PV systems. Following the constraints of hydro coupled with the severe water pattern changes in the country due to Climate Change, it was recommended to narrow down the focus to solar PV-based only.

(2) The targeted installed capacity decreased from 2 MW at PIF stage to 1.2 MW at CEO endorsement stage. 1.5 MW out of the 2 MW were supposed to be generated from hydro. Therefore, it is difficult to reach the same capacity with only Solar PV. In addition, more accurate data has been gathered during the PPG phase, showing that 1.2 MW is an achievable target for the project.

(3) The words “integration” and “system management” are removed from the project objectives and components as it referred mainly to the linkage between hydro, water, forest and charcoal.

(4) The co-financing amount increased from 9,000,000 USD to 14,500,250 USD. The main increase came from private sector. From USD 0.5 million at PIF stage, it increased to USD 4 million, as a strong private sector company joined the initiative and provided co-finance letter. This also shows a strong private sector engagement for this project.

(5) The project logical framework has been simplified to reduce the overall number of outputs (from 19 at PIF stage to 11 at CEO ER stage). While the underlying activities identified in the PIF’s outputs remain, the outputs have been merged in the PPG to increase clarity in the project’s structure.

The project requests GEF financing $2,912,702 (excluding fee) from the GEF-6 CCM focal are resources, leveraging 14,500,000 from the Government and private sector. (co-financing rate; 1: 5.0)

The project will achieve global environmental benefits amounting to 93,900 tons of direct CO2 emission reduction (41,300 tons from PV mini-grids and 52,600 tons from improved kilns and cookstoves) (unit abatement cost: $31/ton) as well as 939,000 tons of in-direct (consequential post-project) CO2 emission reduction (Unit abatement cost: $3.1/ton).