

# Promoting Outer Island Development through the Integrated Energy Roadmap (POIDIER)

**Review CEO Endorsement and Make a recommendation**

## **Basic project information**

**GEF ID**

9905

**Countries**

Kiribati

**Project Name**

Promoting Outer Island Development through the Integrated Energy Roadmap (POIDIER)

**Agencies**

UNDP

**Date received by PM**

5/28/2019

**Review completed by PM**

4/3/2020

**Program Manager**

Ming Yang

**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 Request**

5/29/2019 MY:

There is not any significant change from the PIF stage to the CEO ER stage.

**Response to Secretariat comments**

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

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

**Response to Secretariat comments**

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

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

**Response to Secretariat comments**

**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 Request**

5/29/2019 MY:

Yes. It is stated on page 10.

**Response to Secretariat comments**

**5. Is co-financing confirmed and evidence provided?**

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes. All co-financing letters are saved in the GEF Portal.

**Response to Secretariat comments**

**6. Are relevant tracking tools completed?**

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

**Response to Secretariat comments**

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

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

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 Request**

5/29/2019 MY:

Yes, on pages 11-12.

**Response to Secretariat comments**

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

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes, on pages 13-14.

**Response to Secretariat comments**

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

**Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes, on pages 12-13.

## **Response to Secretariat comments**

### **Agency Responses**

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

### **GEFSEC**

#### **Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

## **Response to Secretariat comments**

### **STAP**

#### **Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

## **Response to Secretariat comments**

## **GEF Council**

### **Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes.

### **Response to Secretariat comments**

## **Convention Secretariat**

### **Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

N/A

### **Response to Secretariat comments**

## **Recommendation**

**12. Is CEO endorsement recommended?**

## **Secretariat comment at CEO Endorsement Request**

5/29/2019 MY:

Yes, the CEO RE document is not changed from the PIF. All the review questions were addressed. The PM would recommend the CEO to endorse the project if the PPO does not have any comments.

The PM would like to thank the UNDP TTL who has been working on this project. The PM has not received such a good CEO ER document from the UNDP for a long time. Congratulations on the UNDP TTL and the team who have worked on this project.

6/6/2019 MY:

The PPO made the following comments:

"Project to be returned to the Agency due to: - On implementation arrangements the ProDoc in page 50, there are some executing functions that UNDP would be responsible for that "will be provided only upon Government request". However, according to the Guidelines on Project and Program Cycle, if a GEF Agency is considering to execute some project activities, the documentation must include an explicit request signed by the GEF OFP(s) of the participant country(ies) and this has to be submitted by the time of CEO Endorsement request at the latest. If this request doesn't follow the steps and requirements presented above, the intent of UNDP to execute some of the project activities after CEO Endorsement has to be removed."

Please address the above comments and take actions accordingly.

6/26/2019 MY:

Not at this time.

Please address the following comments from the GEF PPO:

According to the Guidelines on Project and Program Cycle, if a GEF Agency is considering to execute some project activities, the documentation must include an explicit request signed by the GEF OFP(s) of the participant country(ies) indicating the specific roles and responsibilities of all partners, including any execution activities provided by a GEF Agency. The request should provide a sound justification for the execution activities that the GEF Agency may perform. Hence, the Agency needs to get such letter and the request has to be submitted by CEO Endorsement at the latest, in which case you need to assess the justification and consult

with GPU Management on whether to approve it. If this request doesn't follow the steps and requirements presented above, the intent of UNDP to execute some of the project activities after CEO Endorsement has to be removed.

7/15/2019 MY:

Not completed at this time.

The Agency needs to edit the PRODOC to reflect the same implementation arrangements that are indicated in the GEF Portal.

7/31/2019 MY:

Not completed at this time. The Agency needs to do more work as indicated below:

1. Core Indicators: Under sub-indicator 6.2. they have 2033 as anticipated start year of accounting. This should be corrected.
2. Per the GEF operations policy, the UNDP should not perform any executing functions. Please revise the CEO endorsement request, annex H, and relevant project budget. In the future, please do not do so in any UNDP projects. Thank you.

3/2/2020 MY:

Not at this time.

Per the response below, the project developer of the UNDP misunderstood the meaning of GEF's "anticipated start year of accounting for GHGs". Please change the year "2033" into the year at which the GEF project will start mitigate GHGs.

Comment number 2 on 7/31/2019 is cleared.

3/9/2020 MY:

Not completed at this time. Table A Focal Area Strategy and Program shows three rows. They do not match the GEF6 CCM Focal Area Strategy and Program. Please read the GEF-6 Climate Change Mitigation Focal Area Strategic Framework in the document of the GEF 6 Programming Direction (on page 57), and revise the Table.

4/13/2020 MY:

Not completed at this time.

1- While now the Executing Partner is a governmental institution, still UNDP retains an executing function :“The Senior Supplier role must have the authority to commit or acquire supplier resources required”. Please remove UNDP from this function.

2. By the time when this project was reviewed on July 31st 2019, the Audit included in the M&E budget was not reviewed – please remove the NIM Audit form the M&E Plan considering that it is already included in the PMC (this is charged twice). Additionally, the activity “Two special surveys to support monitoring of certain indicators” for \$11,000 is not considered as an eligible expenses in for M&E Plan, especially when this M&E plan has already included a similar activity, namely “Monitoring of indicators in project result framework” for \$16,000. Please remove the survey activity.

Please double check the revisions, present a response table, and highlight the revisions in the CEO Approval Request document before resubmit the project documents.

6/10/2020 MY:

Not at this time.

1. Please provide responses to the GEF SEC’s comments not only in an MS-Word document saved in the GEF Portal, but also in the box below: "Response to Secretariat comments". This is to help senior readers to easily get the responses and understand the actions taken by the agency.

2. The newly saved document in the GEF Portal entitled " CEO Endorsement letter" is not a letter. Please correct the file.

3. In the table of **Mandatory GEF M&E Requirements and M&E Budget**, Please mark the charging numbers for each of the budget items, such as 74100 – Professional Services; Project Document, p. 53-58 for "Monitoring of indicators in project results framework ". This is to help readers better understand how the M&E budget is made on the basis of the total project budget.

4. Thanks for deleting the sub-budget of the two special surveys to support monitoring of certain indicators in the M&E budget.

7/13/2020 MY:

Yes, all comments were addressed and the project document was revised. The PM recommends technical clearance for this project.

## **Response to Secretariat comments**

**Response to 6/10/2020 MY:**

1. Please provide responses to the GEF SEC's comments not only in an MS-Word document saved in the GEF Portal, but also in the box below: "Response to Secretariat comments". This is to help senior readers to easily get the responses and understand the actions taken by the agency.

**Response:**

The responses to the previous comments to the GEFSec comments were inputted in "Response to Secretariat Comments" box of the GEF Portal. The responses to the latest GEFSec comments (as presented in this document) are also inputted in the "Response to Secretariat Comments" box of the GEF Portal.

2. The newly saved document in the GEF Portal entitled " CEO Endorsement letter" is not a letter. Please correct the file.

**Response:**

It was a redundant document that was inadvertently uploaded to the GEF Portal. The GEF IT person in-charge of the GEF Portal has already been requested to delete said document.

3. In the table of **Mandatory GEF M&E Requirements and M&E Budget**, Please mark the charging numbers for each of the budget items, such as 74100 – Professional Services; Project Document, p. 53-58 for "Monitoring of indicators in project results framework ". This is to help readers better understand how the M&E budget is made on the basis of the total project budget.

**Response:**

The corresponding budget codes for the M&E activities that are presented in the table on Mandatory GEF M&E Requirements and M&E Budget have already been provided. It should be noted that a M&E activity may be charged to one or more budget codes depending on the required inputs. For example, a mid-term evaluation will involve expenses for the services of an international consultant and national consultants, and travel. In that case, the budget is charged under the budget codes for International Consultant (71200), National Consultant (71300), and Travel (71600).

The budget codes for these M&E activities are also highlighted in the Total Budget and Work Plan (TBWP) Table, particularly in the relevant budget notes.

Response to comment on 4/13/2020 MY:

**Comment:**

*1. While now the Executing Partner is a governmental institution, still UNDP retains an executing function : "The Senior Supplier role must have the authority to commit or acquire supplier resources required". Please remove UNDP from this function.*

**Response:**

The Project Board's organizational chart has been revised to reflect UNDP's role as Development Partner, not a "Senior Supplier". The specific responsibilities for this Project Board role of UNDP are also in line with its oversight services as the GEF Agency for this project. This oversight role involves seeing to it that actions carried out by the implementing partner and other responsible parties in regards their management and execution of the project are as per the signed project document, aligned to the country program, and do not contravene the principles of the financial regulations and rules of UNDP and GEF.

To avoid further confusion, the correct designation of UNDP's role in the Project Board has been corrected. All mentions of "Senior Supplier" in the Project Document and CEO Endorsement Request have been deleted. To emphasize, UNDP has no role in the execution of any project activity nor any project management task. Its role is limited to overseeing the project implementation on behalf of the GEF.

Comment:

2. *By the time when this project was reviewed on July 31st 2019, the Audit included in the M&E budget was not reviewed – please remove the NIM Audit from the M&E Plan considering that it is already included in the PMC (this is charged twice). Additionally, the activity "Two special surveys to support monitoring of certain indicators" for \$11,000 is not considered as an eligible expenses in for M&E Plan, especially when this M&E plan has already included a similar activity, namely "Monitoring of indicators in project result framework" for \$16,000. Please remove the survey activity.*

**Response:**

The table on Mandatory GEF M&E Requirements and M&E Budget (Project Document, pp. 42-44) summarizes the monitoring and evaluation activities of the project. It is a detailed breakdown of all project M&E activities and their corresponding budgets. It includes all associated M&E work in each project component (e.g., to track project activity progress) as well as the independent M&E work (mid-term review and terminal evaluation), which are part of the project management activities. Regarding the NIM Audit budget, it does not mean that the budget of the NIM Audit in this plan is different from that stated in the Total Budget & Work Plan (Budget 74100 – Professional Services; Project Document, p. 53-58). It is not another NIM Audit that is in addition to the one in the PMC. Hence, there is no double charging for the single NIM Audit.

As recommended, the M&E Plan and Budget has been revised with the deletion of the cited survey. That survey will be covered in the monitoring of the indicators in the project results framework (log frame).

SP, 14/06/2019:

Based on the request (and endorsed by the GEF OFP for Kiribati) of the lead Government Agency, UNDP is requested to provide some direct project service for the project as listed in the signed letter of the Kiribati National GEF OFP (*Endorsement for the Request for Provision of Project Support Services under National Execution*) endorsing the request to UNDP for such direct project support services from the project implementing partner, Ministry of Infrastructure and Sustainable Energy.

SP, 04/07/19:

Based on the request (and endorsed by the GEF OFP for Kiribati) of the lead Government Agency, UNDP is requested to provide some direct project services for the project as listed in the signed letter of the Kiribati National GEF OFP (*Endorsement for the Request for Provision of Project Support Services under National Execution*) endorsing the request to UNDP for such direct project support services from the project implementing partner, Ministry of Infrastructure and Sustainable Energy. (Reference: Kiribati National GEF OFP Letter - CERDoc: Annex H)

The following are the corresponding revisions in the Project Document:

UNDP Direct Project Services as requested by Government (if any): The UNDP, as GEF Agency for this project, will provide project management cycle services for the project as defined by the GEF Council. For this project, the Government of Kiribati has requested UNDP for direct services. Such services will follow the UNDP policies on the recovery of direct costs. These services (and their costs) are specified in the signed letter of the Kiribati National GEF OFP (*Endorsement for the Request for Provision of Project Support Services under National Execution*) endorsing the request to UNDP for such direct project support services from the project implementing partner, Ministry of Infrastructure and Sustainable Energy (MISE). (Reference: ProDoc - 1st Para, p. 50)

SP 17/07/19 (Response to comment on 15/07/19 MY):

As far as we understand, the implementation arrangements that are indicated in the GEF Portal is as presented in our response to the same comment on 4 July. This is what we consider as the description of the implementation arrangements indicated in the GEF Portal.

Based on the request (and endorsed by the GEF OFP for Kiribati) of the lead Government Agency, UNDP is requested to provide some direct project services for the project as listed in the signed letter of the Kiribati National GEF OFP (*Endorsement for the Request for Provision of Project Support Services under National Execution*) endorsing the request to UNDP for such direct project support services from the project implementing partner, Ministry of Infrastructure and Sustainable Energy.

To be consistent with the above statement in the CERDoc, the first paragraph in Page 50 of the POIDIER ProDoc was revised accordingly to read:

UNDP Direct Project Services as requested by Government (if any): The UNDP, as GEF Agency for this project, will provide project management cycle services for the project as defined by the GEF Council. For this project, the Government of Kiribati has requested UNDP for direct services. Such services will follow the UNDP policies on the recovery of direct costs. These services (and their costs) are specified in the signed letter of the Kiribati National GEF OFP (*Endorsement for the Request for Provision of Project Support Services under National Execution*) endorsing the request to UNDP for such direct project support services from the project implementing partner, Ministry of Infrastructure and Sustainable Energy (MISE).

The above light-green highlighted texts in the CERDoc and ProDoc are specifically expressing the same implementation arrangements.

SP 24/02/20 (Response to comment on 31/07/19 MY):

*1. Core Indicators: Under sub-indicator 6.2, they have 2033 as anticipated start year of accounting. This should be corrected.*

**Response:**

The GEF Core Indicator table shows **Anticipated Year** and as far as the project implementing partner (MISE) and the UNDP understand, this refers to the year that it is anticipated or predicted to realize the estimated lifetime direct project GHG emissions reduction. For now, the estimated value is projected to be realized by 2033. It can't be the anticipated start year of accounting for the GHG emission reductions because the reporting of these will start after the demos are operationalized, most of them by the 2<sup>nd</sup> year of the project implementation, as indicated in the project's multi-year work plan. The project results framework (log frame) shows the GHG emission reduction targets by mid-term and end-of-project. The project's M&E plan also shows that the monitoring of indicators (one of them being GHG emission reduction) in project results framework will be carried out annually. Hence, it is the understanding of the MISE and UNDP that "Anticipated Year" is the expected year when the estimated GHG emission reductions are achieved.

**Comment:**

*2. Per the GEF operations policy, the UNDP should not perform any executing functions. Please revise the CEO endorsement request, annex H, and relevant project budget. In the future, please do not do so in any UNDP projects. Thank you.*

**Response:**

The Government of Kiribati and MISE understand that UNDP, as the GEF Agency for this POIDIER Project, will not execute any of the project activities. All project activities will be nationally implemented by the project's implementing partner, MISE on behalf of the government. The detailed description of the project implementation arrangement is described in Part VIII: Governance and Management Arrangements of the POIDIER ProDoc. The MISE is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of project resources. Since UNDP will not be executing any project activity nor any project implementation-related task, the following have been done: (1) Removal of Annex H (Endorsement for the Request for Provision of Project Support Services under National Execution) from the CEO Endorsement Request; and, (2) Revision of the relevant project budget.

**Comment:**

*Not at this time. Per the response below, the project developer of the UNDP misunderstood the meaning of GEF's "anticipated start year of accounting for GHGs". Please change the year "2033" into the year at which the GEF project will start mitigate GHGs.*

**Response:**

Revision done using the most recent version of the GEF Core Indicator table. The “Anticipated start year of accounting” for GHG emission reductions has been changed to 2021.

Response to comment on 03/07/20 MY

To be consistent with the GEF-approved PIF, the table in Part I, Sec. A of the CEO Endorsement Request Document (CERDoc) has been revised.

**Review Dates**

	<b>Secretariat comment at CEO Endorsement Request</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>		
<b>Additional Review (as necessary)</b>		

**CEO Recommendation**

**Brief Reasoning for CEO Recommendations**

The objective of this project is to enable enhanced outer island development through the achievement of the renewable energy (RE) and energy efficiency (EE) targets of Kiribati.

Rationale: The government of Kiribati seeks the development and utilization of the country's RE and EE potentials to contribute to the sustainable development of remote and outer island communities. Guided by its Nationally Determined Contributions (NDC) and the Kiribati Integrated Energy Roadmap, the government will work towards achieving its RE and EE targets. The proposed project will facilitate the application of appropriate technological, institutional and policy-oriented options that would enable the widespread application of RE and EE technologies for supporting the sustainable development of Kiribati's citizens in all communities particularly in the outer islands. GEF project is expected to cut costs of energy for the local community people and address climate change issues.

The project will comprise of the following components:

1. Capacity Development for Low Carbon Outer Island Development
2. Improvement of Energy Policy and Institutional Frameworks for Low Carbon Outer Island Development
3. Financial Support Mechanism Project Development for Low Carbon Development Initiatives in Outer Islands
4. Low Carbon (RE and EE) Technologies Applications for Outer Island Development

The project is aligned with GEF-6 focal area objective CCM-1, Promote the timely development, demonstration, and financing of low-carbon technologies and mitigation options.

Co-financing of \$26.9 million comes from numerous partners: (1) the government with \$26.6 million including \$25.9 million grant; (2) the development bank of Kiribati with \$150,000 grant, and (3) the UNDP with \$100,000 grant.

The project will mitigate 1,194 million tonnes of CO<sub>2</sub>e including 298,451 tonnes of direct reduction in its lifetime.