Supporting the just energy transition in South Africa by strengthening local value chains and enhancing quality assurance for electric vehicle batteries

Review CEO Approval and Make a recommendation

Basic project information

GEF ID
11822
Countries
South Africa
Project Name
Supporting the just energy transition in South Africa by strengthening local value chains and enhancing quality assurance for electric vehicle batteries
Agencies
UNIDO
Date received by PM
12/17/2025
Review completed by PM

Program Manager
Patricia Marcos Huidobro
Focal Area
Climate Change
Project Type
MSP

PIF
CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

2. Project Summary.
a) 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 outcomes?
b) Does the summary capture the essence of the project and is it within the max. of 250 words?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

3. Project Description Overview
a) Is the project objective statement concise, clear and measurable?
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?
c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

3/28/2026 PM:

Cleared.

3/10/2026 OP:

Please note that calculation of share of M&E budget is explained in the Guidelines (see para 8, p. 63). The proper calculation is the M&E budget divided by GEF project financing minus PMC and M&E. In this case that would be $43,750 / ($784,992 ? $43,750) = 5.9%. Please adjust the M&E budget accordingly. If a higher M&E budget is required for the project, a separation justification must be provided for Secretariat consideration.

1/21/2026 PM:

Yes.

Agency Response

We kindly request approval for a Monitoring & Evaluation (M&E) budget slightly above the 5% threshold. The proposed M&E allocation is 5.6% of the total project budget. The M&E budget request is above the 5% threshold by **6,674$**.

This request is justified by the following considerations:

- **High fixed evaluation costs:** The project requires independent international consultants for terminal evaluations. The associated travel and professional fees remain largely constant regardless of overall project size, making them proportionally higher for medium-sized projects.
- **Partners:** The project involves engagement with a large number of institutions, which increases coordination, data collection, and reporting requirements, thereby raising M&E costs.
- **Impact of budget reduction:** With the recommended reduction (approximately USD 6,600), the M&E allocation would decrease to around USD 37,000. Given the high recruitment and travel costs, the reduced budget may not be sufficient to adequately support robust M&E activities including timely data collection and adequate monitoring.

For these reasons, on exceptional basis, maintaining the proposed M&E allocation of 5.6% is necessary to ensure effective project monitoring and evaluation.

4. Project Outline
A. Project Rationale
a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?
b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?
c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

5 B. Project Description
5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?
b) 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?
c) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?
d) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?

e) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?
f) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?
g) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?
h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?
i) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?
j) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?
k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?
l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

2/27/2026 PM:

Cleared.

1/21/2026 PM:

No. Please address the following comments:

a) The ToC cannot be seen. Please amend.

b) Output 1.3. "A roadmap and guidelines on management of end-of-life batteries are submitted for consideration by the Government of South Africa". If possible, please consider making the proposal more ambitious by replacing "a roadmap is submitted for consideration" by "a roadmap is adopted/endorsed by the Government of South Africa".

c) In section B5 "Knowledge Management Approach" please include a reference on overall KM coordination with the GEF-7 Global Program on Integrated E-mobility Systems. Also, please consider allocate specific budget to attend regional and national events under the GEF-7 Global Program as a way to promote integration across the projects.

c) Please indicate whether there are any fossil fuel or internal combustion engine (ICE) subsidies in the country that could hinder or delay the development of electric vehicles, and explain how such subsidies may affect project implementation.

d) Please elaborate on the different stakeholders? roles related to project components and outputs and also further substantiate information on project beneficiaries and plans to engage and consult these in project implementation

e) Please ensure to capture lessons learned in advancing women's empowerment and gender mainstreaming in the project's component, for wide dissemination. Also ensure that reporting ? PIRs, MTR and TE, include progress in implementation of the gender-specific activities and the Gender Action Plan, highlighting lessons learned and best practices.

Agency Response

UNIDO 29/01/26:

a) The Theory of Change in a better resolution in PDF format has been prepared and submitted.

b) The suggestion has been accepted and changes have been made in the document.

c.1) The section has been revised to explicitly reference coordination of knowledge management activities with the GEF-7 Global Program on Integrated E-mobility Systems. Provision has been made within the existing project travel budget that may, as deemed relevant by the Project Management Unit and participating stakeholders, be used to attend national and regional events under the GEF-7 Global Program on Integrated E-mobility Systems.

c.2) The barriers section has been expanded to identify existing fossil fuel and ICE-related fiscal measures and to explain how they may affect EV competitiveness and project implementation. Corresponding risks and mitigation measures have been reflected in the Risk Matrix. South Africa does not implement direct consumer subsidies for Internal Combustion Engine (ICE) vehicles that would hinder the development of the electric vehicle market.

d) The section been strengthened to clearly link stakeholder roles to specific project components and outputs, and to further describe direct and indirect beneficiaries as well as stakeholder engagement and consultation arrangements during implementation.

e) The section has been revised to capture lessons learned on women?s empowerment and gender mainstreaming across project components and to confirm that progress, lessons learned, and best practices related to the Gender Action Plan will be systematically reported through PIRs and the Terminal Evaluation.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project
a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?
b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?
c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
5.3 Core indicators
a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)?
b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable?
Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

2/27/2026 PM:

Cleared with many thanks for the clarification. To avoid confusion, please in the project summary and the Core Indicator section include only the 744,000 tCO2, i.e. those attributable to the project instead all the reductions expected.

1/21/2026 PM:

No. Please note there is an inconsistency on the indirect emissions reductions as per the CEO approval document, i.e., 744,000 tCO2eq; and the calculation spreadsheet, i.e., 729,676 tCO2eq. Please amend accordingly.

Agency Response
UNIDO 05/03
Thank you, addressed.

UNIDO 05/02/2026:

Thank you for the comment. In the estimation sheet the result for indirect emission reduction during the project duration is calculated (14,533 tCO_2e, see Cell D42 in sheet ?1 Results?). In addition, the potential emission reduction for the period 10 years after the project are estimated (729,676 tCO_2e, see Cell E42). Hence, in total for the assessment period (project duration of 5 years + 10 years after the project = 15 years) the total estimated emission reduction amounts to appr. 744,000 tCO_2e (14,533 +729,676 tCO_2e) as presented in the CEO Endorsement Request document. See also Cell T131 in sheet ?4 Indirect mitigation? in the calculation spread sheet. Thus, both documents indicate the same total.
5.4 Risks
a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?
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 assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response

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

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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 comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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 comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
8 Annexes
Annex A: Financing Tables
8.1 GEF Financing Table and Focal Area Elements: 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 comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
Focal Area allocation?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response
LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response
SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response
SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response
Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response
8.2 Project Preparation Grant (PPG)
a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

2/27/2026 PM:

Cleared.

1/21/2026 PM:

No. Please rbroke down and justify what ?Other Direct Cost? entail. As is, it is not a valid activity.

Agency Response

UNIDO 29/01/2026:

Addressed. Annex D reflects more detail.

8.3 Source of Funds
Does the sources of funds table match with the amounts in the OFP's LOE?
Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?
e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

2/27/2026 PM:

Cleared.

1/21/2026 PM:

No. Please explain the difference in co-financing between PIF and CEO Endorsement. This cell in Annex E is empty and the explanation is missing. Also, almost all co-financing (except for $50k) is in-kind. Please elaborate further on the efforts to raise co-financing, including from the private sector, and include a detailed plan to continue raising funds during the implementation of the project.

Agency Response

UNIDO 29/01/2026:

Difference in Co-Financing (PIF vs. CEO Endorsement):

The adjustment from USD 6.32m (PIF) to USD 5.43m (CEO Endorsement) reflects the refinement of commitments to ensure all pledges are fully secured and verifiable. The project prioritized high-value, reliable commitments from key institutional partners central to the national innovation system (TIA, DEE, SANEDI, and Nelson Mandela University). This resulted in a consolidated package that is robust and directly linked to specific technical outputs.

Justification for In-Kind Co-Financing:

The predominance of 'in-kind' co-financing aligns with the project?s nature as Technical Assistance rather than hard infrastructure investment. The project builds necessary "soft" infrastructure?regulatory frameworks, skills curricula, and testing protocols?to de-risk the sector. Partner contributions (facilities, expert staff, operational budgets) are the essential assets required to deliver these enabling outputs.

Plan to Mobilize Funds During Implementation:

The project utilizes a multiple angles to convert the enabling environment into tangible private investment:

1) JET Funding Platform (Launched Oct 2024):

The project will channel its pipeline of investment-ready projects (from Component 3) through the newly launched JET Funding Platform. This mechanism, operationalized by the JET PMU in the Presidency, matches projects with grants and concessional finance, ensuring alignment with the Industrial Development Corporation?s (IDC) New Energy Vehicles portfolio.

2) Industry-Led Pipeline (NAAMSA & NAACAM):

As formal partners on the Steering Committee, industry associations NAAMSA (OEMs) and NAACAM (manufacturers) validate project outputs (e.g., Investment Strategy). They will use their networks to "crowd in" private capital for the opportunities identified by the project.

3Targeted Investor Matchmaking (Output 3.2):

The project will produce techno-economic feasibility studies to generate a bankable pipeline. These culminate in Investor Matchmaking Workshops, now aligned with JET Funding Platform events to maximize exposure to DFIs and private investors.

4) Laboratory Upgrade Framework (Output 1.2):

A specific co-financing framework will be developed to mobilize resources (public/private) for advanced equipment at the uYilo testing facility, scaling it to full EV-pack capacity once initial protocols are established.

Annex B: Endorsements
8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:
Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

Annex C: Project Results Framework
8.6 a) Have the GEF core indicators been included?
b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)
c) Are all relevant indicators sex disaggregated?
d) Is the Project Results Framework included in the Project Document pasted in the Template?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

Annex E: Project map and coordinates
8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

Yes.

Agency Response

Annex G: GEF Budget template
8.8 a) Is the GEF budget template attached and appropriately filled out incl. items such as the

executing partner for each budget line?
b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?
c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

3/27/2026 PM:

Cleared.

3/10/2026 PM:

Thank you for your clarification on the description of activities that Nelson Mandela University will undertake with the sub-grant. Please note that such critical information is required in a document that will be subject to GEFSEC/Agency approval. Because the Agency does not use a separate project document and this information is not captured in the CEO Approval, please bring the short description found in the procurement plan into the CEO Approval document budget table. The current description would suffice (?Lead laboratory upgrading and EV-battery testing capability, develop end-of-life (EoL) policy guidance, co-design a competency-based training curriculum, and build the project?s knowledge-sharing platform?).

1/21/2026 PM:

No. Please address the following comments:

1. According to the budget table, the Project Manager will undertake technical activities in addition to overall project coordination. However, the specific technical responsibilities to be carried out by the Project Manager should be more clearly reflected in the terms of reference. The current list of technical activities appears to be more aligned with the project coordination role than with technical work. Please update the ToRs accordingly.

2. The average budget amount of the GEF funded part for the M&E component for projects up to USD 5 million is around 5% but for this project it is 6.2%. Please revise down.

3. On the budget table, please provide additional details of the activities involved with the Nelson Mandela University (uYilo):

Sub-contract to executing partner / entity	Trade & Industrial Policy Strategies (TIPS)	65.000											65.000	SANEDI
	Nelson Mandela University (uYilo)		5.000	40.000	40.000		10.000						95.000	SANEDI

Agency Response

3/27/26

Thank you, addressed.

UNIDO 05/02/2026:

1. The description of the technical activities (deliverables) to be carried out by the PM have been updated in the ToRs / Procurement Plan.

2. The budget for the M&E component has been amended. The budget now corresponds to 5.0% in relation to the total GEF budget (USD 863,242) and 5.6% related to the sub-total without PMC cost (USD 784,992).

3. Please refer to the detailed description in the procurement plan on ?Sub-contract to executing partner/ entity?. The description has been extended with more details to the expected duties and deliverables provided by uYilo.

Annex H: NGI Relevant Annexes

8.9 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

1/21/2026 PM:

N/A.

Agency Response

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

3/28/2026:

Cleared.

3/10/2026 PM:

Not Cleared yet. Please see two minor additional comments from the Operations and Policy team.

2/27/2026 PM:

Cleared with minor comments. Please address the following minor comments:

a) To avoid confusion, in the project summary and the Core Indicator section include only the 744,000 tCO_2, i.e. those attributable to the project instead all the reductions expected.

b) To improve the Project Summary please add a paragraph indicating the problem statement.

c) Remove the highlighted sections of the CEO Approval document before it is published.

1/21/2026 PM:

No. Please address comments above.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		