

# Promotion of Waste to Energy Options for Sustainable Urban Management in the Democratic Republic of the Congo

Edit and Submit CEO Endorsement

## Basic project information

**GEF ID**

9683

**Countries**

Congo DR

**Project Name**

Promotion of Waste to Energy Options for Sustainable Urban Management in the Democratic Republic of the Congo

**Agencies**

UNIDO

**Date received by PM**

5/29/2019

**Review completed by PM**

**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**

02/11/2020: SY

There are major amendments in the project design and components from the PIF, on top of the decreased outcomes (GEBs) of this project. Some justifications have been provided, taking into consideration the changes in the implementation of waste management in Kinshasa including the issues of the landfill site

“Mpasa” and the political transition. However, there are still concerns and issues for implementing the proposed project, particularly on the executing entity, co-financing, the design of major components, and potential risks.

At this stage, comments on some of the most outstanding issues are provided below, while further technical reviews will be conducted once complete documents are submitted.

### **Response to Secretariat comments**

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

### **Secretariat Comment at CEO Endorsement**

02/11/2020: SY

There are some outstanding issues and challenges to be solved including the below.

The executing entity has not been determined

The project document indicates that “the main executing partner” is “foreseen to be” the Ministry of Industry (MOI). This implies that while the MOI is a potential executing entity, it is not determined yet even at the CEO endorsement stage. This is a significant challenge to implement this project successfully, and eventually achieve the outcomes. Please clarify if the Implementing Agency is expected to exercise certain roles in executing the project. Since the executing entity has not been determined, however, the delegation of tasks from the entity will not be confirmed at this stage.

Co-financing to the project and a financial mechanism for replication

Please see Box 5 for co-financing. There is a brief description on the introduction of a financial mechanism in cooperation with the government. The project does not clarify how this mechanism works for the Component 4 and supports demonstration projects under the Component 3, as described in table 9. The design of such a mechanism, how to mobilize \$10 million for the Industrial Promotion Fund (FPI) and how exactly the GEF’s grant will be used with the fund are not clear. Identifying concrete business plans and mobilizing private investments to deliver the expected outcomes in the last two years of the project period seems very challenging. Please elaborate and provide detailed design of the fund, including the detailed plan of the disbursement of GEF’s grant on

providing a credit risk guarantee (\$0.7 million) with a clear timeframe within the 4-year project period as well as the governance structure of such fund, to ensure the GEF grant will deliver the expected outcomes.

### **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**

02/11/2020: SY

Adequate financing: The financing is neither adequate nor certain. One example is that co-financing for the investment part of the Component 2 (MRF), which is around \$1 million, is not adequate to cover the expected investment costs (approx. \$4.3 million) even with the proposed GEF grant (approx. \$0.8 million). On the other hand, the TA part has more than \$16 million of co-financing, which seems unrealistic given the activities on the part. Please clarify and provide a detailed plan for financing this Component. Under the Component 3, the expected co-financing (\$1.1 million) does not match the required investment in demonstration projects (min. \$2.5 million, excluding the expected GEF grant (approx. \$1.4 million according to ANNEX K) and loan (approx. \$1.6 million according to ANNEX K)). Please clarify and provide a detailed plan for financing this Component. Please also see Box 5 below.

Cost-effective approach: Even if the estimation is correct, the total GHG emissions reduction will be halved from that in the PIF with the same amount of the GEF grant as in the PIF (from 5.8 million to 2.8\* million t-CO<sub>2</sub> eq. \*error in sum of the direct and the indirect emissions reduction). The project could focus on the most cost-effective technologies/demonstration projects with higher impacts, taking into consideration, including but not limited to, their suitability and replicability in the country.

### **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**

### **Response to Secretariat comments**

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

**Secretariat Comment at CEO Endorsement**

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02/11/2020: SY

There is a confirmation letter of co-financing from a private company. However, the letter does not clarify how much in cash (investment) and in kind for which component they will co-finance. The project document describes the co-financing as in-kind. Please provide clarification and elaborate it. Also, please clarify if the Implementing Agency has supporting evidence that the company can provide the amount of co-financing.

There is no clear information on who provides co-financing to required investments in the Component 2 and 3, and information and numbers in the document are confusing and contradicting. While the project document indicates that the FPI will finance demonstration projects under the Component 3, there is no confirmation/evidence regarding provision of co-financing from the government/fund at this point. Please clarify who provides finance for each component/project. The letter from the MOI states that "it will consider the possibilities of contributions to the project in the course of its duration." Please provide a timeline when such contributions would be secured. Co-financing letters are necessary regarding the financial mechanism because the GEF grant needs co-financing to achieve the expected outcomes.

As such, further evidence and clarification are required to ensure adequate and clear financial contributions. Please submit (revised) co-financing letters and modify the project document accordingly.

**Response to Secretariat comments**

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

**Secretariat Comment at CEO Endorsement**

**Response to Secretariat comments**

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

**Secretariat Comment at CEO Endorsement**

**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**

**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**

**Response to Secretariat comments**

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

**Secretariat Comment at CEO Endorsement**

**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**

**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

02/11/2020: SY

Not at this stage because of issues including those described in the above. Please prepare all necessary documents, clarify and identify key information, and correct and clarify numbers and information across documents before submitting a revised project document. Given the significant changes from the PIF, a request for major amendment is required.

(Old comment)

The confirmation letters for co-financing are not submitted except for that from UNIDO. Please submit these confirmation letters.

### Response to Secretariat comments

1/28/2020

As indicated in the CEO Endorsement document, a co-financing letter from private sector has been received, covering the amount of USD 20,000,000 of in-kind support. Furthermore, due to the presidential elections and the subsequent still on-going government-level restructuring, a delay in delivering the confirmation letters regarding co-financing from the recipient government has occurred. The recipient government partners, i.e. the Ministry of Industry and the Industrial Promotion Fund, confirmed their support and commitment in the course of the implementation of the project, as per attached letters. It has been confirmed that the scope of their financial commitment will be discussed during the next budgetary negotiation and is envisaged to be defined during the inception phase of the project.

### Review Dates

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



Secretariat Comment at CEO Endorsement

Response to Secretariat comments

Additional Review (as necessary)