

Promoting cleantech innovation and entrepreneurship for green jobs in Mongolia

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10889

Countries

Mongolia

Project Name

Promoting cleantech innovation and entrepreneurship for green jobs in Mongolia

Agencies

UNIDO

Date received by PM

8/17/2022

Review completed by PM

10/19/2022

Program Manager

Remy Ruat

Focal Area

Climate Change

Project Type

MSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request
October 19 2022 (RR):

Cleared

Please refer to comment on section II.4 of this review sheet.

August 26 2022 (RR):

Yes, subject to confirmation after clarifications on GHG calculations.

Agency Response
September 26 2022 (UNIDO)

Please find the response at GHG calculation.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request
October 19 2022 (RR):

Cleared

August 26 2022 (RR):

Yes, subject to confirmation after clarifications on co-financing and coordination.

Agency Response
September 26 2022 (UNIDO)

Please find the response at co-financing and coordination.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N.A.
Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request
November 11 2022 (RR):

Cleared. Thank you for the clarification of the co-financing structure.

October 19 2022 (RR):

Thank you for the additional details and clarification.

1. Further co-financing is expected based on past experience in similar projects and to be fostered through output 1.2.4 of the project : an early-stage development fund will be the focus of early stages of project execution to catalyze this leverage. It is noted that this will be monitored and that any new co-financing identified will be reported on throughout project implementation.

2. Project description was revised to provide further clarity on repartition of roles between PEE. In-kind contributions by ministries, due to this institutional arrangement, will not be at the scale identified at PIF stage and is therefore not included although engagement will remain at steering committee level.

3. The co-financing letter provided could be interpreted as investment mobilized as it is not clear whether it includes recurrent expenditures, which would then have to be clarified in the description section. We understand from the clarification provided that the agency considers that this includes recurrent expenditures. Please note that as detailed in the GEF co-financing policy and guidelines, and as summarized in the Guidelines on the project and program cycle policy (annex 14), in-kind recurrent co-financing such as staff salaries, office space, operating costs are considered recurrent expenditures, whereas capital investments and equipment purchase are considered investment mobilized. Agencies should include information on how the amounts are classified in accordance with their internal categorization where possible. Here, the terms used both in the co-financing letter and in the clarification provided by the agency ("own operational capital") could refer to both, and provided explanation does not provide clear insight on how this amount was calculated to confirm that this considerable amount of 2 million USD (which can be compared to the significantly lower amounts dedicated to PEE functions) directly supports the project.

August 26 2022 (RR):

Co-financing letters are provided for each confirmed sources. There is an increase of 2 million USD compared to the PIF confirmed estimate, reaching 8,36 million USD (accompanied by a 10% increase in the share of investment mobilized).

However, several points would benefit from further clarification :

1. It can be noted that the aspirational level of co-financing, identified at PIF stage for a ratio of 1 to 7, is not met at this stage (less than 1 to 5 ratio currently). A justification would be useful to better understand how the identified co-financing is deemed to be sufficient to reach project objective;

2. The 3 Ministries identified as in-kind co-financier at PIF stage are now absent from the list. Given that they would be involved in the Steering Committee as per the project description, this would involve some in-kind contribution, in particular with regards to the set-up proposed which involves multiple PEE and thus a strong coordination. A clarification and update would be welcome to reflect this.

3. For one co-financier (InvesCore NBF of Mongolia), there are several elements that would benefit from an update and clarification :

(i) the description is absent from the section describing co-financing, as opposed to other sources,

(ii) the amount of 2 million USD of in-kind contribution, compared to other co-financiers with an in-kind contribution whose roles are more central to the project, seems rather high,

(iii) the co-financing letter indicates that this contribution will be through the mobilization of its existing network and through leveraging investment during the project period : this tends to indicate that part of the co-financing is in-kind (network mobilization) and part through investment mobilized (leveraging investment). Furthermore, other investors listed as co-financier are likely to use their existing network and human resources to leverage investments ? either the NBFi contribution is significantly different and the amount would then need more granularity to separate between in-kind and investment mobilized, or it is relatively similar and the whole amount would then fall into the investment mobilized category.

Agency Response

November 9 2022 (UNIDO)

Please find the revised co-financing letter by InvesCore NBFi. The narrative under the table was also revised.

September 26 2022 (UNIDO)

1. Unlike in the case of demonstration projects, the project contributes to market creation for new innovative cleantech products and services. It de-risks, by design, cleantech innovations and businesses through coaching, mentoring and advisory services thereby creating opportunities for follow-on investments into the cleantech companies in terms of angel investors, dedicated cleantech funds (private and public), venture capital funds (corporate and otherwise), impact investors etc. Therefore, the follow-on investments will be realized once the specific cleantech companies have been supported by the project and linked to investors. This was proved by the identified additional co-financier during the PPG i.e. Khan Bank which showed its interest to provide loan to those accelerated entrepreneurs under the project. This will clearly support the achievement of project objective to promote the acceleration of high-impact clean technology innovation for large-scale deployment and creation of green jobs by flourishing the cleantech businesses after acceleration.

In the implementation phase, it is expected that there are certain amount of potential private stakeholders in Mongolia with the appetite to invest in cleantech innovations, in

particular, as supported through Output 1.2.4. This was already confirmed by the findings of the Independent Evaluation of previous GCIP cycles in other countries and such co-financing in the form of grants, seed funding, equity from angels, venture capital funds, impact investors, crowdfunding platforms etc. will be mobilized during the implementation of the project from the private sector in the phases of development, growth and scale-up of the start-ups/SMEs.

The co-financing that will be mobilized from the private sector during the implementation of the project will be monitored and reported through the regular reporting mechanisms to the GEF in line with GEF Guidelines on Co-financing (<https://www.thegef.org/documents/co-financing>), paragraph 9, c.

2. The ministries listed will certainly be involved in the PSC which, as pointed out, will theoretically incur portion of in-kind contribution by person/time. Issuance of co-financing letter, however, will require complex administrative processes at the ministries in Mongolia. Rather than pursuing quantification and documentation of rather marginal monetary value of such contribution while causing several clearances administratively at the ministries, the priority was given to have actual engagement by these ministries to the project.

In terms of coordination among the PEEs, the project rather seeks efficient execution by having the two PEEs by utilizing each of their specific expertise i.e. DS specialized in operationalization of accelerator and CCRCC specialized in policy related activities. Each PEE has their specific roles identified in the project document and they will coordinate day to day basis through project management unit. The key ministry which holds the chair of the PSC, Ministry of Environment and Tourism (MET), already showed strong commitment to the project by giving supervision to the PEEs to ensure effective and efficient national execution as included in para 183.

Para 184 was revised as following:

184. The project seeks efficient execution by having the two PEEs by utilizing each of their specific expertise. DS and CCRCC will designate internally, or recruit directly, project management personnel who will be engaged in the Project Management Unit (PMU). At a minimum, the PMU will be consisted by a national project coordinator and assistant from each PEE. Other substantive experts may be hired as necessary to complement technical needs. DS and the CCRCC will jointly form the Project

Management Unit (PMU) to coordinate the activities on daily basis taking into account of roles and responsibilities of each PEE to ensure effective and efficient project execution. The PMU will also be responsible for the day-to-day management of the project execution, monitoring and evaluation of project activities as in the agreed project work plan. The PMU will coordinate all project activities being carried out by project national experts and partners. Through the procurement processes in the execution entity, the project will sub-contract qualified service providers for the execution of certain activities as they are needed.

3.

(i) If it means the description below the Table C, it was meant to give description for ?investment mobilized? co-financing.

(ii) & (iii) The co-financing from InvesCore NBFi will be through its operational capital and programme. The letter mentions that InvesCore NBFi will do so by mobilizing and leveraging its network and own investment. This does not necessarily mean that it will invest in the project supported entrepreneurs unlike the other co-financiers i.e. Golomt Bank and Khan Bank which showed their intention to directly provide loan for the entrepreneurs accelerated by the project. What InvesCore NBFi intended was to crowd in the cleantech ecosystem in Mongolia and showcase ecosystem connectivity to the regional markets hence contribute for project execution by creating, for example, more assurance of business development among both entrepreneurs and investors in the field. Therefore, it was regarded as in-kind contribution from its terminology.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E?

Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

November 11 2022 (RR):

Cleared. Thank you for the added clarity.

October 31 2022 :

Please address the following comment, from a policy perspective :

The target under indicator 11 (780ppl) ?People benefiting from GEF-financed investments? in the core indicator table does not match with the target in the results framework which states 2,640ppl (annex A).

October 19 2022 (RR):

Thank you for having added the table in an excel format as an annex to the submission as per usual practice.

It is our understanding that methodologies will continue being benchmarked during implementation phase and that a more specific and detailed GHG emissions assessment will be conducted by MTR on the basis of methodologies explored as part of project GEFID 10461 (GCIP).

Please also refer to comment on item II.4 of this review sheet regarding the scope of covered technologies.

August 26 2022 (RR) :

There are no changes to the targets apart from the first year of accounting which is set for 2023, and insufficient elements at this stage under the core indicator target table that

would support considering the initial estimates as realistic. In addition, from a format perspective, the elements introduced in the GEB section that would allow to understand how these numbers are obtained are not yet reflected under the table.

As identified at PIF stage, an updated estimate following the assessment made during PPG phase would be expected, drawing on the GCIP approach and providing more clarity on the scope of climate change mitigation technologies likely to be supported and that would enter into consideration for the calculation. This is currently flagged for further work during implementation phase.

Agency Response

November 9 2022 (UNIDO)

- Annex A was revised to state 780 people for Indicator 11. Apologies for the oversight.

- The project will be aligned with the GEFID 10461 (GCIP) and a more specific and detailed GHG emissions assessment will be conducted by MTR on the basis of methodologies developed under the GCIP. The scope of technologies is revised as per the GCIP programme and it now reads as following:

"The project will prioritize cleantech innovations in the domains that are fully aligned with GEF 7 priorities i.e. electric drive technologies and electric mobility, accelerating energy efficiency, decentralized renewable energy power with energy storage, and cleantech innovations related sustainable cities and sustainable food systems."

September 26 2022 (UNIDO)

The description under the GEB table was added as following:

Indicator 6: Methodology for estimating GHG emissions keeps consistency to the approach taken by the GEF approved program GEF ID10408 whereby the target of between 5 to 10 USD/tCO₂e avoided, that is set for the GCIP Framework, translates into avoided GHG emissions per enterprise of between 1,800 to 3,600 tCO₂e for direct emission savings. The three cycles of Mongolia accelerator programme are expected to support at least 50 enterprises (semi-finalists), as a result of which, based on the above benchmark, the avoided direct GHG emissions over a ten-year horizon are estimated at between 90,000 to 180,000 tCO₂e. The lower range has been used as input to the GEF

corporate core GHG indicator target as a conservative estimation. Indirect GEBs facilitated through the CIEE strengthening are also expected. In particular, indirect GHG emission reductions could result from: strengthened capacity of institutions and human resources to support commercialization and uptake of cleantech solutions at large; investments mobilized for cleantech solutions at large due to reduced risk perceptions; as well as longer-term emission reductions from behavioral change. An estimated factor of 5 is chosen to provide a projection for indirect GEBs. This equates to estimated indirect emissions for Mongolia of between 450,000 tCO₂e to 900,000 tCO₂e. Please find the attached table for GHG calculation.

#	Description	
A.	Numbers of entrepreneurs accelerated	50
B.	Avoided GHG emissions per entreprize ? min (tCO ₂ e)	1,800
C.	Avoided GHG emissions per entreprize - max (tCO ₂ e)	3,600
D.	Avoided GHG emissions per entreprize - min (tCO ₂ e)	9,000
E.	Avoided GHG emissions per entreprize - max (tCO ₂ e)	18,000
	Direct GHG emission savings - min (A. x B.) (tCO ₂ e)	90,000
	Direct GHG emission savings - min (A. x C.) (tCO ₂ e)	180,000
	Indirect GHG emission savings - min (A. x D.) (tCO ₂ e)	450,000
	Indirect GHG emission savings - min (A. x E.) (tCO ₂ e)	900,000

The provided target range will enable the accelerator project to support a mix of technologies with different CO₂ emission reduction potentials, and in particular allow innovations into the accelerator program that a) have a relatively low CO₂ reduction potential, but a considerable demand and market growth potential (that can lead to amplification of GEBs), as well as b) that create multiple benefits (including socio-economic, such as job creation, gender mainstreaming, etc.). For the purpose of ensuring ex-ante estimation and ex-post monitoring of GHG emission reduction, the selection criteria of supported cleantech will be developed considering the feasibility of tracking indicators for calculating emission reductions. The target technology categories are 1. Energy Efficiency, 2. Renewable Energy, 3. Waste Beneficiation, 4.

Water Efficiency, 5. Green Buildings, 6. Transportation, 7. Advanced Materials & Chemicals.

Indicator 11: 780 beneficiaries (at least 40% women) consisting of: 50 entrepreneurs (around 3-5 persons per enterprise) accelerated under output 1.1.3 (15 enterprises per accelerator cycle, 3 cycles), 30 cleantech experts trained and certified under output 1.1.2, as well as approximately 500 stakeholders sensitized which are estimated based on prior project experience and the scope of stakeholder engagement activities. Gender mainstreaming target of 40% beneficiaries being women is set, based on experience in other similar projects.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

October 19 2022 (RR):

Cleared.

Thank you for the additional details and clarification. Please refer to co-financing section of this review sheet.

August 26 2022 (RR)

As identified at PIF stage, the roles and responsibilities in particular of PEEs and other stakeholders are now clearly outlined and integrated throughout the description of the proposed alternative scenario. The description of the roles of co-financiers could be clarified, as detailed above.

Agency Response

September 26 2022 (UNIDO)

All the co-financiers, which were previously not included, were added to the table at para 168, as following:

Erdenet Science and Technology Park	Erdenet Science and Technology Park is a locally owned settlement enterprises aiming for developing scientific and technological studies and innovative manufacturing in rural area, established in 2016. It has been successfully carrying out several projects such as welding electrode factory, Human Ecology Center and four-season greenhouse.	Erdenet Science and Technology Park will provide support to the project through its program relevant to the project, in particular for the execution of the Component 1 of the project.
Golomt Bank	Golomt Bank, established in 1995 as a subsidiary company of Bodi International LLC, operates with a well-balanced presence in divergent market segments including retail, corporate, and SME. It has successfully introduced advanced and innovative products and services, and accelerated the development of the banking and financial sector in the country.	Golomt Bank envisages to mobilize its investment through the conventional funding instruments for successful applicants accelerated through the project.

Khan Bank	Khan Bank, with over 547 branches nationwide, is the largest commercial bank operating in Mongolia, providing all types of banking services to an estimated 70% of all Mongolian households, or 2.7 million customers. Established in 1991, it has been providing various banking services including many frontier fin-techs such as mobile banking, internet banking, applications and kiosks changing paradigm of traditional banking models to technology-based digital banking.	Khan Bank envisages to mobilize its investment through enabling access to loan opportunities through the Bank's conventional funding instruments for successful applicants accelerated through the project. In addition, the Bank will consider developoing innovative tailor-made products based on scope of the collaboration and target group of the project.
InvesCore NBFi of Mongolia	InvesCore NBFi of Mongolia was founded in 2016 and has since been operating in the micro-financing market, introducing advanced technology and providing innovative and swift service to our customers. As of today, there are 16 branches in Ulaanbaatar, 1 branch in Erdenet city, Mongolia and subsidiaries in Japan and Kyrgyz Republic.	InvesCore NBFi of Mongolia will support the project by mobilizing its network and leveraging its investments. It will crowd in the cleantech ecosystem in Mongolia and showcase ecosystem connectivity to the regional markets.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

November 11 2022 (RR):

Cleared. Thank you for the added clarity.

October 19 2022 (RR):

Cleared with the understanding below:

Please note that "waste beneficiation": is not covered in the CCM focal are strategy and can not be covered by GEF financing. Any such technology supported by the project would have to be covered by co-financing.

As as a reference, the GCIP programme mentioned the following covered technologies : "For climate change focal area, the program will prioritize cleantech innovations in the domains that are fully aligned with GEF 7 priorities i.e. electric drive technologies and electric mobility, accelerating energy efficiency, decentralized renewable energy power with energy storage, and cleantech innovations related sustainable cities and sustainable food systems."

August 26 2022 (RR) :

Not at this stage. Detailing the updated GHG assessment may also contribute to better elaborate on this point.

Agency Response

November 9 2022 (UNIDO)

- The scope of technologies is revised as per the GCIP programme and it now reads as following:

"The project will prioritize cleantech innovations in the domains that are fully aligned with GEF 7 priorities i.e. electric drive technologies and electric mobility, accelerating energy efficiency, decentralized renewable energy power with energy storage, and cleantech innovations related sustainable cities and sustainable food systems."

September 26 2022 (UNIDO)

Please find the explanation added under the core indicator section.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared

August 26 2022 (RR) :

Pending on clarifications on co-financing outlined above.

Agency Response
September 26 2022 (UNIDO)

Please find the response at co-financing.

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
October 19 2022 (RR):

Cleared

Please refer to comments on item I.7 of the review sheet above.

August 26 2022 (RR) :

The GHG assessment, although described with more precision, remains identical to the estimate made at PIF stage and the elements transmitted do not clarify sufficiently how these benefits would be achieved and through which kind of portfolio of technologies.

While the PIF had identified a need for further assessment of this indicator during PPG phase, drawing on the methodology from the GCIP program, and while PPG budget has been earmarked for this activity in the PPG status report, the provided information do not answer this point yet and rather point to monitoring actions to be taken during implementation phase.

Such detailed assessment would be relevant at this stage as the project draws on climate change mitigation resources with a Rio Marker 2 rating.

Agency Response
September 26 2022 (UNIDO)

Please find the response at GHG calculation.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request
October 19 2022 (RR):

Cleared

August 26 2022 (RR):

The potential for scaling up is outlined in more details including through past experiences from similar programs. The innovation and sustainable sections are outlined in a similar manner as in the PIF.

Agency Response N.A.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response N.A.

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

The clarification on stakeholder engagement workshop is welcome - the outcome of the postponed workshop to be held should be duly integrated in project design before the start of the execution phase and reported on.

August 26 2022 (RR):

Yes, as identified at PIF stage. Annex N details a series of bilateral meetings held during PPG Phase and a stakeholder validation workshop held on August 10 with a detailed agenda and list of attendees. Challenges related to the covid19 pandemic have made engagement less intensive than anticipated. Annex J outlines in detail the stakeholder engagement plan for the implementation phase.

Agency Response

September 26 2022 (UNIDO)

Please note that while the bilateral meetings were conducted, the stakeholder validation workshop was postponed just before the day as requested by the OFP. Invitations had been sent to the listed stakeholders by then and they were all informed about the postponement. The workshop will be held before the start of execution for the purpose of preparing effective execution among the stakeholders by sharing and discussing the detailed design and activities as well as work plan among the stakeholders.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

August 26 2022 (RR):

Yes. Annex K includes a detailed gender analysis associated with an action plan and recommendations. As indicated at PIF stage, further elements have been added on opportunities linked to the project activities and objectives, including through one of the project executing entities which includes women business owners in its target groups.

Agency Response N.A.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

August 26 2022 (RR)

Yes. A more focused work is envisaged in the first year to develop an early-stage development fund to leverage additional private sector finance for the project. This in addition to further consultations and linkages with the GCIP program outlined in the private sector section answers the request at PIF stage to further develop the strategy during PPG stage, pending on clarifications regarding co-financier arrangements.

Agency Response

September 26 2022 (UNIDO)

The comment is noted on the focused work to be done in the first year of implementation to develop an early-stage development fund.

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

Thank you for the additional details.

August 26 2022 (RR) :

1. In section 5 regarding risks to achieving project objectives, a reference is made to business supported by the project in Viet Nam ? this may be an editorial typo related to the similar nature of project 10889 with another project under development in Viet Nam.

2. It is noted that the impact of the covid19 crisis on the project is now identified as a high risk. This is in line with challenges expressed during PPG phase throughout the

document. Further details would be welcome regarding alternatives proposed for risk mitigation, as identified at PIF stage.

Agency Response

September 26 2022 (UNIDO)

1. Sorry for the typo. The reference to Viet Nam was deleted
2. The COVID risk analysis section is revised as following:

COVID-19 risk analysis

Technical expertise is not readily available due to the pandemic	Low	Necessary efforts will be made to identify alternative technical experts in case it is required. Whenever possible and as appropriate, use of remote communication tools are considered to compensate possible travel or movement restrictions. Planning will be flexible enough to reschedule activities onsite that require specific expertise.
Possible re-instatement of COVID-19 containment measures limits available capacity or effectiveness of project execution/ implementation	Medium	The capacity of stakeholders, and especially the beneficiaries, for remote-work and online interactions will be strengthened by securing access to commercially available conferencing systems. The current design of the curriculum for entrepreneurs is based on online interactions and deliverables, using webinars and web platforms, and therefore COVID-19 is not expected to pose a significant risk to the conduct of the acceleration cycles. The project team will regularly monitor possible development of possible pandemic by COVID-19 or alike and prepare business continuity plan in case of possible occurrence of containment measures.

Some project supporters, co-financiers or beneficiaries may not be able to continue with project execution/implementation	Low	The situation will be closely monitored in order to find alternate supporters or co-financiers, or to readjust the list of beneficiaries if needed. The project team will prepare business continuity plan in case of possible occurrence of containment measures in close consultation with GEF Operational Focal Point in Mongolia.
Price increases for procurement of goods/services	Medium	The project team will undertake efforts needed to find alternative providers and make sure that competitive pricing is obtained. Partnership and cooperation will be pursued as necessary and as appropriate to substitute certain portion of work which can lead to reduce the needs for good/services.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request
October 19 2022 (RR):

Cleared.

August 26 2022 (RR):

The identification of the PEE had been postponed to the PPG phase and the description is now included with a sharing of responsibilities between two PEE: DS and CCRCC. The specific sharing of roles is outlined in detail throughout the CEO endorsement request, as identified at PIF stage.

A clarification would be welcome regarding the potential risks associated with the rather complex nature of this set-up, which is not identified among the main operational risks so far for the project in the request. Related mitigation measures could in such a case also be described.

As mentioned above, the fact that no specific in-kind contribution is identified from steering committee members also raises the question of compounded risks related to lack of resources for coordination purposes. This may in turn imply a stronger burden

for the project implementation agency, which is not expected to undertake project execution functions.

Agency Response

September 26 2022 (UNIDO)

Please find the response at co-financing.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Cleared.

Agency Response N.A.

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

Thank you for the additional details

August 26 2022 (RR) :

Yes, linked to the GCIP program. The budget for these activities is however not reported in the section.

Agency Response

September 26 2022 (UNIDO)

Para 206 is revised as following:

206 *The project's knowledge management, communication, and advocacy strategy will specify the exact knowledge products to be delivered along with relevant timelines and milestones. The budget allocated for these activities include 1) linking the Mongolia platform with the Global GCIP Platform and to create and maintain a section of Mongolia on the global GCIP web platform. (Activity 3.1.3 b) at USD 15,000 and 2) establishing a chapter within the website of CCRCC introducing and advocating Mongolia's CIEE and associated project activities linking it to the Mongolia web-based knowledge platform (Activity 3.1.3 c) at USD 25,000. In addition, series of events are included in under the Component 2 budget which amount to USD 74,000. Others are vested in the budget of hiring consultants which is estimated to be USD 58,000. The table below provides a general overview of deliverables relevant for knowledge management.*

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Cleared

Agency Response N.A.

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

Thank you for the additional details.

August 26 2022 (RR):

At PIF stage, it was identified that further details would be explored during PPG phase regarding linkages with the GCIP program on monitoring and evaluation. At this stage, a scope and indicative budget is provided but the detailed M&E Plan remains to be developed.

Agency Response

September 26 2022 (UNIDO)

Para 212 is revised as following:

212. The core M&E activities under the project is preparation of M&E plan reflecting country contexts as well as periodical reporting and review including progress report, mid-term review and terminal evaluation. During the execution phase, the PEEs under the supervision by UNIDO will ensure the timely and quality preparation of M&E plan and associated reporting. These are also based on day to day monitoring of project activities as well as progress and deliverables from them, according to Mongolia M&E plan. As mentioned above, the project will benefit from M&E tools provided by the GCIP Global framework which will ensure coherence of the project to the global program while enabling effective aggregation of data and impact at the program level. Based on the M&E tools developed under the GCIP Global framework, the detailed Mongolia M&E plan will be developed in conjunction with the Project Execution Agreement to be signed with the PEEs. An overview of indicative costs of M&E activities is provided in the table below.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Cleared.

Yes, including in paragraph 152.

Agency Response N.A.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

October 19 2022 (RR):

Cleared.

Please refer to comment on section I.7 of this review sheet above.

Agency Response N.A.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

Cleared.

Included in Annex A.

Agency Response N.A.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

November 11 2022 (RR):

Cleared. Thank you for the added clarity in project management cost structure.

October 31 2022:

Please address the following issue : on the budget table in Annex E, from a policy perspective, we note that the finance expert is charged to component 1 while National Project Coordinator and Project Assistant are charged across all components and PMC. They should be in general charged to PMC only.

October 19 2022 (RR):

1. Regarding co-financing, the expected co-financing ratio of 1 to 7 identified at PIF stage is not met at CEO endorsement stage. The agency provided further justification on its assessment regarding how this is still sufficient to reach project objectives, based on empirical evidence from past cleantech projects. Furthermore, a more focused work has been designed in the early stage of execution to constitute a early stage development fund of partners and co-financiers to support incubated companies. The role of the private sector as co-financier has also been clarified. This point is to be monitored at MTR stage.

2. Regarding GHG emissions, the need for more robust and specific calculations identified at PIF stage has been partly answered - the output remains the same, although more transparency has been ensured by providing the details of the calculation in a table and associated description. The cleantech-specific methodologies being still explored as part of the GCIP project, it was not possible to apply them yet. It is expected that this should be done during implementation and monitored at MTR stage.

3. Regarding covid19 risk mitigation measures, the details requested at PIF stage have been answered to with alternative engagement options identified during design phase based on a more detailed risk assessment.
4. As indicated at PIF stage, the PEE has now been identified and roles and responsibilities clarified. The complexity introduced by the division of responsibilities between PEE is mitigated by the institutional arrangement outlined in the project description. However, on project management costs, project staff is charged to both PMC and project's components (Project Coordinator and Program Assistant are charge to both).
5. Means of engagement of stakeholder have been identified although this engagement remains to be conducted priori to the execution phase.
6. Linkages with the GCIP project in particular on the knowledge management dimension have been identified (to be followed up regarding GHG emission assessment methodologies).

Agency Response

November 9 2022 (UNIDO)

- Annex E was revised to make NPC and PA only charged under PMC. The job description in Annex M was also revised accordingly.

- Aside from NPC and PA, the project ensures co-financing associated with PMC which are mainly from in-kind contribution by the PEEs to cover costs needed for PMC activities including salaries of other supervising and technical staffs, office space and operating costs etc.

- The mentioning of "Project" under Component 3 was deleted to clarify the differentiation between the project component to PMC. Accordingly, the project document, Annex A, Annex I and Annex L were revised.

Council comments

Secretariat Comment at CEO Endorsement Request N/A.

Agency Response N.A.

STAP comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N.A.
Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N.A.
Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N.A.
CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N.A.
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
November 11 2022 (RR):

Cleared. Thank you for the clarifications.

October 31 2022:

Please address the following issue: from a policy perspective, the item "CEO endorsement request submitted to GEF Sec, with full document package including" is not an eligible activity but an output. Please list the eligible activities/expenditures (i.e. meetings, consultants, etc.) per the content included in Guidelines.

October 19 2022 (RR):

Thank you for the additional details.

Please refer to comment in section I.7 above regarding further expectations on GHG calculation in the next phases.

August 26 2022 (RR) :

8,493.72 out of the 50,000 USD has been used so far and the remainder is earmarked to support project kick-start. Further clarification would be welcome on how the PPG was and will be used to answer the main pending questions identified at PIF stage. It is noted in particular that the GHG assessments remain identical as the initial estimate at this

stage and that the announced use of the remaining funds is only focused on project implementation activities that were not initially identified as part of the PPG scope.

Agency Response

November 9 2022 (UNIDO)

Annex C was revised.

As mentioned at the response on section I.7, The scope of technologies is revised as per the GCIP programme and it now reads as following:

"The project will prioritize cleantech innovations in the domains that are fully aligned with GEF 7 priorities i.e. electric drive technologies and electric mobility, accelerating energy efficiency, decentralized renewable energy power with energy storage, and cleantech innovations related sustainable cities and sustainable food systems."

The project will be aligned with the GEFID 10461 (GCIP) and a more specific and detailed GHG emissions assessment will be conducted by MTR on the basis of methodologies developed under the GCIP. Moving ahead, the remaining PPG will be used for capacity building activities on the project execution among the project stakeholders, mainly for the PEEs, including the matter of GHG emissions assessment to cover the associated costs of e.g. workshops, trainings and outreach/knowledge materials.

September 26 2022 (UNIDO)

The PPG fund was spend for hiring international and national expert. Since the HACT assessments were concluded without having a contractual arrangement with an external consulting firm, the planned budget was not spent for this purpose. At the same time, since the project benefited already from the experiences and lessons learned from the GCIP global framework and its child projects, as well as there were similar types of preparatory phase projects in parallel, all of which are to be linked to the GCIP global framework, the preparatory work was conducted efficiently thus the expense were

minimal at this stage. The remaining fund is used for preparatory activities such as strengthening the capacity of the national PEE through the training of the national PEE, which is directly related to project/country preparation, as well as to fund additional relevant start-up phase activities, such as for example translation of documents in local language, etc. This will also lead to mitigating a potential risk of coordination among the PEEs as appropriately understanding roles and responsibilities as well as ensuring functionality of coordination mechanisms among the relevant stakeholders. For GHG assessments, please find the response to GHG calculation.

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
Cleared.

Included

Agency Response N.A.

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A.

Agency Response

N.A.

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A.

Agency Response N.A.

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A.

Agency Response N.A.

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request
November 11 2022 (RR):

Cleared, all comments have been addressed by the agency.

October 31 2022:

Not yet recommended, final comments to be addressed by the agency.

October 19 2022(RR):

Comments cleared from a technical standpoint

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	8/26/2022	
Additional Review (as necessary)	10/19/2022	
Additional Review (as necessary)	11/1/2022	
Additional Review (as necessary)	11/11/2022	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations

The project is recommended for endorsement. Points highlighted at PIF stage for a monitoring during implementation have all been addressed by the agency with clarifications provided to the project structure.

1. Regarding co-financing, justification has been provided on how additional co-financing will be mobilized including through an early stage focus on private sector mobilization, based on the experience of passed similar projects. The co-financing structure has been clarified including in terms of how the investment mobilized will support scaling up and how the in-kind contribution supports project management.
2. As the cleantech-specific GHG emission calculation methodologies are currently being explored as part of the GCIP global coordination project, with which this project will share significant synergies, it was not possible to apply them yet and estimates from PIF stage were used, with increased resolution and clarity on the scope of technologies supported, also in alignment with the GCIP. The detailed assessment and related criteria will be applied during implementation and monitored at MTR stage.