

Promoting cleantech innovation and entrepreneurship for green jobs in Mongolia

Review PIF 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

10/1/2021

Review completed by PM

11/30/2021

Program Manager

Satoshi Yoshida

Focal Area

Climate Change

Project Type

MSP

PIF

Part I ? Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

Nov 22, 2021: Comments cleared.

Oct 26, 2021: Largely yes. While we note that the GCIP is closely linked with this project, this is not a child project of GCIP. As such, please correct descriptions in table B (e.g. the GCIP Mongolia) and throughout the PIF.

PMCs of co-financing is not the same ratio of PMCs of GEF financing but very close. Please adjust the ratio or provide justifications if it is not feasible.

Agency Response

In Table B, modifications have been made in Outputs 1.1.1, 1.1.2, 1.1.3, 3.1.1, 3.1.2, 3.2.1 and 3.2.2 and also in Outcome 3.2. In addition, changes have been made throughout the PIF. There are no instances of the phrase "GCIP Mongolia" in the updated file.

The ratio of the PMCs of co-financing has been adjusted. The ratio is 10.25%. Hence, Table B has minor modifications in the co-financing sub-total, co-financing PMC cost and co-financing of output 3.2.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

Dec 14, 2021: Comment cleared. We note that co-financing opportunities will be sought during the PPG phase.

Dec 6, 2021: The previous comment cleared. The below are comments from policy perspectives.

Per guidelines, at concept stage (PIF) "agencies provide indicative information regarding the expected amounts, sources and types of co-financing". Having "TBD" does not provide any kind of indicative information about the 3 potential private sector co-financiers presented as "to be determined" while the first one has not been identified at all, the other two ("Local Financial Institutions" and "Development Financial Institutions") are just generic and don't provide the source. As such please remove them - at CEO approval stage, they can be reinstated with a clear identification of the co-financier if that is the case. Please amend other relevant sections relating to these co-financiers and the co-financing amount.

Oct 26, 2021: Descriptions on "Investment Mobilized was identified" are only relevant to co-financing from UNIDO, Local financial institutions (TBD) and Development Finance Institutions (TBD). Please revise the descriptions with information identified at this stage.

Agency Response

The description under "Describe how any "Investment Mobilized" was identified" has been updated as below.

Recipient government: Through close consultations with the GEF Focal point, the project concept is being presented and in-kind contributions are being discussed with Ministry of Environment and Tourism, Ministry of Energy and Ministry of Food, Agriculture and Light Industry. Confirmed structures of co-finance will be determined during the PPG phase.

Private sector: Online meetings are going on with potential funders from the private sector including local financing institutions (Golomt Bank, Khan Bank, Trade and Development Bank and international Development financing institutions (ADB, EBRD) to present the project concept, explore synergies and potential sources for co-financing. Golomt Bank and Mongolia Sustainable Finance Association have confirmed their commitment (highlighted in Table C) to provide co financing through co-financing letter. With the rest, discussions are still ongoing and will be finalised during the PPG phase. Estimates are based on initial consultation with the government counterparts and UNIDO's prior experience in mobilizing co-financing for projects with similar objectives and market conditions. Co-financing ratio of at least 1:7 is expected to be achieved through robust stakeholder consultations during the PPG phase.

UNIDO response to GEF Sec Query on 06 December:

The rows in the co-financing table amounting to 990,000 (Private Sector), 1,000,000 (Private Sector Financing) and 2,000,000 (Development Finance Institution) have been removed. During the PPG phase, efforts will be made to increase the ratio of co-financing through consultations. The updated co-financing amounts to 6,010,000 USD. Table A and Table B have also been updated to reflect the new total.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion Yes, to be further assessed during PPG phase.

Agency Response
Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion Yes.

Agency Response

Part II ? Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion
Yes.

Agency Response
2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion
Nov 22, 2021: Comments cleared.

Oct 27, 2021: Please add policy related information on cleantech and innovation in Mongolia other than institutional information.

Agency Response Additional policy related information on cleantech and innovation in Mongolia has been included in Para 21, 24, 25, 26 and 27. Policy information is also found in para 16-27.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

Nov 22, 2021: Comments cleared.

Oct 26, 2021: Largely yes. Please revise ToC to further align with this project (e.g. child country GCIP projects are not relevant to this project). Please also amend descriptions related to GCIP (including titles).

Agency Response The Theory of Change has been revised and Figure 1 accordingly updated. The text throughout the document has been revised to reflect the close linkage and coherence with the GCIP Framework through the GCIP global coordination child project.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

Nov 22, 2021: Comments cleared.

Oct 26, 2021: Please provide a description of any consultations conducted during project development. Means of engagement and roles of stakeholders will be further clarified during PPG phase.

Agency Response

Para 137 has been updated to reflect descriptions of consultations conducted during project development. It has also been noted that means of engagement and roles of stakeholders will be further clarified during the PPG phase.

137. At present, online discussions are ongoing with Ministry of Environment and Tourism, Ministry of Energy, Ministry of Food, Agriculture and Light industry, and with Climate Change Research and Cooperation Centre. UNIDO is also leading online discussions with private sector entities including local financial institutions (Golomt Bank, Khan Bank, Trade and Development Bank), international development institutions (Asian Development Bank, European Bank for Reconstruction and Development), Local accelerators/incubators (KITE Mongolia, Development Solutions) that would be interested in innovations around clean energy, agriculture and light industry as well as other cleantech innovation sectors. In addition, initial discussions are being held with civil society organizations with mandate on sustainable finance (such as Mongolia Sustainable Finance Association), youth and women empowerment initiatives that are interested in cleantech innovations and would be engaged in this project. Means of engagement included communication over online channels as well as meetings held between the stakeholders and UNIDO representatives in Ulaanbaatar. Below table provides an indicative list of stakeholders to be engaged for successful implementation and execution of the programme. A detailed stakeholder map and engagement plan will

be developed during the PPG phase, including roles, means of engagement and responsibilities of key stakeholders.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

Dec 14, 2021: Comment cleared.

Dec 6, 2021: A comment from fiduciary perspectives: In the LoE, it is not specified an Executing Partner ? however, in Portal it is included the Ministry of Environment and Tourism (MET). As such please remove it as well as ?Government? (in the field ?Executing Partner Type?), and leave ?to be confirmed during PPG phase.?

Yes. Please note that UNIDO cannot support executing functions.

Agency Response

Para 170 has been updated.

170. This project will be implemented by UNIDO and executed by a Project Executing Entity. The implementation function of the project lies with the designated UNIDO Project Manager in UNIDO's Climate Technology and Innovation Division in the Department of Energy. UNIDO will not be undertaking any executing functions.

UNIDO response to GEF Sec Query on 06 December:

The field 'Other Executing Partner(s)' has been updated to ' To be confirmed during PPG phase' and the field 'Executing Partner Type' has been set to 'Others' as the 'Select Executing Partner Type' could not be selected. This will be updated during the PPG phase once the project executing entity has been identified and confirmed.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Knowledge Management

Is the proposed ?knowledge management (KM) approach? in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project?s/program?s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

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 PIF/Work Program Inclusion

Yes.

Agency Response

Part III ? Country Endorsements

Has the project/program been endorsed by the country?s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

Dec 14, 2021: The remaining comments cleared. The project is recommended for technical clearance.

Dec 6, 2021: Please address comments on co-financing and coordination.

Oct 26, 2021: Please address comments above.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	10/26/2021	
Additional Review (as necessary)	12/6/2021	
Additional Review (as necessary)	12/14/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval