# Global Microfinance Initiative for Locally Led Action - South Africa

**Review CEO Approval and Make a recommendation**

## Basic project information

**GEF ID**
11902
**Countries**
South Africa
**Project Name**
Global Microfinance Initiative for Locally Led Action - South Africa
**Agencies**
World Bank
**Date received by PM**
1/28/2026
**Review completed by PM**
5/19/2026
**Program Manager**
Elsa Temm
**Focal Area**
Multi Focal Area
**Project Type**
MSP

## 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
GRT 1/3/2026

•Noting and appreciating the impressive proven co-financing ratio for this project (497:1)

•The Total GEF resources for this project should together with Project ID 11903 be $10M, including fees as set out in the PDF 11901. The table now states total GEF Resources as $1,090,100, Please review, clarify and amend as needed.

Agency ResponseFor the Total GEF resources, all tables show the correct amount: US$1,000,000 (MSP) + US$90,000 (Fees) = US$1,090,000. On the Bank side, in the GEF portal, we don?t see anything on top of this amount. Both projects are equal US$10m in total.

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

Secretariat comment at CEO Endorsement Request

GRT  - now cleared

GRT 5/4/2026
It seems like all 4 RIO markers are still marked as significant objectives. Please review and revise again.

GRT 1/3/2026

Almost.

It is noted that Rio Markes for CCM, CCA, BD and LD have all been selected as significant objectives. While the project will focus on biodiversity, the only reported core indicators are linked to CMM Core indicator. Please review and revise as needed.

Agency Response
The Rio Marker should be CCM; we have revised the language throughout the document to also reflect this correction.

05/08/2026:
Thank you, only CCM Rio Marker is now marked as Significant Objective

**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?**
**c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?**

Secretariat comment at CEO Endorsement Request

GRT - summary still 500 words

GRT: 5/4/2026

1. It is well noted that the summary has been revised and provides a clearer rationale. However, the summary is still over 500 words. Please review and revise again.
2. Cleared
3. Cleared
4. Cleared
5. Cleared. Appreciate the clearer description of the Growth Fund. However, would have appreciated if the paragraphs were enumerated to help carefully track the changes. Also please note above comment on RIO Markers.

GRT2/3/2026

Not yet.

1. Please revise to stay closer within the max word count of 250 words.

2. For greater clarity and rationale of this child project, please revise summary to better describe coherency with GEF SGP, the parent program (ID11901) and ID 11903 and communicate how this project can leverage the Eskom project to deliver on this parent program goal and objective.

3. Please incorporate in the summary the expected CCM global environmental benefits (GEBs) to be generated, as well as the expected 15,000 beneficiaries, including reference to the suggested 110 microenterprises to be supported.

4. It is well noted that the summary highlights this project?s focus on women (incorporated also in the Gender Action Plan), youth and Indigenous Peoples. However, important to ensure consistency between this statement against the Core indicators (7500 men and 7500 women) and the results framework and project description (see below comments). Moreover, please clarify how this project will focus on Indigenous People when the ESRS states ?existing information and assessments carried out for EJETP does not indicate the presence of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities that would meet the criteria under ESS 7?.

5. Please note additional comments below on the need to provide more details on the referenced MSME Growth Fund and this project?s specific role establishing this fund, including budget explanation on any allocated resources, as well as climate and biodiversity components and realistic figures of any direct support (financing) to local MSMEs within the project duration. In addition, please provide a definition on the MSMEs targeted in this project considering the focus on climate and biodiversity.

Agency Response

1. The text has been revised and shortened to stay closer to the 250 word limit.

2. The text now also provides greater clarity and rationale for this child project, alignment with GEF SGP and the Global Microfinance Initiative (para 2), and how it leverages the EJETP goal and objective (para 3).

3. This section now also incorporates the expected CCM GEBs to be generated, as well as the expected 15,000 beneficiaries and 110 microenterprises to be supported (paras 4, 5).

4. References to IPs in relation to the Child Project have been removed. (These were initially inserted to reflect the inclusion of IPs as beneficiaries of the Global Microfinance Initiative, of which this project is a Child Project). Para 5 is now consistent with the results framework and core indicators.

5. More details on the MSME Growth Fund and a definition for MSMEs have been provided (Paras 3, 4, and also 30, 31). Please also note that all references to biodiversity have been removed, as this Child Project (and the EJETP) focus on supporting the just energy transition (a climate mitigation goal). References to biodiversity were initially included as a GEB of the Global Microfinance Initiative, of which this project is a Child Project.

05/08/2026:

1. Thank you, the summary has been further revised, it is now below 500 words and within 1/2 page.

5. Thank you and we apologize that para numbering was not possible in the GEF portal as sections are different after generating the CEO Approval document and it would have been confusing. We are happy to share also a tracked changes document via email where we have all paras with numbers.

**3. Project Description Overview**
**a) Is the project objective statement concise, clear and measurable?**
**b) [If a child project under a program] Is there a project Theory of Change that is aligned and consistent with the overall program goal and approach?**
**c) 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?**
**d) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?**
**e) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**
**f) 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

GRT: 5/4/2026

1. Cleared. The revision of the objective is well noted
2. Cleared.
3. Partially. Please further review for consistency and coherence:
    i) Budget line - Outcome 1.2 presented as Travel (Field based supervision, stakeholder engagement, and on site support?), for $20,000, against the Components Table description ?Outcome 1.2: Key non-state actors (MSMEs, women, youth) and other stakeholders are equipped to engage with microfinance institutions and participate in the just energy transition?. This also appears to differ from the activities described under Sub-component 1.2: ?Strategic integration of microfinance in locally led climate action, including to support a just energy transition? in the Child Project description section.
    ii) In the budget table, review whether Eskom is the responsible party in all cases, especially for budget lines pertaining to components 2 (Knowledge and learning) and 3 (M&E) to be implemented under the parent Global Microfinance Initiative (Project 11903)
4. Cleared.
5. Cleared.
6. Cleared
7. Cleared.
8. Ok
9. Cleared.

GRT 2/3/2026
Not yet.

1. Please revise to better center the project objective around this microfinance initiative and link to the parent program as opposed to the focus on decommissioning of the Kobati power plant and EJETP.

2. Please streamline the Components table to make it more readable and enumerate component outcomes and outputs (e.g. 1.1; 1.1.1 etc.) to facilitate clarity and easier cross-referencing.

3. Inconsistencies are noted on description of components, outcomes and outputs, and the budget table. Please specifically clarify and revise, as needed, description, component type, and

the budget table, including differentiating investment, technical assistance, training, MFI catalytic support, product development etc.

4. Component 1: Please revise component description to make it more specific to GEF financing and revise outputs for the component to provide greater clarity and measurability. Related to comments above and below on budget, component 1 is categorized as investment but in the budget provided it looks like only 100.000 is allocated as investment. Please clarify and amend as needed. Also provide more details on the MSME growth fund, including focus on climate and biodiversity products and role/share of this project resources related to this fund, Please, also provide further details (related to the output) and verify if the project will actually be able to provide direct support (financing) to local MSME within the project duration.

5. The ToC is aligned with the overall project goal and mirrors child project ID 11903. Please revise or provide a separate TOC to better incorporate the specific focus of this child project, specifically integrate reflections related to component 1 and the expected GEBs of this project.

6. Cofinancing amounts are set for each corresponding component. However, given that cofinancing will be provided through EJETP only, it is not clear how this is to be expected to be leveraged for Components 2 and 3, which as described, will be implemented at the global level also as part of project 11903. Please explain, clarify and revise as needed.

7. Please provide some additional details in the description of components and outputs related to knowledge and learning on plans to capture lessons learned and best practices on advancing inclusion, including on women, youth and Indigenous Peoples, including dissemination and online platforms/knowledge exchange and peer learning, and evidence-focused discussions with the stakeholder groups of this project.

8. PMC is justified and no more 1%

9. In addition, please see below comments that are relevant to the component table but could be elaborated in the component description:
   - ? The Project components table and Child Project description, especially those activities, outputs and outcomes described under Component 1, do not directly correspond to the budget lines under this component (Analytics and technical assistance; Training; MFI catalytic support; Stakeholder engagement (national level); Product development). Please review and provide greater coherence between the Project Components, description and the budget.
   - ? The project summary, component 1 output as well as the co-financing letter describes the aim of establishing a tailored MSME Growth Fund. Please provide more details on this fund, including information on (i) expected funding for this fund; (ii) scope pf the fund and how it will benefit 15,000 beneficiaries and 110 MSMEs; (iii) sources and amounts to be leveraged i.e. from EJETP; and (iv) Please explain the strategy for the sustainability of the microfinance Fund, i.e. is this envisaged as a revolving fund?

   - Please explain planned strategies and resources (financial, human) that the MFIs will receive to identify and develop products and services for target beneficiaries (who will provide the technical assistance?)
   - Please elaborate on the expected specific results and outputs of the GEF financed project to be integrated and scaled into the respective national project and how this will be achieved.

## Agency Response

1. The Child Project objective statement has been revised accordingly, to the following: ?To strengthen the microfinance ecosystem in South Africa by enabling MFIs to deliver climate?relevant financial products that support inclusive livelihoods, MSME growth, and community participation in the just energy transition, while leveraging the Eskom Just Energy

Transition Project and contributing to learning and scale?up under the Global Microfinance Initiative.?

Please note that as this grant constitutes additional financing for the Eskom Just Energy Transition Project, the overall Project Development Objective remains the same as its parent project, i.e. ?to (i) decommission the Komati coal-fired power plant, (ii) repurpose the project area with renewables, and (iii) create opportunities for workers and communities during the transition process.?

2. The Components table has been streamlined, with outcomes and outputs enumerated.

3. The description of components, outcomes and outputs and budget table (separate excel sheet) have been revised for consistency. However, please note that we retained maximum alignment with the language that was provided for the approved Global Microfinance Initiative (ID11901), of which this is a Child Project.

4. Component 1 language and budget have been revised to be more specific to the Child Project, while maintaining language alignment with the Global Microfinance Initiative (as above). The text has been revised to better reflect that the activities are expected to be undertaken by the MSME Growth Fund (paras 31, 33)

5. A ToC figure has been created for the Child Project. We have retained the ToC for the Global Microfinance Initiative to show how the Child Project contributes to its parent project.

6. We have revised the co-financing amounts to reflect the total EJETP envelope as co-financing for Component 1 only. Component 2 and 3 now show co-financing as $0, given that these two components will be implemented at the global level as part of project 11901/11903. This is also explained in the ?justification? section of the Components table.

7. The language for the Component on Knowledge and Learning has been revised to better reflect how the Child Project will contribute to the global program (paras 36-46).

8. Thank you for confirming this.

9. As above, Component 1 language and budget have been revised to be more specific to the Child Project, while maintaining language alignment with the Global Microfinance Initiative. The Component 1 description has also been revised to provide detailed information on the MSME Growth Fund, including its capitalization, scope, sustainability, and implementation arrangements (see paragraphs 30?31).

05/08/2026:

3. (i) and (ii) The team reviewed the budget and we would like to keep as is, it is correct. Eskom is the executing agency and will require costs for the project and they will leverage the overall budget of the project to support these expenses as well.

**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

GRT: 5/4/2026

1. Cleared. Appreciate the revisions and improved project outline. However, would have appreciated numbering of paragraphs to assist with tracking changes.
2. Ok

GRT 2/3/2026

Not yet.

1. The project outline provides the context of the need to drive job creation and socio-economic opportunities for workers and communities related to EJETP. However, the project outline and rationale lacks (i) specific details on its rationale and plans on how this project will leverage opportunities to support relevant MFIs to enhance climate and biodiversity products and services as part of the just transition; (ii) rationale and details on how this project contributes to GEBs and the broader GEF SGP vision; and (iii) the specific roles of the different stakeholders contribution to project outcomes. Please review, clarify and revise as needed,

2. Please also comment below on the Stakeholder Engagement Plan (SEP) below.

## Agency Response

1. This section has been revised and shortened, to focus on the Child Project?s linkage to the EJETP (paras 7-12), its rationale in relation to the country and sector context and role of MFIs in supporting the just energy transition (paras 13-18), how it contributes to GEBs and broader GEF SGP vision (paras 19-20), and the specific roles of different stakeholders (para 21). Most of the previously submitted text that described the context, project outline and project rationale for the EJETP at its contribution to GEBs has been removed to enhance clarity. The roles of key stakeholders have also been detailed in the revised write up, especially in the sub-section on the ?Role of Key Stakeholders?

2. Address SEP comment in para 21.

**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) [If a child project under a program] Is the Theory of change aligned with and consistent with the overall program goal and approach?**

**c) 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? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program goal and approach?**

**d) 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?**

**e) 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?**

**f) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?**

**g) 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?**

**h) 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)?**

**i) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?**

**j) 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?**

**k) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic**

**communication adequately described?**
**l) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?**
**m) Transformation and/or innovation: Is the project going to be transformative or innovative? [If a child project under an integrated program] Are the specific levers of transformation identified and described? Does it explain scaling up opportunities?**

## Secretariat comment at CEO Endorsement Request

GRT: 5/4/2026

Cleared. Thank you for all the clarifying revisions

GRT: 2/3/2026
Not yet

1. The ToC is aligned with the global project, but please see previous comments on the ToC and question whether a separate TOC for this project is needed. i

2. Reference is made to alignment and complementarity with the GEF SGP 2.0 and other relevant programs and projects. However, please consider possibilities to connect with GEF SGP operations in South Africa, including analysis/reference to any relevant previous GEF SGP work on microfinancing and ideas on how the project could engage and share knowledge with other GEF SGP implementing agencies, including through the planned Global SGP Learning Platform

3. Please provide more details on the specific socio-economic benefits of the project and additional information on the role of project stakeholders related to project components and outputs, including plans to engage and consult targeted beneficiaries. Please also see below comments on the SEP and beneficiaries.

4. It is well noted that a Gender Assessment/ Action Plan has been provided jointly for the EJETP and this project, which identifies gender gaps and indicators and targets. Please ensure that these indicators and target are consistent with core indicator on beneficiaries and the project results framework and please see below additional comments on the results framework.

5. While it is well noted that component 2 (KM and learning) will be implemented globally to compile lessons and share knowledge about microfinance and locally led climate and biodiversity initiatives, please include in component 2 further elaboration on how the project could share/disseminate lessons learned, tools/manuals, best practices etc. with the broader GEF SGP program e.g. through dissemination of lessons learned, multistakeholder and peer exchanges and technical discussions.

6.

## Agency Response

1. The language describe project activities and how it aligns with the global program has been clarified. As above, a ToC figure for the Child Project has also been provided.
2. Language has been added (paras 62-65) to connect this child project with other GEF SGP operations in South Africa.
3. Benefits of the projects have been added and the section on ?Role of Key Stakeholders? has been expanded to include the specific roles of project stakeholders for each project component.
4. We have corrected the indicators and targets to ensure consistency between the project results framework and the gender action plan.
5. As above, the language for the Component on Knowledge and Learning has been revised to better reflect how the Child Project will contribute to the global program?s knowledge and learning activities and platforms (Paras 36-46)

**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.).**
**d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?**

### Secretariat comment at CEO Endorsement Request

GRT: 5/4/2026

Cleared. Thank you for the good revisions and additional details.

GRT 2/3/2026
Not yet.

1. Please provide some additional details on the institutional arrangements and consider providing a specific organigram for this project with linkages to the global program. It is noted that the language refers to ESKOM as the implementer and please review to explicitly outline the role of ESKOM to execute the project and also clarify they will execute Component 1 whilst components 2 and 3 follow the logic of Project 11903.

2. The Project aligns with and builds on the Eskom Project to explore how microfinance complements other efforts to improve financial inclusion for local climate and biodiversity action. It Is noted that GEF?s Integrated Programs on Food Systems, Ecosystem Restoration, and the Net-Zero Nature-Positive Accelerator has been mentioned but please provide some more details specific details on potential linkages. In addition, please identify and consider linkages with any relevant GEF projects at the South African level, linkages to the GEF SGP Core Program activities in South Africa and specific existing country-led initiatives guiding national climate and biodiversity action, such as National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), and National Biodiversity Strategies and Action Plans (NBSAPs

3. It is well noted that the project demonstrates coordination and collaboration with the overall ambition of the program.

### Agency Response

1. The text has been revised to provide additional details and clarity on the institutional arrangements for the Child Project (paras 55-60)
2. Language has been added to describe linkages with GEF Integrated Programs, national GEF activities, and country-led strategies (para 62-65)
3. Thank you.

**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)? [If a child project under a program] Is the choice of core indicators consistent with those prioritized under the parent program?**
**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

GRT: 5/4/2026

Not yet. Appreciate the clarification in your repose below. However, please include this information in the CEO Approval document (portal version after the indicator table. That said, while the calculation is explained, please clarify the calculations considering that this project will commence in 2026 and the Unit 9 was shut down in 2022.

GRT: 2/3/2026
Not yet.

It is noted that core indicators are developed for Indicator 6 Greenhouse Gas Emissions Mitigated only.

- ? Please update the expected starting year (the current starting year is 2023)
- ? It is not fully clear how these figures were derived and please explain the methodological approach and underlying logic to justify target levels for Core and Sub?indicators, and clarify whether they are as a direct result of the SGP Microfinance project, offset from decommissioning the power plant or through the MSME activities to be implemented as part of the project.

## Agency Response

With regards to green house gas emission reduction, the Komati power plant produced 2,065 GWh of electricity and 2.6 million tons of CO2 emissions in 2019, when Units 4, 5, 7 and 9 were still operational. Estimates for the yearly emissions from Unit 9, the last remaining operating unit that would have its life extended until 2026 if it were not for EJETP, put the average generation and emission in future years at 767 GWh/year and 847 ktCO2e/year. This points towards an emission factor over 1.1 tCO2e/MWh ? a very high value even after life extension services improve the unit?s condition. Even after considering that the retirement of Komati would lead to increased dispatch of the existing generating fleet of South Africa and calculating the emissions from these changes in the operation of the existing fleet under conservative parameters, shutting down Unit 9 in 2022 would avoid emissions of 317 ktCO2e between 2023 and 2026.

05/08/2026:
Thank you, the text was also added in the CEO Approval document after the Core Indicators table. Even though Unit 9 of the Komati Power Station was shut down in 2022, the power plant has not been fully decommissioned and the workers and communities associated with were not supported with other economic opportunities. Hence this grant along with the EJETP project are supporting decommissioning which includes as the complete and irreversible closure of a coal unit, including the removal, dismantling, or permanent disabling of infrastructure such that it cannot resume operations and provision of economic opportunities supported with the GEF grant. As this standard has not yet been met, the associated emissions reductions cannot be considered guaranteed.

**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

GRT: 5/4/2026

Cleared. Thank you for the revisions.

GRT: 2/3/2026
Not yet.

1. It is noted that the ESS is rated high while the overall risk rating is moderate. Please review and revise for consistency

2. The information provided in the risk table is generic to the overall global project and not specific to South Africa and therefore some discrepancies exist: Climate risk is rated low while the annexed ?Climate and Disaster Risk Screening Report? for South Africa, for example, rates the exposure risk to Climate and geophysical hazards as moderate; Environmental and social are rated as high whilst the explanation of risk and mitigation measures notes that for GEF-related activities this is moderate. Please review and revise for consistency and accuracy, also with the Additional Financing Appraisal Environmental and Social Review Summary

Agency Response
1. The ESS is now rated moderate.
2. The whole table has been revised to focus on the Child Project ? ratings are consistent with the CDRS and the AF Appraisal ESRS.

**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 Requestn/a

Agency Responsen/a
**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? b) [If a child project under an integrated program] Is the project adequately aligned with the program objective in the GEF-8 programming directions?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a
**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
GRT: 5/4/2026

Cleared. Thank you for considering and providing the additional information.

GRT 2/3/2026

It is noted that the project does not mention potentially relevant existing country-led initiatives guiding national climate and biodiversity action, such as National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), and National Biodiversity Strategies and Action Plans (NBSAPs). Please consider incorporating.

Agency ResponseWe have added a paragraph on the Child Project?s alignment with South Africa?s NDC and NAP

**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
GRT: 2/2/2026

Please see comment above on indicators.

Agency ResponseThank you, this is addressed.

**7 D. Policy Requirements**

**7.1 Are the Policy Requirement sections completed?**

Secretariat comment at CEO Endorsement Request
GRT 2/3/2026

Yes, but please clarify why "Generating socio-economic benefits or services for women was not ticked, and note comments below.

Agency ResponseThank you, we have ticked this box now.

**7.2 Is the Gender Action Plan uploaded?**

Secretariat comment at CEO Endorsement Request
GRT: 5/4/2026

Cleared. Thank you for addressing the comments and revised the GAP as requested.

GRT 2/3/2026

A Gender Assessment/Action Plan has been provided jointly for the Eskom and SGP microfinance project identifying gaps, indicators and targets. Please

•Ensure consistency between this action plan, the project description, components, outputs and core indicators (number of beneficiaries).
•Elaborate on the budget allocation for the implementation of the GAP and 2) On GAP Table 2 please consider incorporating percentages of women/men in the indicators.
•Consider incorporating percentages of women/men in the indicators (table 2) Please also note comment below the results framework.

Please note also that we expect that the project captures lessons learned, best practices in advancing women?s empowerment in knowledge products produced, and in reports and evaluation (PIR, MTR, TE).

Agency Response
We have made minor revisions to the Gender Action Plan sections describing the project, components and outputs to ensure consistency with the CEO endorsement request. We have also corrected the core indicator and target to reflect that the child project aims to benefit 15,000 people, 50% of which are women. We have also revised the indicators to reflect percentages

In the GAP, we have added a paragraph on budget allocation (para 33) and gender-responsive learning and knowledge products (para 36).

**7.3 Is the stakeholder engagement plan uploaded?**

Secretariat comment at CEO Endorsement Request
GRT: 5/4/2026

Cleared.

GRT 2/3/2026

It is noted that the SEP provided (E-JETP) states that this "SEP will be updated for the purposes of GEF-financed additional financing. The fund that will implement activities under the GEF-financed activities will use relevant parts of this SEP for the purposes of sub-projects, where relevant. Please clarify when it will be updated as it states that ?*This SEP will be updated with information on consultations to be held before formal approval of the additional financing provided by GEF?. W*hile the SEP provides the overall approach it would be appreciated to receive information on specific stakeholders and their roles related to project components and outputs as well as project plans to engage and consult specific stakeholders for the GEF-financed activities. This may be included in the project document or provided as separate annex.

Agency ResponseThis SEP has already been updated for this submission and will be updated again ahead of the Decision Meeting. And per the World Bank?s practice, thereafter the SEP will be updated on yearly basis or as needed based on the project.
**7.4 Have the required applicable safeguards documents been uploaded?**

Secretariat comment at CEO Endorsement Request
GRT: 5/4/2026

Cleared.

GRT 2/3/2026

Yes, but please see comment on Indigenous Peoples above

It is noted that the annexed SEP states that ?*GEF AF activities will require establishment of the ESMS in line with ESS9 requirements. Social risks related to downstream sub-projects under the GEF additional financing will be management through the ESMS. Terms of reference for ESMS will be prepared by Eskom, and reviewed by the Bank to ensure adherence with ESF and South Africa?s requirements. This SEP will be updated with information on consultations to be held before formal approval of the additional financing provided by GEF*?. It also notes that *?ESMS* *will need to be put in place prior to issuing financing support to MSMEs as set out in the revised ESCP?*

Moreover, the ESRS states *that? Existing information and assessments carried out for EJETP does not indicate the presence of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities that would meet the criteria under ESS 7. However, the project will have an impact on hitherto marginalized groups like women, people with disabilities, migrant workers, unemployed youth, etc. Accordingly, the project includes several measures under Component C targeting these groups in the trainings, SMMEs and business development support?*

Agency ResponseThank you. References to IPs have been removed throughout this document ? these references reflected the inclusion of IPs as beneficiaries of the Global Microfinance Initiative, of which this is project is a Child Project.

**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 Requestn/a

Agency Responsen/a

**Focal Area allocation?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a

**LDCF under the principle of equitable access?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a

**SCCF A (SIDS)?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a

**SCCF B (Tech Transfer, Innovation, Private Sector)?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a

**Focal Area Set Aside?**

Secretariat comment at CEO Endorsement Requestn/a

Agency Responsen/a

**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 n/a

Agency Response
**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 n/a

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
GRT: 2/3/2026

Yes. A Cofinancing letter is attached, signed 28 January 2026 confirming the co-financing as investment mobilized for $497 million from the Eskom Just Energy Transition Project to the Global Microfinance Initiative for Locally Led Action

Agency Response Thank you for confirming this.
**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 were 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
GRT 2//3/2026

Yes, LOE was provided as part of submission of parent program (ID 11901)

Agency Response Thank you for confirming this.
**b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?**

Secretariat comment at CEO Endorsement Request
GRT 2//3/2026

Yes, LOE was uploaded as part of submission of parent program (ID 11901)

Agency Response Thank you for confirming this.

**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 Requestsee above

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?**
**e)[If a regional/global coordination child project under an integrated program] Does the results framework reflect the program-wide result framework, inclusive of results from child projects and specific to the regional/global coordination child project? [If a country child project under an integrated program] Is the child project result framework inclusive of program-wide metrics monitored across child project by the Regional/Global Child project?**

Secretariat comment at CEO Endorsement Request
GRT: 5/4/2026

Cleared.

It is well noted that a results framework for the SGP Microfinance initiative has been provided, similar to the other child project (ID11903). General targets for number of beneficiaries are established but please review this target against the Core indicator on beneficiaries (7500 men and 7500 women). It is also noted there are few targets set on ?which female?; of which youth; of which IPs/Ads and please provide further details. Moreover, it is strange to note comment on in the ESRS that the area has no indigenous peoples which the project notes in noted in the summary that the project will focus on women, youth (women and men) and Indigenous Peoples as primary beneficiaries. Please clarify.

Agency ResponseAs above, references to IPs have been removed throughout this document ? these references reflected the inclusion of IPs as beneficiaries of the Global Microfinance Initiative, of which this is project is a Child Project. As above, the targets and indicators have been revised and corrected.
**Annex E: Project map and coordinates**
**8.7 Have geographic coordinates of project locations been entered in the dedicated table? (Note: the provision of maps is at the discretion of agencies considering sensitivities in the given context)**

Secretariat comment at CEO Endorsement Request
GRT: 2/3/2026

Yes. A map is annexed; project coordinates are given for the project intervention sites - Mpumalanga Region and Free State region. The project area is described in the project documents.

Agency ResponseThank you for confirming
**Annex F: Environmental and Social Safeguards Documentation and Rating**
**8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?**

Secretariat comment at CEO Endorsement Request
GRT 2/3/2026

Yes, relevant documentation has been provided by please see above comment in the risk section.

Agency ResponseThank you for confirming this. The comment above has been addressed.
**Annex G: GEF Budget template**
**8.9 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
GRT - Cleared

GRT: 5/4/2026

Not yet.

1. Please group same expenditure category line items and add a sub-total line for each category as appropriate. E.g. group all contractual services to company or to individual in one group like the following:

| Expenditure Category | Detailed Description | Component (USDeq.) | | | | Sub-Total | M&E | PMC | Total (USDeq.) | Responsible Entity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Component 1 | | Component 2 | | | | | | |
| | | Outcome 1.1 | Outcome 1.2 | Outcome 2.1 | Outcome 2.2 | | | | | |
| Contractual Services – Firms (Investment / Financial Intermediation) | Capitalization of the MSME Growth Fund as catalytic, first-loss and enabling capital within a blended-finance structure. Funds will be used to support direct project loans, term loans, and targeted grants to approximately 110 MSMEs operating in and around the Komati Power Station, with downstream benefits for an estimated 15,000 beneficiaries. | 600,000 | | | | 600,000 | | | 600,000 | Eskom |
| Contractual Services – Firms (MFI Catalytic Support & Product Development) | Technical assistance to the selected MFI managing the MSME Growth Fund, including: design and piloting of climate-relevant financial products; development of eligibility criteria and investment guidelines; establishment of fund governance, fiduciary controls, and risk-management systems; and integration with EJETP implementation arrangements. | 180,000 | | | | 180,000 | | | 180,000 | Eskom |
| Contractual Services – Firms | Documentation and synthesis of lessons from MSME Growth Fund implementation, including case studies on microfinance support to MSMEs in just transition contexts, feeding into Global Microfinance Initiative knowledge products. | | | 30,000 | | 30,000 | | | 30,000 | |
| Contractual Services – Firms | Implementation of a project-level monitoring and evaluation framework aligned with the Global Microfinance Initiative, including data collection, results tracking, and reporting. | | | | | | 20,000 | | 20,000 | Eskom |
| **Sub-total Contractual Services - Firms** | | **780,000** | **-** | **30,000** | **-** | **810,000** | **20,000** | **-** | **830,000** | |
| Contractual Services – Individual Consultants | Specialized short-term expertise to support MSME readiness assessments, beneficiary screening, product piloting, and mentoring of MFIs during early Fund operations. | 30,000 | | | | 30,000 | | | 30,000 | Eskom |
| Contractual Services – Individual Consultants | Analytical inputs, drafting of learning notes, and support to South-South knowledge exchanges under the global program. | | | 15,000 | | 15,000 | | | 15,000 | Eskom |
| Contractual Services – Individual Consultants | MEL specialist support to synthesize results, document lessons, and contribute South Africa-specific data to the global results framework. | | | | | | 10,000 | | 10,000 | Eskom |
| **Sub-total Contractual Services - Individual Consultants** | | **30,000** | **-** | **15,000** | **-** | **45,000** | **10,000** | **-** | **55,000** | |
| Trainings, Workshops, Meetings | Structured training programs for MFI staff and MSMEs, including: climate-relevant product design; just transition financing; risk screening; financial literacy; business planning; and tailored modules for women- and youth-led enterprises. | 70,000 | | | | 70,000 | | | 70,000 | Eskom |
| **Sub-total Trainings, Workshops, Meetings** | | **70,000** | **-** | **-** | **-** | **70,000** | **-** | **-** | **70,000** | |
| Travel | Field-based supervision, stakeholder engagement, and on-site support in Komati and surrounding coal-affected regions, including engagement with MSMEs, MFIs, and EJETP stakeholders. | | 20,000 | | | 20,000 | | | 20,000 | Eskom |
| Travel (for workshops) | Participation of South African MFIs, women- and youth-led MSMEs, and government counterparts in global knowledge exchange and peer learning activities facilitated under the Global Microfinance Initiative. | | | | 15,000 | 15,000 | | | 15,000 | Eskom |
| **Sub-total Travel** | | **-** | **20,000** | **-** | **15,000** | **35,000** | **-** | **-** | **35,000** | |
| Project Management | Incremental project management, coordination, and fiduciary oversight through the EJETP to ensure timely implementation and compliance with World Bank and GEF requirements. | | | | | | | 10,000 | 10,000 | Eskom |
| **Sub-total Project Management** | | | | | | | | **10,000** | **10,000** | |
| **Grand Total** | | **880,000** | **20,000** | **45,000** | **15,000** | **960,000** | **30,000** | **10,000** | **1,000,000** | |

2. Project Management is not an eligible expenditure category - instead, some positions can be charged to PMC. Please give relevant and applicable information and categories e.g.

operating costs (rentals, utilities, office supplies) or staff/consultant costs for project management.

GRT 2/2/2026

See previous comments on correspondence between budget item lines and project components and description. In addition, please consider the comments below and revise budget as needed.

1. Any activity that will not incur any costs should be removed from the budget table in Annex G. Consequently, please remove the *travel*, the *other operating costs* and *LLCA Platform* lines if no expenses will be associated to the project.
2. Please review *Appendix A: Indicative Project Budget Template* included in the Guidelines on the GEF Project Cyle Policy and update the budget table to match the template. Each expenditure category should have its own sub-total and the categories should be arranged as presented in the table (works, goods, contractual services individual, Salary and benefits/staff costs, etc..).
3. We noticed *Training* has one line and another with workshops. Training, workshops and meetings can be merged into the same category and have specific lines for each activity.
4. Is the *Knowledge and Learning* a staff position? If so please include the title of the position that is expected to be created/hired. If not, please remove from the Staff time category.
5. In some instances, the *detailed description* column lacks substance. Please provide more details on what baseline assessments are required, what kind of training are expected, on stakeholder engagement what type of activities are anticipated.

## Agency Response

1. We have removed the budget lines ?LLCA Platform?, ?Travel?, and ?Other Operating Costs? given that no expenses will be associated to the Child Project.
2. We revised the budget to align it as much as possible with the Budget Template; please see separate excel sheet
3. We have merged ?Training, workshops, meetings? into one expenditure category, with specific lines for each activity ? per the Budget Template
4. We have removed the staff time category.
5. The descriptions for each budget lines have been made more specific

05/08/2026:

1.Thank you, we regrouped under the same expenditure category line as explained and added also a sub-total line for each category.
2. Noted on project management. These are operating costs related to office rental, office supplies as clarified in the budget.

**Annex H: NGI Relevant Annexes**
**8.10 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 Requestn/a

## Agency Response

**ANNEX I: Responses to Project Reviews**
**8.11 a) Have responses to Council comments, if any, at PIF/PCN stage been provided?**

**b) Have responses to STAP screen, if any, been provided?**
**c) Have responses to other comments, if any, been provided?**

Secretariat comment at CEO Endorsement Request
GRT: 5/4 2026

Cleared. Thank you for providing in the completed matrix in the roadmap.

There are some Council Comments provided in the *Stakeholder?s Comments* section of the Portal. Please include these comments in Annex I and provide a response or acknowledgment to the Council Member for each comment provided.

Agency ResponseLanguage has been added to address these comments (paras 12, 18 and 34) and responses have been provided in a separate document / matrix.

**Additional Annexes**

**9. GEFSEC DECISION**

**9.1.GEFSEC Recommendation**
**Is the project recommended for approval /endorsement**

Secretariat comment at CEO Endorsement Request

**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** | **2/3/2026** | |
| **Additional Review (as necessary)** | **5/4/2026** | |
| **Additional Review (as necessary)** | **5/16/2026** | |
| **Additional Review (as necessary)** | | |
| **Additional Review (as necessary)** | | |