

# National child project under the GEF Africa Mini-grids Program Ethiopia

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10478

**Countries**

Ethiopia

**Project Name**

National child project under the GEF Africa Mini-grids Program Ethiopia

**Agencies**

UNDP

**Date received by PM**

7/28/2021

**Review completed by PM**

11/3/2021

**Program Manager**

Patricia Marcos Huidobro

**Focal Area**

Climate Change

**Project Type**

FSP

## 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

**9.7.2021 PM:**

**Yes.**

#### Agency Response

##### 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

**9.7.2021 PM:**

**No.** The expected implementation start date shall be some time after the CEO Endorsement is approved. The current implementation start date is 2/28/2020, please update accordingly.

**PM 10/17/2021:**

**Cleared.**

**PM 10/22/2021:**

**No, PMC Proportionality:** there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 5.0%, for a co-financing of \$13,613,051 the expected contribution to PMC must be around \$680,652 instead of \$160,700 (which is 1.1%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

**PM 11/3/2021:**

**Cleared.**

Agency Response

**C.G. 11/01/2021**

Thank you for pointing this out. We have revised the co-financing distribution to increase the co-financing contribution to PMC. This contribution is now at USD 680,650 (4.9%), so a similar level as the GEF contribution to PMC. The corresponding changes have been made in the CEO ER ? Table B.

C.L 10/12/2021

Revised as requested. The new implementation start date is 1 March 2022. The new end date is 28 February 2026

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

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

N/A.

Agency Response

**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

9.7.2021 PM:

No. Please address the following comments:

- Please clarify whether UNDP grant co-financing shall be considered recurrent expenditures or investment mobilized;
- Please clarify whether the Ministry of Water, Irrigation and Energy grant co-financing shall be considered recurrent expenditures or investment mobilized;
- Please clarify whether AfDB grant co-financing shall be considered recurrent expenditures or investment mobilized.

PM 10/17/2021:

Cleared.

PM 10/22/2021:

No. Please address the following comments:

- Co-financing letter from MoWie: it looks like 12 million have been identified as *Investment Mobilized* but , from the letter, it is not clear if those are really in the form of Grant (or loan/equity/etc.). Please clarify and provide an explanation whether the 12 million is a grant, loan or equity in the section below "Describe how any "Investment Mobilized" was identified. If need be, add another row to separate the \$172,301 in cash from the \$12 million in potential loan/equity.

- Please describe, in the paragraph below Table C, how all the *Investments Mobilized* were identified. The current description does not include a lot of details.

**PM 11/3/2021:**

**Cleared.**

Agency Response

**C.G. 11/01/2021**

**A more detailed explanation has been provided in the section "Describe how any  
"Investment Mobilized" below Table C in the CEO ER.**

C.L 10/12/2021

Clarifications made as requested. UNDP and AfDB grant co-financing are both to be considered investment mobilized. Ministry of Water, Irrigation and Energy co-financing is to be considered partially investment mobilized (\$12,172,301 in minigrid sector investments and cash) and partially recurrent expenditures (\$301,450 in-kind), in accordance with the Ministry's support letter.

**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

**9.7.2021 PM:**

**Yes.**

Agency Response

**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

**9.7.2021 PM:**

**Yes.**

Agency Response

**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

**9.7.2021 PM:**

**Yes.**

Agency Response

**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

**9.7.2021 PM:**

**No.** In addition to a detailed description of the existing barriers and how the project will address them, please add a paragraph/s on the global environmental problem to be addressed by the project. This information has been provided in the Agency's ProDoc, but need to be further summarized in this section.

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Paragraph added to Part II, section 1 (Project Description), item 1a (global environmental problem, barriers, risks, etc) in the Request for CEO Endorsement

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

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** Please describe other associated baseline projects in the section such as the WB (ADELE), AfDB, GIZ projects etc. This information has been provided under "Partnerships" in the Agency ProDoc but needs to be better reflected in the GEF CEO Endorsement document.

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Detailed text added to Part II, section 1a (Project Description), item 2 (baseline scenario and associated baseline projects) in the Request for CEO Endorsement

**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

**9.7.2021 PM:**

**No.** Please address the following comments:

- This sections needs to be further strengthen and include more information on the components and main outputs of the project (similarly to the information that has been already provided in the Agency ProDoc);
- Please add the project Theory of Change (ToC).
- Please confirm that the project (or at least the GEF-funding) will not be supporting any diesel generation and that the pilots are entirely run by renewable energy. Are any of the pilots supporting an hybrid mini-grid? If not, we are wondering whether the overall project document shall state "RE mini-grid" instead of "low-carbon mini-grids". Please clarify and update if applicable.

- Please provide a mechanism to ensure the deployed mini-grid will be used for lifetime (20 years) including governance structure as well as a table explaining ownership and mini-grids operation.

- Please elaborate further on how the project will ensure replacing batteries and converters as well as O&M of the whole system during the lifetime.

**PM 10/17/2021:**

**No.** The term "low-carbon mini-grids" still appears in the CEO Endorsement Request (GEF Portal Entry) under Outcome 2 and also in the project objective Section B "Project Description Summary". Please update the "RE mini-grids".

**PM 10/18/2021:**

**Cleared.**

#### Agency Response

C.L 10/12/2021

1. Details on components, outputs, and activities added to the Request for CEO Endorsement as requested, based directly on relevant sections of the ProDoc.
2. ToC added to the Request for CEO Endorsement as requested. This is an updated version, also replacing the version shown in the originally submitted Project Document
3. Indeed, the GEF-funded project will not support any diesel generation. The GEF-funded pilots will be run entirely by renewable energy. The Project Document for the AMP in Ethiopia does not foresee support for any hybrid minigrids. All references to "low-carbon minigrids" in the ProDoc and Request for CEO Endorsement have been changed accordingly.
4. Accepted. The Project Document now contains a provision under Output 2.1, stipulating that such a mechanism is a precondition for GEF-funded investment support administered by the project. The details of this mechanism and governance structure will be developed as part of the process of vetting and selecting pilot sites.

The requested table explaining ownership and responsibility for minigrid operation has also been added.



5. Pilots receiving GEF INV must comply with the Program's Environmental and Social Management Framework (ESMF) for the responsible handling of waste with recycling of batteries and other recyclable equipment ? including via clear documentation, budgeting and monitoring in compliance with national and UNDP safeguards requirements. Text clarifying this requirement has been added to the Project Document and the Request for CEO Endorsement.

In addition, the project includes an entire output (Output 1.4) specifically devoted to waste management and life-cycle planning. This output includes activities on baseline assessment and forecasting; development of recommendations on minigrid waste management and decommissioning; development of a best-practice guide for minigrid developers and operators; and development of a tracking and reporting system for the minigrid life-cycle, including decommissioning and waste management. Please see the relevant sections of the ProDoc and the Request for CEO Endorsement for details.

EK 10/18/2021: The term low-carbon mini-grids was updated to renewable mini-grids throughout the entire document .

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

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**Yes.**

Agency Response

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

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** Please elaborate further on the project's incremental reasoning/contribution from the baseline taking into account that the GEF funds only the incremental or additional of alternative clean technologies/option.

**PM 10/17/2021:**

**Cleared.**

## Agency Response

C.L 10/12/2021

The requested elaboration has been added to the Request for CEO Endorsement. All components and activities of the project have been designed in direct consultation with MoWIE and donor agencies to ensure that the AMP in Ethiopia is entirely incremental beyond baseline activities. Note in particular that the project is focusing on cooperative minigrids and associated productive use because this delivery model is not being developed under the large ongoing World Bank and African Development Bank projects. Similarly, other major AMP activities such as training of in-country minigrid operators and development of best practices on waste management and minigrid decommissioning are not covered by other initiatives.

**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

**9.7.2021 PM:**

**Yes.**

## Agency Response

**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

**9.7.2021 PM:**

**Yes.**

## Agency Response

**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

**9.7.2021 PM:**

**Yes.** The specific sites where the project will provide technical and investment support will be determined during the first three months of the project implementation.

Agency Response

**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

**9.7.2021 PM:**

**No.** This section shall be further reinforced by adding for instance the linkages to the AMP Regional Project (as included in the Agency ProDoc).

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Elaboration added as instructed, with details on linkages to the AMP Regional Project.

Part II, Section 1 (Project Description), item 1c (Child Project) of Request for CEO Endorsement

**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

**9.7.2021 PM:**

**No.** In addition to add a cross-reference to the ProDoc Annex, the Agency shall include a summary of the Stakeholder Engagement Plan in the GEF CEO Endorsement document.

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

The summary of the Stakeholder Engagement Plan has been added as instructed

Part II, Section 2 (Stakeholders) of the Request for CEO Endorsement

#### **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

**9.7.2021 PM:**

**No.** In addition to add a cross-reference to the ProDoc Annex, the Agency shall include a summary of the Gender Plan in the GEF CEO Endorsement document.

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

The summary of the Gender Action Plan has been added as instructed.

Part II, Section 3 (Gender Equality and Women's Empowerment), in the Request for CEO Endorsement

**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

**9.7.2021 PM:**

**Yes.**

**Agency Response**

**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

**9.7.2021 PM:**

**No.** In addition to a Covid-19 risk analysis (which has been provided in the CEO Endorsement document), please add an analysis of the potential Covid-19 opportunities. Also, under section 11 "Environmental and Social Safeguard (EES) Risk" table under section B is off the margin, please fix it.

**PM 10/17/2021:**

**Cleared.**

**Agency Response**

C.L 10/12/2021

This analysis of COVID-19 opportunities has been appended to the section on risks.

Part II, Risks to Achieving Project Objectives (after table listing risks) in the Request for CEO Endorsement

#### **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

**9.7.2021 PM:**

**Yes, with further request.** Kindly note that as per the GEF jargon, the Ministry is the executing agency of this project and not the implementing partner as described in section 6 "Institutional Arrangement and Coordination". Please update throughout the project proposal to avoid confusion with the implementing agency of the AMP, i.e. UNDP.

Also, we are very happy to see other developing partners (i.e. AfDB, WB, EU, etc.) sitting on the Project Board/Steering Committee of the project, specially given the multiple projects/initiatives of these partners on rural electrification in Ethiopia.

**PM 10/17/2021:**

**No.** This section has been updated and Implementing Partner has been replaced by Executing Agency. With many thanks for this, kindly note that the description of the role of the Executing Agency has been repeated, i.e. after explaining the role of UNDP in the CEO Endorsement Request (i.e. GEF Portal Entry), the role of the "Implementing Partner" has been included again (with the wrong name). Please remove the repeated paragraphs.

**PM 10/18/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Corrected as advised in the Request for CEO Endorsement. The UNDP Project Document retains required UNDP terminology, referring to the Ministry as the Implementing Partner.

EK 10/17/2021. The repeated paragraphs were deleted and the terminology changed from IP to executing agency.

#### **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  
**9.7.2021 PM:**

**No.** This section shall be further elaborated and include a list and a short description on how the project is aligned with existing national and international strategies/plans/policies.

**PM 10/17/2021:**

**Cleared.**

Agency Response  
C.L 10/12/2021

Elaboration has been added as instructed. Part II, Section 7 (Consistency with National Priorities) of Request for CEO Endorsement

#### **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  
**9.7.2021 PM:**

**No.** The KM section of the CEO Endorsement document shall be reinforced by adding information on:

- Overview of existing lessons and best practice that inform project concept
- Plans to learn from relevant projects, programs, initiatives& evaluations
- Proposed processes to capture, assess and document info, lessons, best practice& expertise generated during implementation

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Reinforcing information has been added as instructed. Part II, Section 8 (Knowledge Management) of the Request for CEO Endorsement

**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

**9.7.2021 PM:**

**Yes.**

Agency Response

**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

**9.7.2021 PM:**

**Yes.**

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** Please address the following comments:

- Add the budget table in Annex E. The table in tab "TBWP" of the budget excel sheet would suffice.
- Annex B "Responses to Project Reviews" is also missing.
- Also, the audit response template submitted with this endorsement request has been reviewed and cleared from a technical and programmatic perspective. The financial, operational, and policy due diligence may reveal issues that may still need to be addressed by UNDP.

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Budget table and notes have been added as Annex E to the Request for CEO Endorsement. This budget reflects reallocation of some technical tasks from Project Management Costs to technical components, with corresponding adjustments to co-financing.

Project Map and Coordinates now shown as Annex D (previously Annex E).

Annex B (Response to Council and STAP comments) has also been added.

## **Project Results Framework**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** The table of the Project Results Framework is off the margins, please update.

Agency Response

C.L 10/12/2021

The formatting and page orientation of the Project Results Framework has been rechecked and confirmed to be correct in both the ProDoc and the Request for CEO Endorsement, with the whole table visible.

Annex A (Project Results Framework) in the Request for CEO Endorsement  
Section 5 of the Project Document

## **GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**N/A.**

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** Please include a table listing all comments provided by Council at PFD approval stage. For those no relevant to this child project, please clearly indicate so. Council comments are available here:

[https://www.thegef.org/sites/default/files/work-program-documents/GEF\\_C.57\\_compilation\\_council\\_comments.pdf](https://www.thegef.org/sites/default/files/work-program-documents/GEF_C.57_compilation_council_comments.pdf)

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Incorporated. A table with the Council comments and agency responses has been included in the Request for CEO Endorsement, Annex B.

**STAP comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**No.** Please address STAP comments provided at the PFD stage, in particular:

1. The proposal presents an adequate list of stakeholders. However, the diesel generator industry is quite widespread in Africa and the project proponents need to consider how to ensure that they do not hinder project success. The project also need to consider incentives for alternative livelihoods for people involved in diesel generator industry.
2. What are the backups to prevent diesel generators from still being frequently used?

**PM 10/17/2021:**

**Cleared.**

Agency Response

C.L 10/12/2021

Incorporated. A table with the STAP comments and agency responses has been included in the Request for CEO Endorsement, Annex B.

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

N/A.

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

N/A.

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

N/A.

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

**9.7.2021 PM:**

**Yes**, the status of PPG utilization has been provided.

**10/22/2021 PM:**

**No**. Since only 10% of the PPG was utilized for this project, please elaborate further on what are the activities that have been funded and those that have been committed.

**PM 11/3/2021:**

**Cleared.**

Agency Response

C.G. 11/03/2021

The amount of PPG funds spent as of Oct 31, 2021, is USD 16,000 corresponding to 16% of the PPG funds. The remaining funds have been fully committed and will be spent over the course of the next 4-6 weeks to cover costs of final deliverables from PPG Team Lead, Environmental and Social safeguards consultant, Gender consultant, and other relevant costs to be covered by the Ethiopia country office related to PPG.

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

9.7.2021 PM:

Yes.

Agency Response

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

9.7.2021 PM:

N/A.

Agency Response

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

9.7.2021 PM:

N/A.

Agency Response

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

**9.7.2021 PM:**

N/A.

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

The GEF Sec is returning the CEO Endorsement to the Agency to address further comments.

**PM 10/17/2021:**

The GEF Sec is returning the CEO Endorsement to the Agency to address two minor pending comments (i.e. paragraph repeated under the Coordination Section and request to replace "low-carbon mini-grids" by "RE mini-grids" across the document.

**PM 10/22/2021:**

**No.** Please address comments above in green on PMC proportionality, Co-financing and PPG.

**PM 11/3/2021:**

**Cleared.**

**PM 12/15/2021:**

The Project is returned to the Agency to include amended versions of the CEO Endorsement and UNDP ProDoc which address Council comments.

**Review Dates**

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

<b>First Review</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>
<b>Additional Review (as necessary)</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**